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LOUISIANA REAL ESTATE COMMISSION
Office of the Governor
State of Louisiana
Baton Rouge, Louisiana

Audited Financial Statements
As of and For the Year Ended June 30, 2013

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Office of the Governor
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Audited Financial Statements
As of and For the Year Ended June 30, 2013

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State of Louisiana
LOUISIANA REAL ESTATE COMMISSION

BOBBY JINDAL
GOVERNOR

MEMORANDUM

TO: Division of Administration
Office of Statewide Reporting
and Accounting Policy
P O Box 94095
Baton Rouge, Louisiana 70804-9095

FROM: Jenny Yu, Fiscal Officer

DATE: 8/23/2013

RE: Required Financial Report Submission

Please find attached the AFR packet for the LA Real Estate Commission for the fiscal year ending 2013.

If you have any questions, please call me at (225) 925-1923 ext.-230.

POST OFFICE BOX 14785 BATON ROUGE, LA 70898-4785
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INDEPENDENT AUDITOR'S REPORT

Louisiana Real Estate Commission
Office of the Governor
State of Louisiana
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Louisiana Real Estate Commission, a component unit of the State of Louisiana, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Real Estate Commission as of June 30, 2013, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the Louisiana Real Estate Commission's basic financial statements. The accompanying supplemental information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the Louisiana Real Estate Commission.

The accompanying supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with audit standards generally accepted in the United States of America. In our opinion, the accompanying supplemental information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2013, on our consideration of the Louisiana Real Estate Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Louisiana Real Estate Commission's internal control over financial reporting and compliance.

Roy Chenevert, CPA

Baton Rouge, Louisiana
August 28, 2013

Louisiana Real Estate Commission
Office of the Governor
State of Louisiana
Statement of Net Position
June 30, 2013

Assets	
Current assets	
Cash (note 2)	$2,291,562
Non-current assets	
Capital assets, net of depreciation (note 3)	3,093,734
Total assets	5,385,296
Liabilities	
Current liabilities	
Accounts payable (note 7)	110,775
Deposits held for others	75,589
Due to Louisiana Real Estate Appraisers Board	45,325
Current portions of long-term liabilities	
Accrued compensated absences (note 8)	36,981
Note payable (note 9)	47,740
Total current liabilities	316,410
Non-current liabilities	
Accrued compensated absences (note 8)	20,192
OPEB payable (note 5)	1,096,800
Note payable (note 9)	838,811
Total non-current liabilities	1,955,803
Total liabilities	2,272,213
Net position	
Net investment in capital assets	3,093,734
Restricted for other specific purposes	400,000
Unrestricted	(380,651)
Total net position	$3,113,083

See accompanying notes to the financial statements.

Louisiana Real Estate Commission
Office of the Governor
State of Louisiana
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2013

Operating revenues	
Licenses, permits, and fees	$2,339,997
Operating expenses	
Personal services	1,387,284
Travel	37,107
Operating services	204,014
Supplies	20,009
Professional services	172,701
Other charges	63,511
Capital outlay	2,271
Depreciation	84,912
Total operating expenses	1,971,809
Operating income	368,188
Non-operating revenues (expenses)	
Use of money and property	2,595
Other revenues	2,514,133
Other expenses	(2,467,144)
Interest expense	(45,140)
Total non-operating revenues (expenses)	4,444
Change in net position	372,632
Net position, beginning of year	2,740,451
Net position, end of year	$3,113,083

See accompanying notes to the financial statements.

Louisiana Real Estate Commission
Office of the Governor
State of Louisiana
Statement of Cash Flows
Year Ended June 30, 2013

Cash flows from operating activities	
Cash received from customers	$2,408,381
Cash paid to suppliers for goods and services	(489,973)
Cash paid to employees for services	(1,320,045)
Net cash provided by operating activities	598,363
Cash flows from non-capital financing activities	
Other non-operating revenue	2,514,133
Other non-operating expenses	(2,467,144)
Net cash provided by non-capital financing activities	46,989
Cash flows from capital and related financing activities	
Principal paid on note payable	(58,758)
Interest paid on note payable	(45,140)
Net cash (used) by capital and related financing activities	(103,898)
Cash flows from investing activities	
Proceeds from redemption of investments	189,000
Interest received	2,595
Net cash provided by investing activities	191,595
Net increase in cash	733,049
Cash, beginning of year	1,558,513
Cash, end of year	$2,291,562

See accompanying notes to the financial statements.

Louisiana Real Estate Commission
Office of the Governor
State of Louisiana
Statement of Cash Flows
Year Ended June 30, 2013

Reconciliation of operating income to net cash provided by operating activities	
Operating income	$368,188
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	84,912
Decrease in due from other funds	68,384
(Decrease) in accounts payable	(35,685)
Increase in accrued payroll and related benefits	690
Increase in due to other funds	45,325
Increase in accrued compensated absences	1,049
Increase in OPEB payable	65,500
Net cash provided by operating activities	$598,363

See accompanying notes to the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Date of Management's Review
Subsequent events were evaluated through August 28, 2013, which is the date the financial statements were available to be issued.

Nature of Activities
The Louisiana Real Estate Commission is a component unit of the State of Louisiana created under the provisions of Louisiana Revised Statute 37:1430 - 1470, within the Office of the Governor, and is domiciled in East Baton Rouge Parish. The commission consists of eleven members appointed by the governor. The members may receive a per diem not to exceed $50 per meeting or day spent on business of the commission, plus travel expenses. The commission is charged with the responsibility of regulating the issuance of real estate licenses and timesharing registrations. Operations of the commission are funded through self-generated revenues.

Basis of Presentation
The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and financial reporting standards.

Reporting Entity
GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The commission is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the commission members and public service is rendered within the state's boundaries. The accompanying financial statements present only transactions of the Louisiana Real Estate Commission. Annually, the State of Louisiana issues basic financial statements, which include the activity contained in the accompanying financial statements.

Fund Accounting
All activities of the commission are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of Accounting
The accounting and financial reporting treatment applied to the commission is determined by its measurement focus. The transactions of the commission are accounted for on a flow of economic resources measurement focus. With this

measurement focus, all assets and all liabilities associated with the operations are included on the Statement of Net Position. Net position is segregated into net investment in capital assets, restricted, and unrestricted.

Budget Practices
Annually, the commission adopts a budget as prescribed by Revised Statute 39:1331-1342. The budget for fiscal year ended June 30, 2013, was adopted on October 19, 2011 and is prepared on the modified accrual basis of accounting. Although budget amounts lapse at year-end, the commission retains its unexpended net position to fund expenditures of the succeeding year.

Cash and Investments
Cash includes petty cash, demand deposits and certificates of deposit. Under state law, the commission may deposit funds in a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the commission may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the commission may invest in United States Treasury obligations, United States government agency obligations, and direct security repurchase agreements, or in eligible mutual funds that invest in these securities. Investments are stated at fair value.

Capital Assets
Capital assets are recorded at cost, if purchased or constructed. Assets acquired through contributions are capitalized at their estimated fair value, if available, or at estimated fair value or cost to construct at the date of the contribution. Furniture and equipment includes all items valued over $5,000. Assets are depreciated using the straight-line method over the useful lives of the assets as follows:

	Years
Automobiles	5
Data processing equipment	5
Furniture and equipment	10
Buildings	40

Compensated Absences
Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits. Compensated absences are computed in accordance with GASB Codification Section C60, and are recognized as an expense and liability in the financial statements when incurred.

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned. Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employee's hourly rate of pay at termination or transfer. Compensatory leave is computed in accordance with GASB Codification Section C60.105, and is recognized as an expense and liability in the financial statements when incurred.

Net Position

Net position comprises the various net earnings from operation, non-operating revenues, expenses, and contributions of capital. Net position is classified in the following three components:

Net investment in capital assets – Consists of all capital assets, net of accumulated depreciation.

Restricted – Consists of external constraints placed on net position use imposed by law through enabling legislation. The Louisiana Real Estate Recovery Fund has $400,000 of net assets restricted by Louisiana Revised Statute 37:1461.

Unrestricted – Consists of all other net position accounts that are not included in the other categories previously mentioned.

NOTE 2 – CASH

At June 30, 2013, the commission has cash (book balances) totaling $2,291,562.

Deposits in bank accounts 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 similar federal security or the pledge of securities owned by the fiscal agent banks. The fair value of the pledged securities plus the federal security must at all times equal the amount on deposit with the fiscal agents. At June 30, 2013, the commission has $2,355,746 in deposits (collected bank balances) that were 100 percent insured or collateralized with securities held by the commission or its agent in the commission's name.

NOTE 3 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Capital assets not depreciated				
Land	$ 198,460	$ -	$ -	$ 198,460
Total capital assets not depreciated	$ 198,460	$ -	$ -	$ 198,460
Other capital assets				
Furniture & equipment	$ 125,093	$ -	$ -	$ 125,093
Less accumulated depreciation	(122,661)	(2,300)	-	(124,961)
Building	3,304,484	-	-	3,304,484
Less accumulated depreciation	(326,730)	(82,612)	-	(409,342)
Total other capital assets	$2,980,186	$ (84,912)	$ -	$2,895,274
Capital asset summary:				
Capital assets not depreciated	$ 198,460	$ -	$ -	$ 198,460
Other capital assets	3,429,577	-	-	3,429,577
Less accumulated depreciation	(449,391)	(84,912)	-	(534,303)
Capital assets, net	$ 3,178,646	$ (84,912)	$ -	$ 3,093,734

NOTE 4 – RETIREMENT SYSTEM

Substantially all employees of the commission belong to the Louisiana State Employees Retirement System, a single employer defined benefit pension plan. The System is a statewide public employee retirement system and is available to all eligible employees. The System publishes annual financial reports that include detailed historical, financial, and actuarial information.

All full time commission employees are eligible to participate in the System. Benefits vest with 10 years of service. Generally, 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, except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to participate before July 1, 2006 are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of services, 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. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of ten 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. The report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members hired before July 1, 2006 are required by state statute to contribute 7.5% of gross salary, while members hired after June 30, 2006 contribute 8% of gross salary. The commission is required to contribute at an actuarially determined rate as required by Revised Statute 11:102. The commission's contribution rates for fiscal years ended June 30, 2013, 2012, and 2011 were 29.1%, 25.6%, and 22%, respectively, of annual covered payroll. The commission's contributions to the System for the years ending June 30, 2013, 2012, and 2011 were $252,044, $238,907, and $215,247, respectively, which are the required contributions for each year.

NOTE 5 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Plan Description

The Commission provides certain continuing health care and life insurance benefits for its eligible retired employees and their beneficiaries through participation in the State of Louisiana's health insurance plan administered by the Office of Group Benefits (OGB), an agent multiple-employer defined benefit plan. Louisiana Revised Statute 42:801-883 assigns the authority to establish and amend the benefit provisions of the plan to the state legislature. The OGB does not issue a stand-alone report; however, OGB is included in the State of Louisiana's Comprehensive Annual Financial Report (CAFR) which may be obtained from the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap, by writing to P.O. Box 94095, Baton Rouge, Louisiana 70804-9095, or by calling (225) 342-0708.

Funding Policy

Louisiana Revised Statute 42:801-883 assigns the authority to establish and amend the benefit provisions of the plan to the state legislature. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums. Employees hired before January 1, 2002 pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee cost). Employees hired on or after January 1, 2002 pay a percentage of the contribution rate based on years of service. The contribution rate ranges from 25% to 81%. Other post-employment benefits (OPEB) administered through the OGB are financed on a pay-as-you-go basis.

Annual OPEB Cost

For the 2012/13 fiscal year, the Commission's annual OPEB cost (expense) of $170,900 was equal to the annual required contribution (ARC). The Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012/13 fiscal year are:

Fiscal Year	Annual OPEB cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/13	$ 170,900	61.7%	$1,096,800
6/30/12	$ 178,800	65.8%	$1,031,300
6/30/11	$ 231,400	29.7%	$ 970,100

Funded Status and Funding Progress: The funded status of the plan as of July 1, 2012 is as follows:

Actuarial accrued liability (AAL)	$2,777,300
Actuarial value of plan assets	None
Unfunded actuarial accrued liability (UAAL)	$2,777,300
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	$871,442
UAAL as a percentage of covered payroll	319%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions
Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2012 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of expenses) and an annual healthcare cost trend rate of 8.0% (pre-medicare) and 6.0% (medicare eligible) initially, reduced by decrements to an ultimate rate of 4.5% (pre-medicare and medicare eligible) and after fifteen years. The unfunded actuarial liability is shown using both a level dollar amount and a level percent of pay over an amortization period of thirty years in developing the annual required contribution.

NOTE 6 – LEASE AND RENTAL COMMITMENTS

Lease and rental expenses for the year ended June 30, 2013 totaled $16,750. The Commission has no capital leases.

NOTE 7 – PAYABLES

At June 30, 2013, the Commission had payables totaling $110,775 as follows:

Accounts payable	$ 87,238
Accrued wages payable	23,182
Refunds payable	355
Total payables	$110,775

NOTE 8 – COMPENSATED ABSENCES

The following is a summary of changes in compensated absences for the year ended June 30, 2013:

	July 1, 2012	Additions	June 30, 2013
Compensated Absences	$ 56,124	$ 1,049	$ 57,173

The additions to compensated absences during the 2012-13 fiscal year represents the net change during the year because the additions and deductions could not readily be determined.

NOTE 9 – NOTE PAYABLE

The Louisiana Real Estate Commission has received approval from the Louisiana Bond Commission to borrow the proceeds of revenue bonds to construct new office space for the commission located at 9071 Interline Avenue, Baton Rouge, Louisiana. The bond proceeds will be used to pay off the interim construction loan on the building. On August 16, 2010, the loan was refinanced with Iberia Bank (formerly Omni Bank). As part of the refinancing, the loan was paid down by $446,538 to $1,200,000. On May 22, 2012, the loan was once again refinanced with Iberia Bank. As part of the refinancing, the loan was paid down by $194,627 to $950,000. The current loan has an interest rate of 4.85% with payments based on a 15 year amortization. It is anticipated that this note will be paid off before maturity by the issuance of the aforementioned bonds, which will have terms similar to the note. Security for the loan with Iberia Bank includes a pledge of Commission revenues, deposits with Iberia Bank, and a mortgage on the Commission's land and building.

The following is a schedule of payments for the note payable:

Fiscal year ending	Principal	Interest
2014	$ 47,740	$ 41,946
2015	50,107	39,578
2016	52,592	37,093
2017	55,201	34,485
2018	57,938	31,748
2019 - 2023	335,749	112,680
2024 - 2027	287,224	25,556
Total	$886,551	$323,086

NOTE 10 – LITIGATION

The Louisiana Real Estate Commission intervenes in lawsuits filed against licensees for the purpose of protecting the commission's exposure under the Louisiana Real Estate Recovery Fund. At June 30, 2013, the total exposure to the Recovery Fund is estimated to be $0.

NOTE 11 – OTHER REVENUES

Other revenues consist of $2,459,208 of fees collected from licensees and disbursed as premiums for errors and omissions insurance and $54,925 of miscellaneous revenue.

Other Report Required By
Government Auditing Standards

The following pages contain a report on internal control over financial reporting and on compliance with laws and regulations 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 basic financial statements and includes, where appropriate, any significant deficiencies and/or material weaknesses in internal control or compliance matters that would be material to the presented financial statements.

Roy Chenevert
CERTIFIED PUBLIC ACCOUNTANT

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

Louisiana Real Estate Commission
Office of the Governor
State of Louisiana
Baton Rouge, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Louisiana Real Estate Commission, a component unit of the State of Louisiana, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Louisiana Real Estate Commission's basic financial statements, and have issued our report thereon dated August 28, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Louisiana Real Estate Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Real Estate Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Louisiana Real Estate Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as item 2013-1 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Louisiana Real Estate Commission's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards.*

Louisiana Real Estate Commission's Response to the Finding

The Louisiana Real Estate Commission's response to the finding identified in our report is included immediately following the schedule of findings. The Louisiana Real Estate Commission's response was not subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Roy Chenevert, CPA

Baton Rouge, Louisiana
August 28, 2013

Roy Chenevert
CERTIFIED PUBLIC ACCOUNTANT

LOUISIANA REAL ESTATE COMMISSION
Office of the Governor
State of Louisiana
Schedule of Findings
For the Year Ended June 30, 2013

Type of auditor's report issued: Unqualified.

Internal control over financial reporting: Significant deficiency in internal control identified.

Compliance: No findings were identified.

2013-1: Monthly Reconcilement of the Due To/Due From Accounts

The Louisiana Real Estate Commission allocates certain operating expenses to various funds maintained by the Commission. The Commission's Accufund accounting software automatically allocates the expenses based on percentages approved by the Commission. The accounting staff maintains an electronic spreadsheet in order to compute the amount of cash to transfer between the funds. An audit adjustment was posted by the accounting department in order to agree the due to/due from accounts between the various funds. The adjustment was necessary because a monthly reconcilement had not been prepared comparing the cash transfers from the spreadsheet to the allocation of expenses in the Accufund records.

The accounting department should prepare monthly reconcilements of the expenses allocated to the cash transfers between the funds. Entries should be posted based on these monthly reconcilements.

State of Louisiana
LOUISIANA REAL ESTATE COMMISSION

BOBBY JINDAL
GOVERNOR

August 26, 2013

Roy Chenevert
Certified Public Accountant
14635 S. Harrells Ferry Road Suite 2B
Baton Rouge, LA 70816

Re: Monthly Reconcilement of the Due To/Due From Accounts

Dear Mr. Chenevert,

During the recent audit of the Louisiana Real Estate Commission for FY 2012-13, discussions were held regarding reconcilement of the Due To/Due From Accounts. As a result of our discussions and audit findings, our accounting department will prepare monthly reconcilements of the expenses allocated to the cash transfers between the funds, effective immediately. Entries shall be posted based on these monthly reconciliations.

Thank you for your thorough audit and input provided on the financial condition of our organization.

Regards,

Bruce Unangst

Bruce Unangst
Executive Director

POST OFFICE BOX 14785 BATON ROUGE. LA 70898-4785
(225) 925-1923 1-800-821-4529 FAX (225) 925-4501
www.lrec.state.la.us email: info@lrec.state.la.us

LOUISIANA REAL ESTATE COMMISSION
Office of the Governor
State of Louisiana
Summary Schedule of Prior Audit Findings

For the Year Ended June 30, 2012

2012-1: Non-compliance with State Property Inventory Regulations

Status of Finding: Resolved

During the fiscal year ending June 30, 2013, the Commission had only one addition to capital assets that was required to be added to the Louisiana Property Assistance Agency (LPAA) system, and the item was reported on a timely basis.

SUPPLEMENTAL INFORMATION SCHEDULES

PER DIEM PAID COMMISSION MEMBERS

The schedule of per diem paid to commission members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Per diem payments are authorized by Louisiana Revised Statute 37:1433. Commission members are paid $50 per day for commission meetings and official business.

SCHEDULE OF FUNDING PROGRESS FOR THE OTHER POSTEMPLOYMENT BENEFIT PLAN

Information about the other post-employment benefit plan (OPEB) funding progress was prepared in compliance with GASB 45.

DIVISION OF ADMINISTRATION – OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY – REPORTING PACKAGE

The reporting package of the Division of Administration – Office of Statewide Reporting and Accounting Policy (OSRAP) was completed in order to provide information to OSRAP to be used in the preparation of the State of Louisiana's Comprehensive Annual Financial Report (CAFR).

Louisiana Real Estate Commission
Office of the Governor
State of Louisiana
Schedule of Per Diem Paid Commission Members
For the Year Ended June 30, 2013

	Amount
Michael D. Bono	$ 800
Paul R. Burns	550
Pat Caffery	550
Archie Carraway	700
Timothy J. Flavin	1,150
James D. Gosslee	600
Rodney V. Noles	400
Sterling J. Ory (deceased)	600
Linda N. Smith	350
Cynthia Stafford	900
Frank A. Trapani	600
Evelyn Wolford (appointed April 26, 2013)	-
Total	$7,200

Louisiana Real Estate Commission
Office of the Governor
State of Louisiana
Schedule of Funding Progress
For the Year Ended June 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage Of Covered Payroll
7/1/12	NONE	$2,777,300	$2,777,300	0%	$ 871,442	319%
7/1/11	NONE	$2,390,500	$2,390,500	0%	$ 929,431	257%
7/1/10	NONE	$3,070,700	$3,070,700	0%	$1,166,449	263%

LOUISIANA REAL ESTATE COMMISSION
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2013

CONTENTS

Schedule Number

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ended June 30, 2013

LOUISIANA REAL ESTATE COMMISSION
Post Office Box 14785
Baton Rouge, Louisiana 70898-4785

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

LLAFileroom@lla.la.gov.

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Jenny Yu, Chief Financial Officer of the Louisiana Real Estate Commission who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Louisiana Real Estate Commission at June 30, 2013 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 23rd day of August, 2013.

Signature of Agency Official

Cleon Guillot
NOTARY PUBLIC

Prepared by: Jenny Yu

Title: Chief Financial Officer

Telephone No.: (225) 925-1923

Date: August 23, 2013

Email Address: JYu@lrec.state.la.us

Cleon Guillot
Notary Public
Commissioned for Life
Notary ID # 010386

This form was not Prepared by Notary. It is notarized to Identify signature ONLY.

STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2013

Management's Discussion and Analysis is not required to be completed by the Louisiana Real Estate Commission per instructions of the Division of Administration – Office of Statewide Reporting and Accounting Policy.

FINANCIAL HIGHLIGHTS

OVERVIEW OF THE FINANCIAL STATEMENTS

FINANCIAL ANALYSIS OF THE ENTITY

CAPITAL ASSET AND DEBT ADMINISTRATION

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

CONTACTING THE LOUISIANA REAL ESTATE COMMISSION'S (BTA) MANAGEMENT

STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
STATEMENT OF NET POSITION
AS OF JUNE 30, 2013

Statement A

ASSETS		
CURRENT ASSETS		
Cash and Cash equivalents	$	2,291,562
Restricted Cash and Cash Equivalents		
Investments		
Derivative Instruments		
Receivables (net of allowance for doubtful accounts)(Note U)		
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		
Notes Receivable		
Other Current Assets		
Total current assets		2,291,562 .
NONCURRENT ASSETS		
Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Investments		
Notes Receivable		
Captial assets, net of depreciation (Note D)		
Land non-depreciable easements		198,460
Buildings and improvements		2,895,142
Machinery and equipment		132
Infrastructure		
Intangible assets		
Construction/Development-in-progress		
Other noncurrent assets		
Total noncurrent assets		3,093,734 .
Total assets	$	-
DEFERRED OUTFLOWS OF RESOURCES		
Accumulated decrease in fair value of hedging derivatives	$	
Total assets and deferred outflow of resources	$	5,385,296 .

STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
STATEMENT OF NET POSITION
AS OF JUNE 30, 2013

Statement A

LIABILITIES			
CURRENT LIABILITIES:			
Accounts payable and accruals (Note V)	$	110,775	
Derivative instrument			
Due to other funds (Note Y)		45,325	
Due to federal government			
Deferred revenues			
Amounts held in custody for others		75,589	
Other current liabilities			
Current portion of long-term liabilities: (Note K)			
Contracts payable			
Compensated absences payable		36,981	
Capital lease obligations			
Claims and litigation payable			
Notes payable		47,740	
Pollution remediation obligation			
Bonds payable (include unamortized costs)			
Other long-term liabilities			
Total current liabilities		316,410	-
NONCURRENT LIABILITIES			
Contracts payable			
Compensated absences payable		20,192	
Capital lease obligations			
Claims and litigation payable			
Notes payable		838,811	
Pollution remediation obligation			
Bonds payable (include unamortized costs)			
OPEB payable		1,096,800	
Other long-term liabilities			
Total noncurrent liabilities		1,955,803	-
Total liabilities		2,272,213	-
DEFERRED INFLOWS OF RESOURCES			
Accumulated increase in fair value of hedging derivatives	$		
Deferred service concession arrangement receipts			
Total deferred inflows of resources			-
NET POSITION			
Net investment in capital assets		3,093,734	
Restricted for:			
Capital projects			
Debt sesrvice			
Unemployment compensation			
Other specific purposes		400,000	
Unrestricted		(380,651)	
Total net position		3,113,083	
Total liabilities, deferred inflows of resources, and net position	$	5,385,296	

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

STATE OF LOUISIANA **Statement B**

LOUISIANA REAL ESTATE COMMISSION (BTA)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2013

OPERATING REVENUE	
Sales of commodities and services	$
Assessments	
Use of money and property	
Licenses, permits, and fees	2,339,997
Federal grants and contracts	
State, local and nongovernmental grants and contracts	
Other	
Total operating revenues	2,339,997
OPERATING EXPENSES	
Cost of sales and services	
Administrative	1,886,897
Depreciation	84,912
Amortization	
Total operating expenses	1,971,809
Operating income(loss)	368,188
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	
Intergovernmental revenues(expenses)	
Taxes	
Use of money and property	2,595
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	
Federal grants	
Interest expense	(45,140)
Other revenue	2,514,133
Other expense	(2,467,144)
Total non-operating revenues(expenses)	4,444
Income(loss) before contributions, extraordinary items, & transfers	372,632
Capital contributions	
Extraordinary item	
Transfers in	
Transfers out	
Change in net assets	372,632
Total net assets – beginning	2,740,451
Total net assets – ending	$ 3,113,083

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

Statement C

STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Entity	$ 2,016,949	$ 2,339,997	$	$	$ 323,048
General revenues:					
Taxes					
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					2,595
Miscellaneous					46,989
Special items					
Extraordinary item					
Transfers					
Total general revenues, special items, and transfers					49,584
Change in net assets					372,632
Net position - beginning as restated					2,740,451
Net position - ending					$ 3,113,083

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

Statement D
(continued)

Cash flows from operating activities		
Cash receipts from customers	$ 2,408,381	
Cash receipts from grants and contracts		
Cash receipts from interfund services provided		
Other operating cash receipts, if any		
Cash payments to suppliers for goods or services	(489,973)	
Cash payments to employees for services	(1,320,045)	
Cash payments for interfund services used, including payments "In Lieu of Taxes"		
Other operating cash payments, if any (* provide explanation)		
Net cash provided(used) by operating activities		598,363
Cash flows from non-capital financing activities		
State Appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other (**provide explanation)	46,989	
Net cash provided(used) by non-capital financing activities		46,989
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable	(58,758)	
Interest paid on notes payable	(45,140)	
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Deposits with trustees		
Other (*** provide explanation)		
Net cash provided(used) by capital and related financing activities		(103,898)
Cash flows from investing activities		
Purchases of investment securities		
Proceeds from sale of investment securities	189,000	
Interest and dividends earned on investment securities	2,595	
Net cash provided(used) by investing activities		191,595
Net increase(decrease) in cash and cash equivalents		733,049
Cash and cash equivalents at beginning of year		1,558,513
Cash and cash equivalents at end of year		$ 2,291,562

STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

Statement D
(concluded)

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

Operating income(loss)		$ 368,188
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization	84,912	
Provision for uncollectible accounts		
Other		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net		
(Increase)decrease in due from other funds	68,384	
(Increase)decrease in prepayments		
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals	(34,995)	
Increase(decrease) in compensated absences payable	1,049	
Increase(decrease) in due to other funds	45,325	
Increase(decrease) in deferred revenues		
Increase(decrease) in OPEB payable	65,500	
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		$ 598,363

Schedule of noncash investing, capital, and financing activities:

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

The accompanying notes are an integral part of this statement.

LOUISIANA REAL ESTATE COMMISSION (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

Please provide an explanation of what is included in "other." If there are multiple reasons, please list each out separately along with the amount.

*** Other (operating cash payments)**

****Other (cash flows from non capital financing activities)**

___Net of other revenues and expenses. Other revenues consist of $2,459,208 of fees collected from licensees and disbursed as premiums for errors and omissions insurance of $2,467,144. Miscellaneous revenues total $54,925.

*****Other (cash flows from capital and related financing activities)**

STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2013

INTRODUCTION

The Louisiana Real Estate Commission (BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:1430 - 1470. The following is a brief description of the operations of Commission's (BTA) and includes the parish/parishes in which the (BTA) is located:

The Louisiana Real Estate Commission is domiciled in East Baton Rouge Parish. The commission consists of eleven members appointed by the governor. The members may receive a per diem not to exceed $50 per meeting or day spent on business of the commission, plus travel expenses. The commission is charged with the responsibility of regulating the issuance of real estate licenses and timesharing registrations. Operations of the commission are funded through self-generated revenues.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

The accompanying financial statements of the Commission (BTA) present information only as to the transactions of the programs of the Commission (BTA) as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Commission (BTA) are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Commission (BTA) are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

		APPROPRIATIONS
Original approved budget	$	2,149,817
Amendments:		(55,271)
Final approved budget	$	2,094,546

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Commission (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch 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.

For the purpose of the statement of cash flows and statement of net position presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

The deposits at June 30, 2013, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per statement of net position (Reconciled bank balance)	$ 2,291,562	$	$	$ 2,291,562
Deposits in bank accounts per bank	$ 2,355,746	$	$	$ 2,355,746
Bank balances exposed to custodial credit risk:	$	$	$	$
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution				
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's name				

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

Banking Institution	Program	Amount
1. Iberia Bank		$ 2,044,235
2. JP Morgan Chase		311,511
3.		
4.		
Total		$ 2,355,746

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

Cash in state treasury	$ NONE
Petty cash	$ 300

2. INVESTMENTS

The Louisiana Real Estate Commission (BTA) has no investment accounts as of June 30, 2013.

3. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

   A. Credit Risk of Debt Investments - NOT APPLICABLE

   B. Interest Rate Risk of Debt Investments – NOT APPLICABLE

   C. Concentration of Credit Risk – NOT APPLICABLE

   D. Foreign Currency Risk – NOT APPLICABLE

4. DERIVATIVES (GASB 53) – NOT APPLICABLE

   A. Summary of Derivative Instruments

   B. Investment Derivative Instruments

   C. Hedging Derivative Instruments

   D. Contingent Features

   E. Hybrid Instruments

   F. Synthetic Guaranteed Investment Contracts (SGICs)

5. POLICIES – NOT APPLICABLE

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS – NOT APPLICABLE

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

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

STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2013

Schedule of Capital Assets (includes capital leases)

Agency	Balance 6/30/2012	Prior Period Adjustments	Restated Balance 6/30/2012	Additions	* Reclassification of CIP	** Retirements	Balance 6/30/2013
Capital assets not depreciated:							
Land	$ 198,460	$	$ 198,460	$	$	$	$ 198,460
Non-depreciable land improvements			-				-
Non-depreciable easements			-				-
Capitalized collections			-				-
Software - development in progress			-				-
Construction in progress			-				-
Total capital assets not depreciated	$ 198,460	$ -	$ 198,460	$ -	$ -	$ -	$ 198,460
Other capital assets:							
Depreciable land improvements	$	$	$ -	$	$	$	$ -
** Accumulated depreciation			-				-
Total land improvements	-	-	-	-	-	-	-
Buildings	3,304,484		3,304,484				3,304,484
** Accumulated depreciation	(326,730)		(326,730)	(82,612)			(409,342)
Total buildings	2,977,754	-	2,977,754	(82,612)	-	-	2,895,142
Machinery & equipment	125,093		125,093				125,093
** Accumulated depreciation	(122,661)		(122,661)	(2,300)			(124,961)
Total machinery & equipment	2,432	-	2,432	(2,300)	-	-	132
Infrastructure			-				-
** Accumulated depreciation			-				-
Total infrastructure	-	-	-	-	-	-	-
Software (internally generated & purchased)			-				-
Other intangibles			-				-
** Accumulated amortization - software			-				-
** Accumulated amortization - other intangibles			-				-
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	$ 2,980,186	$ -	$ 2,980,186	$ (84,912)	$ -	$ -	$ 2,895,274
Capital asset summary:							
Capital assets not depreciated	$ 198,460	$ -	$ 198,460	$ -	$ -	$ -	$ 198,460
Other capital assets, book value	3,429,577	-	3,429,577	-	-	-	3,429,577
Total cost of capital assets	3,628,037	-	3,628,037	-	-	-	3,628,037
Accumulated depreciation/amortization	(449,391)	-	(449,391)	(84,912)	-	-	(534,303)
Capital assets, net	$ 3,178,646	$ -	$ 3,178,646	$ (84,912)	$ -	$ -	$ 3,093,734

* Should only be used for those completed projects coming out of construction-in-progress to capital assets.
** Enter a negative number except for accumulated depreciation in the retirement column

E. INVENTORIES - NOT APPLICABLE

F. RESTRICTED ASSETS – NOT APPLICABLE

G. LEAVE

1. COMPENSATED ABSENCES

The Commission (BTA) has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2013 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be $79. The leave payable is recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the (BTA) are members of the Louisiana State Employees Retirement System (LASERS), a single 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 (BTA) employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, 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 except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2012 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. A copy of the report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0600 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:
http://www.lasersonline.org/uploads/CAFR_2012.pdf

All members are required by state statute to contribute with the vast majority of employees of the state who became members before July 1, 2006 contributing 7.5% of gross salary. Act 75 of the 2005 Regular Session increases the member contribution rate from 7.5% to 8% for new members hired after June 30, 2006. The (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2013, increased to 29.1% of annual covered payroll from the 25.6% and 22% required in fiscal years ended June 30, 2012 and 2011 respectively. The (BTA) contributions to the System for the years ending June 30, 2013, 2012, and 2011, were $252,044, $238,907, and $215,247, respectively, equal to the required contributions for each year.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

1. Calculation of Net OPEB Obligation

STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2013

Annual OPEB expense and net OPEB Obligation

Fiscal year ending	06/30/13
1. * ARC	$169.1
2. * Interest on NOO	$41.3
3. * ARC adjustment	$39.4
4. * Annual OPEB Expense (1. + 2. - 3.)	$170.9
5. Contributions (employer pmts. to OGB for retirees' cost of 2013 insurance premiums)	$105.4
6. Increase in Net OPEB Obligation (4. - 5.)	$65.5
7. *NOO, beginning of year (see actuarial valuation report on OSRAP's website)	1031.3
8. **NOO, end of year (6. + 7.)	$1,096.8

*This must be obtained from the OSRAP website on the spreadsheet "GASB 45 OPEB Valuation Report as of July 1, 2012, to be used for fiscal year ending June 30, 2013."

**This should be the same amount as that shown on the statement of net position for the year ended June 30, 2013 if your entity's only OPEB is administered by OGB.

2. Note Disclosures

Plan Description

The Commission provides certain continuing health care and life insurance benefits for its eligible retired employees and their beneficiaries through participation in the State of Louisiana's health insurance plan administered by the Office of Group Benefits (OGB), an agent multiple-employer defined benefit plan. Louisiana Revised Statute 42:801-883 assigns the authority to establish and amend the benefit provisions of the plan to the state legislature. The OGB does not issue a stand-alone report; however, OGB is included in the State of Louisiana's Comprehensive Annual Financial Report (CAFR) which may be obtained from the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap, by writing to P.O. Box 94095, Baton Rouge, Louisiana 70804-9095, or by calling (225) 342-0708.

Funding Policy

Louisiana Revised Statute 42:801-883 assigns the authority to establish and amend the benefit provisions of the plan to the state legislature. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums. Employees hired before January 1, 2002 pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee cost). Employees hired on or after January 1, 2002 pay a percentage of the contribution rate based on years of service. The contribution rate ranges from 25% to 81%. Other post-employment benefits (OPEB) administered through the OGB are financed on a pay-as-you-go basis.

Annual OPEB Cost
For the 2012/13 fiscal year, the Commission's annual OPEB cost (expense) of $170,900 was equal to the annual required contribution (ARC). The Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012/13 fiscal year are:

Fiscal Year	Annual OPEB cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/13	$ 170,900	61.7%	$1,096,800
6/30/12	$ 178,800	65.8%	$1,031,300
6/30/11	$ 231,400	29.7%	$ 970,100

Funded Status and Funding Progress: The funded status of the plan as of July 1, 2012 is as follows:

Actuarial accrued liability (AAL)	$2,777,300
Actuarial value of plan assets	None
Unfunded actuarial accrued liability (UAAL)	$2,777,300
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	$871,442
UAAL as a percentage of covered payroll	319%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions
Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2012 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of expenses) and an annual healthcare cost trend rate of 8.0% (pre-medicare) and 6.0% (medicare eligible) initially, reduced by decrements to an ultimate rate of 4.5% (pre-medicare and medicare eligible) and after fifteen years. The unfunded actuarial liability is shown using both a level dollar amount and a level percent of pay over an amortization period of thirty years in developing the annual required contribution.

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2012-13 amounted to $16,750. A schedule of payments for operating leases follows: - NOT APPLICABLE

2. CAPITAL LEASES – NOT APPLICABLE

3. LESSOR DIRECT FINANCING LEASES – NOT APPLICABLE

4. LESSOR – OPERATING LEASE – NOT APPLICABLE

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2013:

	Year ended June 30, 2013				
	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Amounts due within one year
Notes and bonds payable:					
Notes payable	$ 945,309	$	$ 58,758	$ 886,551	$ 47,740
Bonds payable				-	
Total notes and bonds	945,309	-	58,758	886,551	47,740
Other liabilities:					
Contracts payable				-	
Compensated absences payable	56,124	1,049		57,173	36,981
Capital lease obligations				-	
Claims and litigation				-	
Pollution remediation obligation				-	
OPEB payable	1,031,300	65,500		1,096,800	
Other long-term liabilities				-	
Total other liabilities	1,087,424	66,549	-	1,153,973	36,981
Total long-term liabilities	$ 2,032,733	$ 66,549	$ 58,758	$ 2,040,524	$ 84,721

L. CONTINGENT LIABILITIES – NOT APPLICABLE

M. RELATED PARTY TRANSACTIONS – NOT APPLICABLE

N. ACCOUNTING CHANGES – NOT APPLICABLE

O. IN-KIND CONTRIBUTIONS – NOT APPLICABLE

P. DEFEASED ISSUES – NOT APPLICABLE

Q. REVENUES – PLEDGED OR SOLD (GASB 48)

1. PLEDGED REVENUES

The Louisiana Real Estate Commission has received approval from the Louisiana Bond Commission to borrow the proceeds of revenue bonds to construct new office space for the commission located at 9071 Interline Avenue, Baton Rouge, Louisiana. The bond proceeds will be used to pay off the interim construction loan on the building. On August 16, 2010, the loan was refinanced with Iberia Bank (formerly Omni Bank). As part of the refinancing, the loan was paid down by $446,538 to $1,200,000. On May 22, 2012, the loan was once again refinanced with Iberia Bank. As part of the refinancing, the loan was paid down by $194,627 to $950,000. The current loan has an interest rate of 4.85% with payments based on a 15 year amortization. It is anticipated that this note will be paid off before maturity by the issuance of the aforementioned bonds, which will have terms similar to the note. Security for the loan with Iberia Bank includes a pledge of Commission revenues, deposits with Iberia Bank, and a mortgage on the Commission's land and building

2. FUTURE REVENUES REPORTED AS A SALE - **NOT APPLICABLE**

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) – NOT APPLICABLE

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS – NOT APPLICABLE

T. SHORT-TERM DEBT – NOT APPLICABLE

U. DISAGGREGATION OF RECEIVABLE BALANCES – NOT APPLICABLE

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2013, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
	$ 87,238	$ 23,182	$	$ 355	$ 110,775
					-
Total payables	$ 87,238	$ 23,182	$ -	$ 355	$ 110,775

W. SUBSEQUENT EVENTS – NOT APPLICABLE

X. SEGMENT INFORMATION & REPORTING FUNDS OF A BLENDED COMPONENT UNIT – NOT APPLICABLE

Y. DUE TO/DUE FROM AND TRANSFERS

1. List by fund type the amounts **due from other funds** detailed by individual fund at fiscal year end:

   (Types of funds include general fund, statutory dedicated funds, discrete component unit funds, etc).

Type of Fund	Name of Fund	Amount
		$
Total due from other funds		$ NONE

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

Type of Fund	Name of Fund	Amount
LA Real Estate Appraisers Board		$ 45,325
Total due to other funds		$ 45,325

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

Type of Fund	Name of Fund	Amount
		$
Total transfers from other funds		$ NONE

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

Type of Fund	Name of Fund	Amount
		$
Total transfers to other funds		$ NONE

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS – NOT APPLICABLE

AA. PRIOR-YEAR RESTATEMENT OF NET POSITION – NOT APPLICABLE

BB. ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46)

Of the total assets reported on Statement A at June 30, 2013, $400,000 is restricted by enabling legislation. Enabling legislation authorizes a government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation.

Purpose of Restriction	LA Revised Statute Authorizing Revenue		Amount
LA Real Estate Recovery Fund	LSA-R.S. 37:1461	$	400,000
Total		$	400,000

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES – NOT APPLICALBE

DD. EMPLOYEE TERMINATION BENEFITS

The agency recognizes the cost of providing termination benefits as expenditures when paid during the year. For FY 2013, there was not termination benefits provided.

The liability for the accrued terminations benefits payable at June 30, 2013 is $0.

EE. POLLUTION REMEDIATION OBLIGATIONS – NOT APPLICABLE

STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2013

a (agency/department)

GASB 49
Inventory Log
FYE 6/30/13

NOT APPLICABLE

	e	f	g	h	i	j	k	l	m	n	o	p	q
Project Name	FP&C/ DEQ Project Number	Trigger Year	6/30/12 Ending Balance	Increases	Decreases (expenditures) (including accruals)	Decreases (other adjustments)	6/30/13 Ending Balance (including accruals)	Percent Complete	Current Portion of L/T Debt	Non-Current Portion of L/T Debt	Realizable Recoveries	13th Period Expenditures	Notes
Projects Reported @ 6/30/12: b													
							0						
							0						
							0						
							0						
							0						
							0						
							0						
			0	0	0	0	0		0	0	0	0	
Projects NOT Previously Reported c													
							0						
							0						
							0						
							0						
							0						
							0						
							0						
			0	0	0	0	0		0	0	0	0	
Projects Begun after 7/1/12: d													
							0						
							0						
							0						
							0						
							0						
							0						
							0						
							0						
			0	0	0	0	0		0	0	0	0	
Totals			0	0	0	0	0		0	0	0	0	

FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) – NOT APPLICABLE

GG. RESTRICTED ASSETS – OTHER SPECIFIC PURPOSES – NOT APPLICABLE

HH. SERVICE CONCESSION ARRANGEMENTS – NOT APPLICABLE

STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2013

Name	Amount
Michael D. Bono	$ 800
Paul R. Burns	550
Pat Caffery	550
Archie Carraway	700
Timothy J. Flavin	1150
James D. Gosslee	600
Rodney V. Noles	400
Sterling J. Ory (deceased)	600
Linda N. Smith	350
Cynthia Stafford	900
Frank A. Trapani	600
Evelyn Wolford (appointed April 26, 2013)	0
Total	$ 7,200

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

SCHEDULE 1

STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
SCHEDULE OF NOTES PAYABLE
JUNE 30, 2013

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/12	Redeemed (Issued)	Principal Outstanding 6/30/13	Interest Rates	Interest Outstanding 6/30/13
	5/22/12	$950,000	$945,309	$(58,758)	$886,551	4.85%	$ -
Total		$950,000	$945,309	$(58,758)	$886,551		$

*Send copies of new amortization schedules

STATE OF LOUISIANA

__________________________ (BTA)

SCHEDULE OF BONDS PAYABLE

____________, 20__

(Fiscal close)

NOT APPLICABLE

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
Series:							
______	______	$______	$______	$______	$______	______	$______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
Unamortized Discounts and Premiums Series:							
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
Total		$______	$______	$______	$______		$______

***Note: Principal outstanding (bond series minus unamortized costs) at 6/30/13 should agree to bonds payable on the statement of net position.**

Send copies of new amortization schedules for bonds and unamortized costs.

STATE OF LOUISIANA

________________________ (BTA)

SCHEDULE OF CAPITAL LEASE AMORTIZATION

For The Year Ended June 30, 20__

NOT APPLICABLE

Fiscal Year Ending:	Payment	Interest	Principal	Balance
2014	$	$	$	$ -
2015				-
2016				-
2017				-
2018				-
2019-2023				-
2024-2028				-
2029-2033				-
2034-2038				-
Total	$ -	$ -	$ -	$ -

STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For the Year Ended June 30, 2013

Fiscal Year Ending:	Principal	Interest
2014	$ 47,740.00	$ 41,946.00
2015	50,107.00	39,578.00
2016	52,592.00	37,093.00
2017	55,201.00	34,485.00
2018	57,938.00	31,748.00
2019-2023	335,749.00	112,680.00
2024-2028	287,224.00	25,556.00
2029-2033	--	--
2034-2038	--	--
Total	$ 886,551.00	$ 323,086.00

STATE OF LOUISIANA

__________________________ (BTA)

SCHEDULE OF BONDS PAYABLE AMORTIZATION

For The Year Ended June 30, 20__

NOT APPLICABLE

Fiscal Year Ending:	Principal	Interest
2014	$	$
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
Subtotal	--	--
Unamortized Discounts/Premiums		
Total	$ --	$ --

***Note: Principal outstanding (bond series plus minus unamortized costs) at 6/30/13 should agree to bonds payable on the statement of net position.**

SCHEDULE 4-C

STATE OF LOUISIANA

LOUISIANA REAL ESTATE COMMISSION (BTA)

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than **$5 million**, explain the reason for the change. **Please provide adequate details to clearly explain the change from last year.**

	2013	2012	Difference	Percentage Change
1) Revenues	$ 4,856,725	$4,630,471	$226,254	4.9%
Expenses	4,482,622	4,420,230	62,392	1.4%
2) Capital assets	3,093,734	3,178,646	(84,912)	(2.7%)
Long-term debt	886,551	945,309	(58,758)	(6.2%)
Net position	3,114,554	2,740,451	374,103	13.7%

Explanation for change:

SCHEDULE 16 – COOPERATIVE ENDEAVORS
FOR THE YEAR ENDED JUNE 30, 2013

NOT APPLICABLE

AGENCY NUMBER________
AGENCY NAME______________________

Contract Financial Management System #	Parties to the Coop	Brief Description of the Coop	Multi-year, One-Time, or Other Appropriation	Original Amount of Coop, Plus Amendments, if any	Date of Original Coop was Effective	End Date of Coop, as Amended, if Applicable	Funding Source per Coop Agreement based on Net Liability for the year ended June 30, 2013							Paid - Inception to Date for the year ended 6/30/2013	Net Liability for the year ended 6/30/2013
							100% State	100% SGR	100% Stat. Ded.	100% G.O. Bonds	100% Federal	100% IAT	100% Combination		
															0.00
															0.00
															0.00
															0.00
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															0.00
															0.00
															0.00
															0.00
															0.00
															0.00
		TOTAL		0.00			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00