



LOUISIANA STATE BOARD OF
PRIVATE INVESTIGATOR EXAMINERS
STATE OF LOUISIANA

BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2012

**LOUISIANA STATE BOARD OF PRIVATE INVESTIGATOR EXAMINERS
STATE OF LOUISIANA
BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012**

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*Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center*

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board Members of the
Louisiana State Board of Private Investigator Examiners
2051 Silverside Drive, Suite 190
Baton Rouge, Louisiana 70808

We have compiled the accompanying financial statements of the business-type activities of the Louisiana State Board of Private Investigator Examiners, a component unit of the State of Louisiana, as of and for the year ended June 30, 2012, which collectively comprise the Board's basic financial statements as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Louisiana State Board of Private Investigator Examiners is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of the Louisiana State Board of Private Investigator Examiners in presenting financial information in the form of financial statements without undertaking to provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Board's financial position, results of operation and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The budgetary comparison information is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or provide any assurance on the supplementary information.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated August 15, 2012, on the results of applying agreed-upon procedures.

The accompanying supplemental information listed in the table of contents under supplemental schedules and information is presented for purposes of additional analysis and is not a required part of the basic financial statements. We have compiled this supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or provide any assurance on the supplementary information.

A handwritten signature in black ink that reads "Marysue Stages, CPA". The signature is written in a cursive style with a large initial "M".

Mary Sue Stages, CPA
A Professional Accounting Corporation
August 15, 2012

BASIC FINANCIAL STATEMENTS

**LOUISIANA STATE BOARD OF PRIVATE INVESTIGATOR EXAMINERS
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2012**

	<u>Business-type Activities</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 415,727.10
Non-Current Assets	
Capital assets, net of accumulated depreciation:	
Office equipment	<u>18,170.57</u>
TOTAL ASSETS	<u><u>433,897.67</u></u>
LIABILITIES	
Current Liabilities	
Payroll withholdings and related payables	1,503.46
Accrued salaries payable	<u>4,822.97</u>
Total Current Assets	<u>6,326.43</u>
Non-Current Liabilities	
Compensated absences payable	18,057.05
Other post-employment benefits plan payable	<u>2,521.69</u>
Total Non-Current Liabilities	<u>20,578.74</u>
Total Liabilities	<u>26,905.17</u>
NET ASSETS	
Invested in capital assets, net of related debt	18,170.57
Restricted for legal fees and computer systems	60,000.00
Unrestricted	<u>328,821.93</u>
Total Net Assets	<u>406,992.50</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>433,897.67</u></u>

See Independent Accountants' Compilation Report

**LOUISIANA STATE BOARD OF PRIVATE INVESTIGATOR EXAMINERS
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2012**

	Business-type Activities
OPERATING REVENUES	
Licenses and other fees	\$ 292,319.25
Late fees and fines	14,065.00
Reimbursable expenses	3,607.16
Total Operating Revenues	309,991.41
 OPERATING EXPENSES	
Professional services	44,719.93
Meetings, conferences and travel	2,079.83
Salaries and related benefits	154,099.13
General and administrative expenses	75,318.13
Depreciation	6,768.80
Total Operating Expenses	282,985.82
Operating Income	27,005.59
 NON-OPERATING REVENUES (EXPENSES)	
Interest income	2,137.70
Copies/labels/exam materials	9,308.85
Total Non-Operating Revenues (Expenses)	11,446.55
Change in Net Assets	38,452.14
Total Net Assets, beginning	358,622.79
Adjustments to prior periods	9,917.57
Total Net Assets, ending	406,992.50

See Independent Accountants' Compilation Report

**LOUISIANA STATE BOARD OF PRIVATE INVESTIGATOR EXAMINERS
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012**

	<u>Business-type Activities</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 309,991.41
Cash paid to suppliers for goods and services	(114,347.50)
Cash paid to employees for services	<u>(146,724.06)</u>
Net Cash Provided by Operating Activities	48,919.85
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Non-operating revenue sources	<u>9,308.85</u>
Net Cash Provided by Non-Capital Financing Activities	9,308.85
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	<u>(5,165.87)</u>
Net Cash Used for Capital and Related Financing Activities	(5,165.87)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned on certificates of deposit	<u>2,137.70</u>
Net Cash Provided by Investing Activities	<u>2,137.70</u>
Net Increase in Cash and Cash Equivalents	55,200.53
Cash and Cash Equivalents, beginning of year	<u>360,526.57</u>
Cash and Cash Equivalents, end of year	<u><u>415,727.10</u></u>

Continued

LOUISIANA STATE BOARD OF PRIVATE INVESTIGATOR EXAMINERS
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS (Continued)
YEAR ENDED JUNE 30, 2012

	<u>Business-type Activities</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 27,005.59
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	6,768.80
Prior period adjustments	9,917.57
Increase (decrease) in liabilities:	
Accounts payable	(2,147.18)
Payroll withholdings and related payables	(1,039.12)
Accrued salaries payable	2,887.19
Compensated absences payable	5,211.46
Other post-employment benefits payable	315.54
	<hr/>
Net Cash Provided by Operating Activities	<u><u>48,919.85</u></u>

See Independent Accountants' Compilation Report

SUPPLEMENTAL SCHEDULES AND INFORMATION

LOUISIANA STATE BOARD OF PRIVATE INVESTIGATOR EXAMINERS
STATE OF LOUISIANA
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2012

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
OPERATING REVENUES				
Licenses and other fees	\$ 275,100.00	\$ 275,100.00	\$ 292,319.25	\$ 17,219.25
Late fees and fines	22,575.00	22,575.00	14,065.00	(8,510.00)
Reimbursable expenses	-	-	3,607.16	3,607.16
Total Operating Revenues	297,675.00	297,675.00	309,991.41	12,316.41
OPERATING EXPENSES				
Professional services	36,450.00	36,450.00	44,719.93	(8,269.93)
Meetings, conferences and travel	1,402.00	1,402.00	2,079.83	(677.83)
Salaries and related benefits	142,275.00	142,275.00	154,099.13	(11,824.13)
General and administrative expenses	81,307.00	81,307.00	75,318.13	5,988.87
Depreciation	15,000.00	15,000.00	6,768.80	8,231.20
Total Operating Expenses	276,434.00	276,434.00	282,985.82	(6,551.82)
Operating Income	21,241.00	21,241.00	27,005.59	5,764.59
NON-OPERATING REVENUES (EXPENSES)				
Interest income	420.00	420.00	2,137.70	1,717.70
Copies and labels	6,195.00	6,195.00	9,308.85	3,113.85
Total Non-Operating Revenues (Expenses)	6,615.00	6,615.00	11,446.55	4,831.55
Change in Net Assets	27,856.00	27,856.00	38,452.14	10,596.14
Fund Balances, beginning, restated	368,540.36	368,540.36	368,540.36	-
Fund Balances, ending	396,396.36	396,396.36	406,992.50	10,596.14

See Independent Accountants' Compilation Report

**LOUISIANA STATE BOARD OF PRIVATE INVESTIGATOR EXAMINERS
STATE OF LOUISIANA
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2012**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, this schedule of per diem paid to board members is presented for the year ended June 30, 2012. The Board members of the Louisiana State Board of Private Investigator Examiners are not paid a per diem for meeting attendance or other Board business. A listing of the Board members, including all that served during the year, follows.

Name

Childers, Bruce
Dugas, Maria
Fayard, III, Calvin C. "Trey"
Kovac, Annette
Landry, Kenneth
Mowell, John
Wallace, Lance

See Independent Accountants' Compilation Report

**MARY SUE STAGES, CPA
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Governmental Audit Quality Control Center*

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board Members of the
Louisiana State Board of Private Investigator Examiners
2051 Silverside Drive, Suite, 290
Baton Rouge, Louisiana 70808

We have performed the procedures enumerated below as they are a required part of the engagement. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked "not applicable".

Management of the Louisiana State Board of Private Investigator Examiners, a component unit of the State of Louisiana, is responsible for its financial records, establishing internal controls over financial reporting and compliance with applicable laws and regulations. These procedures were agreed to by management of the Louisiana State Board of Private Investigator Examiners and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about the Louisiana State Board of Private Investigator Examiners' compliance with certain laws and regulations during the year ended June 30, 2012.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

General

1. Determine if there are adequate written policies and procedures for the primary financial and business functions of the entity.

No exceptions noted.

2. Perform analytical procedures comparing current and prior year financial statements by line item. Identify and obtain explanations for variances of 10% or greater for line items and/or 10% or more of the respective assets, liabilities, equity, revenues and expenses.

No exceptions noted.

Cash

1. Prepare a proof of cash for the period covered by the financial statements.

This was accomplished for each bank account maintained by the Board.

2. Determine if cash collection responsibilities are adequately segregated to ensure that the person responsible for cash collections is not responsible for posting accounts receivable or making deposits.

No exceptions noted.

3. Determine if bank reconciliations have been prepared for all months in the period covered by the financial statements. Determine if there is evidence of management review of the bank reconciliations. Determine if the reconciled balance for the final month of the fiscal or calendar year agrees to the general ledger.

No exceptions noted.

Credit Cards

1. Obtain from management a listing of all active credit/debit cards for the period under examination, including the card numbers and the names of the persons who maintained possession of the card.

This information was obtained.

2. Obtain the monthly statements for all credit/debit cards used during the period under examination and select for detailed review the largest (dollar amount) statement for the two cards with the most activity:

a. obtain the entity's supporting documentation for the largest purchase/charge shown on each selected monthly statement:

1. determine if each purchase is supported by:
 - i. an original itemized receipt;
 - ii. documentation of the business/public purpose;
 - iii. other documentation as may be required by policy; and

2. determine if selected purchases effectively circumvented the entity's normal procurement/purchasing process and/or the Louisiana Public Bid Law.

b. determine if there is evidence of management review of the two selected statements.

No exceptions noted.

Travel and Expense Reimbursement

1. Obtain a listing of all travel and related expense reimbursements during the period under examination and trace to the general ledger for completeness. Select for review the three persons who were reimbursed the most money:

a. obtain all of the expense reimbursement reports of each selected person, including the supporting documentation and choose the largest expense report from each person to review in detail:

1. determine if each expenditure is:
 - i. reimbursed in accordance with written policy and applicable laws;
 - ii. for an appropriate and necessary business purpose relative to the travel; and
2. determine if each expenditure is supported by:
 - i. an original itemized receipt;
 - ii. documentation of the business/public purpose;
 - iii. other documentation as may be required by policy; and

3. determine if each expense report was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

Contracts

1. Review accounting records for the period under examination to identify individuals/businesses being paid for contracted services. Select five "vendors" that were paid the most money during the period and determine if there is a formal/written contract that supports these services arrangement.

Appropriate review and information was obtained.

2. Obtain a listing of all active contracts and the expenditures made during the period under examination and trace to the general ledger for completeness. Select for detailed review, the largest (dollar amount) contract in each of the following categories that was entered into during the period - (1) services; (2) materials and supplies; and (3) public works.

a. obtain the selected contract and the related paid invoices and:

1. determine if the contract is a related party transaction by obtaining management's representation; and

2. determine if the transaction is subject to the Louisiana Public Bid Law or Procurement Code:

 i. if yes, determine if the entity complied with all requirements; and
 ii. if no, determine if the entity provided an open and competitive atmosphere for the transaction/work; and

3. determine if the contract was amended;

- i. if so, determine whether the original contract contemplated or provided for such an amendment; and
 - ii. determine if the amendment is outside of the scope of the original contract:
 - a. if so, whether it should have been separately bid and contracted; and
4. select the largest payment from each of the three largest contracts selected above and determine if the invoice(s) received and payment complied with the terms and conditions of the contract; and
5. determine if there is documentation of board approval, if required.

No exceptions noted.

Payroll and Personnel

1. Obtain a listing of employment contracts/salaries in force during the period under examination and trace to the general ledger for completeness. Select the five highest paid employees and:
 - a. determine if payments issued during the period under examination were done in strict accordance with the terms and conditions of the contract or pay rate structure; and
 - b. determine if changes made to hourly pay rates/salaries during the period under examination were approved in writing and in accordance with policy.

No exceptions noted.

2. Select the attendance and leave records for one pay period in which leave has been taken by at least one employee and:
 - a. determine if all employees are documenting their daily attendance and leave; and
 - b. determine if supervisors are approving, in writing, the attendance and leave of all employees; and
 - c. determine if the entity is maintaining accurate written leave records on all eligible employees.

No exceptions noted.

3. Select the two largest termination payments made during the period under examination. Determine if the payments were supported by adequate documentation made in strict accordance with policy and/or contract and properly approved.

Not applicable.

Budget

1. Obtain a copy of the legally adopted budget and all amendments.

Copies were obtained.

2. Trace the budget adoption and amendments to the minute book.

The adoption and subsequent amendment was traced to the minute book.

3. Compare the total revenues and total expenditures of the final budget to actual total revenues and total expenditures on the financial statements or AFR. Report variances of 10% or greater.

No exceptions noted.

Debt

1. If debt was issued during the financial statement period, verify that State Bond Commission approval was obtained, as applicable.

Not applicable.

2. Determine compliance with applicable debt covenants.

Not applicable.

Corrective Action

1. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures.

Not applicable.

We were not engaged to perform, and did not perform an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Louisiana State Board of Private Investigator Examiners and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:515, this report is distributed by the Legislative Auditor as a public document.



Mary Sue Stages, CPA
A Professional Accounting Corporation
August 15, 2012

**LOUISIANA STATE BOARD OF PRIVATE INVESTIGATOR EXAMINERS
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

We have compiled the financial statements of the Louisiana State Board of Private Investigator Examiners as of and for the year ended June 30, 2012, and have issued our report thereon dated August 15, 2012. We conducted our compilation in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

Financial Statement Findings

None

**LOUISIANA STATE BOARD OF PRIVATE INVESTIGATOR EXAMINERS
STATE OF LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2012**

2010-01 Travel and Expense Reimbursements

Condition. One request for expense reimbursements did not provide receipts or other form of payment proof for meals while in route. This particular reimbursement was submitted for expenses spanning the entire fiscal year while the agency typically requires submission within 30 days of incurring the expense.

Recommendation. We recommend that no reimbursements be made unless an original receipt or other acceptable form of documentation can be provided to indicate the place, date, amount and business purpose of the expense. Additionally, adhering to the 30 day practice should be required in order to record expenses timely and within the appropriate month/year that the expense was incurred.

Disposition. Resolved