

ARKANSAS BUDGET SYSTEM  
AGENCY PROGRAM COMMENTARY  
1999 - 2001

The projected income and established reserves generated by annual fees collected from the licensed/certified appraiser are projected to be sufficient to cover the expenditures noted in this proposed budget request by the Arkansas Appraiser Licensing and Certification Board.

Aside from the salaries, benefit section, the more significant part of this budget is the operating expense for this Agency. The operating expenses are becoming more defined in many areas resulting in our ability to make more intelligent projections based on agency history. The Agency plans to continue offering an annual seminar for the license holders and the additional moneys are projected for the sundry costs associated with this seminar. These seminars are funded by registration fees and the revenues of the '98 event offset the expense.

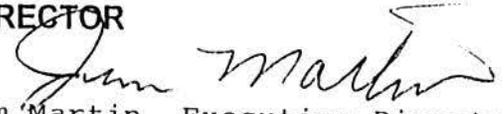
This Agency is operating with eleven board members and there exist a constant turn over due to the limitation on years served. This turnover results in a need to educate and inform the members of their responsibilities and participation. To enhance their competency when rendering decisions on policy matters, we not only have internal orientation sessions but encourage all the Board members to participate whenever possible in out-of-state seminars and conferences that will afford them an opportunity to learn more about their role in the regulatory process.

The Agency has now moved into the twentieth century by developing a web site and connecting with the Arkansas Home Page on behalf of the agency. This has resulted in an additional phone line and experience has not indicated an average monthly cost associated with this activity.

Capital Outlay will need to be budgeted once again in that the additional office furniture, document feeder, and filing cabinet(s) projected in the previous biennium was not purchased. We believe it incumbent on the budget process to provide for these anticipated purchases as well as the unforeseen.

Additional expenditures are included for the staff to participate in educational seminars and conferences. This proposed budget will also incorporate an increase in the office rent due to a October, 1999 rental adjustment.

In general, this proposed biennial budget is essentially the same as in previous years with positive adjustments in some categories and reductions in others reflecting a better understanding of the costs associated with operating the agency. Most of the significant changes in this budget are reflected within the salaries and benefit cost centers as opposed to any substantial increase in the overall operating expenses.

<b>AGENCY</b> AR Appraiser Licensing and Certification Board	<b>DIRECTOR</b>  Jim Martin, Executive Director	<b>AGENCY PROGRAM COMMENTARY BR21</b>	<b>PAGE</b> <b>17</b>
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ARKANSAS APPRAISER LICENSING AND CERTIFICATION BOARD  
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 1996

Assets				Liabilities			Total Equity
Cash and Investments	Fixed	Other	Total	Current	Long-Term	Total	
\$ 658,193	\$ 19,493	\$ 11,685	\$ 689,371	\$ 98,300	\$ 9,276	\$ 107,576	\$ 581,795

Revenues				Expenditures				Other Sources (Uses)		
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total	
\$ 0	\$ 0	\$ 246,140	\$ 31,116	\$ 277,256	\$ 96,439	\$ 0	\$ 3,212	\$ 63,088	\$ 162,739	\$ 0

Findings

CASH FUND RECONCILIATION - Review of the Agency's records revealed that the Accounting Federal Grants Management (AFGM) System's Fund Analysis Report was not being reconciled to the Agency's true cash balances as required by the State Accounting Procedures Manual, Chapter II-24.

Recommendations

Review and comply with Chapter II-24 of the State Accounting Procedures Manual regarding accountability and reconciliation of cash funds.

ARKANSAS BUDGET SYSTEM  
 EMPLOYMENT SUMMARY  
 AS REQUIRED BY ACT 358 OF 1993  
 (A.C.A 19-4-307)

AGENCY TITLE      205 - AR APPRAISER LICENSING & CERTIF BOARD

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>1</u>	<u>1</u>	<u>2</u>	<u>100%</u>
BLACK EMPLOYEES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
TOTAL EMPLOYED AS OF <u>08/08/98</u> DATE			<u>0</u>	<u>0%</u>
			TOTAL MINORITIES	
			<u>2</u>	<u>100%</u>
			TOTAL EMPLOYEES	

  
 AGENCY DIRECTOR

**CASH FUND BALANCE DESCRIPTION**  
**AS OF JUNE 30, 1998**

**AGENCY:** Appraiser Licensing and Certification Board (205)

ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
345	\$4,599.82	Checking	Nations Bank/LR	<p>ACA 17-14-203(10) authorizes the setting and collection of fees and for pass thru payment of a fee as required by Section 1109 (a)(2) of FIRREA of 1989- Currently set at \$25 per licensee.</p> <p><b>STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES:</b>            ACA 17-14-203(6)(G) establishes maximum fees not including exam for license. ACA 17-14-206(a) authorizes fines for disciplinary action.</p> <p><b>REVENUE RECEIPTS CYCLE:</b>            Fines and penalties are collected throughout the year. The majority of fees are collected in June of each year.</p> <p><b>FUND BALANCE UTILIZATION:</b>            The Board anticipates reducing licensing fees in future years as a basis for reducing the Agency reserves.</p>
	\$173,977.95	Money Market	Nations Bank/LR	
	\$50,756.16	CD	Nat'l Bank of AR/LR	
	\$52,967.42	CD	First State Bank/Lonoke	
	\$58,575.85	CD	First Nat'l/Paragould	
	\$59,498.46	CD	Mid-South/Jonesboro	
	\$52,189.42	CD	Dewitt Bank & Trust	
	\$59,128.37	CD	Bank of Fayetteville	
	\$56,292.14	CD	Mcllroy Bank/Fayetteville	
	\$50,951.93	CD	Union Bank of Mena	
ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
				<p><b>STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES:</b></p> <p><b>REVENUE RECEIPTS CYCLE:</b></p> <p><b>FUND BALANCE UTILIZATION:</b></p>

**ARKANSAS BUDGET SYSTEM  
ANALYSIS OF BUDGET REQUEST  
1999 - 2001**

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The mission of the Arkansas Appraiser Licensing and Certification Board is primarily to maintain a system for licensing and regulating real estate appraisers which is in compliance with federal guidelines and results in license holders that have verified adequate education, experience, and have demonstrated a competency to provide quality service consistent with their specific credentials. The Appraiser Licensing Board is funded from the receipt of fees for applications and annual renewal of appraisers' licenses. Expenditure of appropriation is dependent upon available funding.

Base Level includes a cost of living increase of 2.8% each year over the FY99 salary levels, related Personal Services Matching costs, as well as supportive Maintenance & General Operations. Change Level requests total \$4,327 each year of the 1999-01 biennium and include the following:

- ◆ \$827 each year in Operating Expenses for rent increases,
- ◆ \$500 each year in Conference Fees & Travel for registration fees and staff training,
- ◆ \$500 each year in Professional Fees & Services for witness fees, and
- ◆ \$2,500 each year in Capital Outlay to purchase office equipment and furniture.

The Executive Recommendation provides for Agency Request.

<b>AGENCY</b> Name: AR Appraiser Licensing & Cert. Bd.  Code: 205	<b>APPROPRIATION</b> Name: AR Appraiser Licensing & Cert. Bd.  Code: A86	<b>CASH FUND</b> Name: Appraiser Licensing Cert.-Cash  Code: 345	<b>ANALYSIS OF BUDGET REQUEST</b>  BR20	<b>PAGE</b>  <p style="text-align: center; font-size: 1.5em;">21</p>
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ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----			-----99-00 FISCAL YEAR-----			-----00-01 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	97-98	98-99	98-99	99-00		00-01		00-01		EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	AUTHORIZED APPRO	BASE	CHANGE LEVEL	TOTAL REQUEST	BASE	CHANGE LEVEL	TOTAL REQUEST	99-00	00-01	99-00	00-01
JLAR SALARIES	85,685	88,445	88,102	92,683	0	92,683	95,277	0	95,277	92,683	95,277		
NUMBER OF POSITIONS	2	2	2	2	0	2	2	0	2	2	2		
PERSONAL SERV MATCHING	21,405	22,065	21,626	22,871	0	22,871	23,330	0	23,330	22,871	23,330		
RATING EXPENSES	72,798	91,206	94,158	91,206	827	92,033	91,206	827	92,033	92,033	92,033		
OFFICE FEES & TRAVEL	3,442	5,200	5,200	5,200	500	5,700	5,200	500	5,700	5,700	5,700		
OFFICE FEES & SERVICES	3,548	9,000	10,500	9,000	500	9,500	9,000	500	9,500	9,500	9,500		
TOTAL OUTLAY	0	2,500	2,500	0	2,500	2,500	0	2,500	2,500	2,500	2,500		
DATA PROCESSING	0	500	500	500	0	500	500	0	500	500	500		
TOTAL	186,878	218,916	222,586	221,460	4,327	225,787	224,513	4,327	228,840	225,787	228,840		
PROPOSED FUNDING SOURCES			*****										
UNASSIGNED BALANCES	695,784	691,637	*****	617,721		617,721	536,934		536,934	617,721	536,934		
STATE REVENUES			*****										
FEDERAL REVENUES			*****										
FEDERAL FUNDS			*****										
FEDERAL CENTRAL SERVICES FUND			*****										
STATE REVENUE RECEIPTS			*****										
FEDERAL FUNDS	182,731	145,000	*****	140,673	4,327	145,000	140,673	4,327	145,000	145,000	145,000		
STATE REVENUE			*****										
TOTAL FUNDING	878,515	836,637	*****	758,394	4,327	762,721	677,607	4,327	681,934	762,721	681,934		
UNASSIGNED APPROX (FUNDING)	( 691,637)	( 617,721)	*****	( 536,934)		( 536,934)	( 453,094)		( 453,094)	( 536,934)	( 453,094)		
TOTAL	186,878	218,916	*****	221,460	4,327	225,787	224,513	4,327	228,840	225,787	228,840		

- 007 REGULATORY BOARDS AND COMMISSIONS
- 205 ARKANSAS APPRAISER LICENSING AND CERTIFICATION BOARD
- 086 CASH OPERATIONS
- 345 APPRAISER LICENSING CERT CASH-(205)

APPROPRIATION SUMMARY

The FY99 Budgeted amounts in Regular Salaries and/or Personal Services Matching may exceed the Authorized amounts due to the implementation of the pay plan during the 1997-99 biennium.

BR 215

ARKANSAS BUDGET SYSTEM

PROGRAM/SERVICE INFORMATION LIST

RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	-----1999 - 01 BIENNIUM REQUESTS-----						-----R E C O M M E N D A T I O N S-----							
					-----EXPENDITURES-----		-----FY 1999 - 00-----		-----FY 2000 - 01-----		-----EXECUTIVE-----		-----LEGISLATIVE-----					
					ACTUAL	BUDGETED	REQUEST	REQUEST	1999-00	2000-01	1999-00	2000-01						
				97-98	98-99													
000		345	205 A86	B	186,878 2	218,916 2	221,460 2		224,513 2			221,460 2	224,513 2					
001		345	205 A86	C01			3,327 0		3,327 0			3,327	3,327					
<p>Char. 02- The change in this character makes a total increase of \$827.00 which is for Non-State Owned Office Space.</p> <p>Char. 09- The change in this character makes a total increase of \$500.00 for out-of-state registration fees for conferences.</p> <p>Char. 10- The change in this character is an increase of \$500.00 for witness fees.</p> <p>Char. 11- The determination of Capital Outlay is from the possibility that an investigative position will be sought at some point during the next biennium which will warrant the additional appropriation of \$1,500.00 for furnishing an office.</p>																		
002		345	205 A86	C08			1,000 0		1,000 0			1,000	1,000					
<p>Char. 11- An increase of \$1000.00 for data processing is also anticipated for the next biennium to equip a new office for a possible investigative position.</p>																		

DEPT 007 REGULATORY BOARDS AND COMMISSIONS  
 AGY 205 ARKANSAS APPRAISER LICENSING AND CERTIFICATION BOARD  
 APPRO A86 CASH OPERATIONS  
 FUND 345 APPRAISER LICENSING CERT CASH-(205)

RANK BY APPROPRIATION  
 BR 264