

CONTENTS

Independent Auditor's Report	01-02
Financial Statements	
Combined Balance Sheet - All Fund Types and Account Groups	03
Statement of Revenues, Expenditures and Changes in Fund Balance	04
Statement of Revenues, Expenditures and Changes in Fund Balances Budget (GRAP) and Actual	05
Notes to the Financial Statement	06-12
Supplementary Information	
Schedule of Per Item Paid Board Members	14
Independent Auditor's Report on Internal Control Structure	15-17
Independent Auditor's Report on Compliance With Laws and Regulations	18
Schedule of Prior Year Findings	20

We considered these instances of noncompliance in forming our opinion on whether the Louisiana State Board of Electrolysis Examiners' general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated September 28, 1986, on those general purpose financial statements.

Our report is intended for the information of board of commissioners, management, and Legislative Auditor's Office. However, this report is a matter of public record, and its distribution is not limited.



MASON ROOPS, Louisiana
September 28, 1986

McRight & Associates

Chartered Public Accountants

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Page 10

1. Baton Rouge, LA
Audited by McRight, CPA

COMPLIANCE REPORT BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the general purpose financial statements of Louisiana State Board of Electrolysis Examiners, Baton Rouge Louisiana, as of and for the two years ended June 30, 1998, and have issued our report thereon dated September 28, 1998.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Louisiana State Board of Electrolysis Examiners, Baton Rouge, Louisiana, is the responsibility of the Board's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Board's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed the following instances of noncompliance that are required to be reported herein under Government Auditing Standards for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in the Board's financial statements.

The Louisiana State Board of Electrolysis Examiners has maintained its offices in the residence of the chief executive officer for most of the current fiscal year. The Code of Governmental Ethics prohibit an appointed member of a licensing board or members of the staff of the licensing board from providing, with or without compensation, office space and office facilities to the board upon which the member serves and by which the employees are engaged.

**LOUISIANA STATE BOARD OF ELECTROLYSIS EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1988**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity:

The Louisiana State Board of Electrolysis Examiners (the Board) is a component unit of the State of Louisiana created within the Louisiana Department of Health and Hospitals, as provided by Louisiana Revised Statute 37:1051-1077, LSA-R.S. 36, and transferred the supervision and control of the Louisiana State Board of Electrolysis Examiners to the Louisiana Department of Health and Hospitals. The Board is composed of five members, appointed by the Governor. The members serve terms of three years. The Board licenses and regulates all licensed electrologists in the State of Louisiana. Operations of the board are funded through examination and license fees. The board has one part-time employee.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles as reporting standards with respect to activities and transactions of state and local governmental entities. In June of 1987, the GASB issued a revised codification of governmental accounting and financial reporting standards. The codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government.

The Louisiana State Board of Electrolysis Examiners prepared its financial statements in accordance with the standards established by the GASB. GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and has defined the governmental reporting entity to be the State of Louisiana. The accompanying statements present only transactions of the Louisiana State Board of Electrolysis Examiners, a component unit of the State of Louisiana.

LOUISIANA STATE BOARD OF ELECTROLYTIC EXAMINERS
 DEPARTMENT OF HEALTH AND HOSPITALS
 STATE OF LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE
 BUDGET (GAAP) AND ACTUAL - GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1994

	ACTUAL	BUDGET	VARIANCE- FAVORABLE UNFAVORABLE
REVENUES			
License	\$ 20,340	\$18,880	\$ 2,140
Fees	1,220	1,888	(580)
Interest Earnings	187		187
Other	828	475	353
Total Revenues	<u>\$ 22,575</u>	<u>20,273</u>	<u>2,032</u>
EXPENDITURES			
Salaries	\$ 4,144	6,288	2,096
Payroll Taxes	473	708	207
Accounting	241	208	(241)
Inspection	2,214	1,627	2,413
Insurance and Bonds	653	225	(428)
Legal Fees	333	700	368
Miscellaneous	774	13	(762)
Office Supplies	1,057	459	(607)
Taxi	1,445	2,320	875
Per Diem	603	1,000	200
Postage	641	800	(241)
Printing	88	100	12
Rent	540	2,040	1,500
Repairs & Maintenance	109	150	45
Telephone	1,238	175	(453)
Utilities	448	625	177
Total Expenditures	<u>\$ 14,103</u>	<u>15,764</u>	<u>2,661</u>
Excess (Deficit) of Revenues over Expenditures	\$ 8,204	511	5,690
Fund Balance, Beginning as Previously Reported	\$ 2,857	2,857	0
FUND BALANCE, END OF YEAR	<u>\$ 2,261</u>	<u>2,448</u>	<u>5,493</u>

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF ELECTROLYSIS EXAMINERS
 DEPARTMENT OF HEALTH AND HOSPITALS
 STATE OF LOUISIANA
 COMBINED STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES -
 ALL GOVERNMENTAL FUNDS TYPES
 FOR THE YEARS ENDED JUNE 30, 1994 AND JUNE 30, 1995

REVENUES	GENERAL FUND	
	6-30-95	6-30-94
License	\$ 20,140	\$ 18,545
Fees	1,200	1,600
Interest Earnings	100	
Other	88	203
Total Revenues	\$ 22,307	20,348
EXPENDITURES		
Salaries	\$ 4,544	4,528
Payroll Taxes	403	1,214
Accounting	843	2,238
Inspections	2,224	1,214
Insurance and Bonds	453	255
Legal Fees	332	861
Miscellaneous	714	50
Office Supplies	1,057	597
Travel	1,445	2,533
Per Diem	880	1,800
Postage	843	533
Printing	88	217
Rent	548	2,895
Repairs & Maintenance	185	82
Telephone	1,228	703
Utilities	448	1,845
Total Expenditures	\$ 16,123	24,514
Excess (Deficit) of Revenues over Expenditures	\$ 6,184	(3,786)
Fund Balance, Beginning of Year as Previously Reported	\$ 2,957	6,743
FUND BALANCE, END OF YEAR	\$ 9,141	2,957

The accompanying notes are an integral part of this statement

LOUISIANA STATE BOARD OF ELECTROLYTIC EXAMINERS
 DEPARTMENT OF HEALTH AND HOSPITALS
 STATE OF LOUISIANA
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1966

	Governmental Fixed General	(Memo Fund Fixed)	General (Only) Assets	Total	Fund Type 1966	1965
ASSETS						
Cash & Cash Equivalents	\$ 9,360			\$ 9,360	\$ 3,183	
Prepaid Expenses	13			13	226	
Furniture & Equipment			\$18,322	18,322	18,322	
TOTAL ASSETS	\$ 9,373		\$18,322	18,695	13,631	
LIABILITIES AND FUND EQUITY						
LIABILITIES						
Accrued Expenses		312		312	430	
TOTAL LIABILITIES	\$ 312		\$ -0-	312	430	
FUND EQUITY						
Investment in General Fixed Assets			\$18,322	18,322	18,322	
Fund Balance: Unreserved-Un-designated	9,161			9,161	9,957	
TOTAL FUND EQUITY	\$ 9,161		\$18,322	18,483	13,279	
TOTAL LIABILITIES AND FUND EQUITY	\$ 9,373		\$18,322	18,695	13,631	

The accompanying notes are an integral part of this statement

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Louisiana State Board of Electrolysis Examiners
Department of Health and Hospitals
State of Louisiana

We have audited the accompanying general purpose financial statements of the Louisiana State Board of Electrolysis Examiners, a component unit of the State of Louisiana, as of and for the two years ended June 30, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the Louisiana State Board of Electrolysis Examiners management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana State Board of Electrolysis Examiners as of June 30, 1996, and the results of its operations for the two years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated September 20, 1996 on our consideration of Louisiana State Board of Electrolysis Examiners internal control structure and a report dated September 20, 1996, on its compliance with laws and regulations.

LOUISIANA STATE BOARD OF ELECTROLYTES EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 1990

There were no prior year audit findings that required corrective actions.

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**LOUISIANA STATE BOARD OF ELECTROLYSIS EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**General Purpose Financial Statements
and Independent Auditor's Reports
As of and for the Two Years Ended June 30, 1996
With Supplemental Information Schedule**

September 28, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date Oct 2 1996

McKnight & Associates
Certified Public Accountants
Baton Rouge, Louisiana

LOUISIANA STATE BOARD OF ELECTROLYSIS EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

D. BUDGET PRACTICES

The board submitted its annual budget to the various agencies prescribed by LA-S.S. 39:1331-1342 and 36:863. The board adopted the budget on February 15, 1995, for the period July 1, 1995 to June 30, 1996.

All funds budgeted are immediately available, as the Board's operations are financed with self-generated revenues. Therefore, the budget is known as a reappropriated budget.

The Board normally does not use encumbrance accounting, so the budget was not integrated in the accounting records. In addition, the budget was employed by the Board as a management control device, by comparing budgeted expenditures with actual expenditures.

The budget is prepared on the cash basis, there are no substantial differences between cash and modified accrual basis of budgeting. Budgeted amounts included in the accompanying financial statements represents the original adopted budget since there were no subsequent amendments.

E. ENCUMBRANCES

The Louisiana State Board of Electrolysis Examiners does not follow the encumbrance method of accounting.

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

McRight & Associates

September 29, 1994

in planning and performing our audit of the general purpose financial statements of the Louisiana State Board of Electrolpina Comissioners for the two years ended June 30, 1998. We obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

This report is intended for the information of the board of commissioners, management, and Legislative Auditor's Office. However, this report is a matter of public record, and its distribution is not limited.

September 20, 1998

Mr. Right & Associates

LOUISIANA STATE BOARD OF ELECTROLYSIS EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

Annually the State of Louisiana issues general purpose financial statements which include the activity contained in the accompanying financial statements. The General purpose financial statements are issued by the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy, and audited by the Louisiana Legislative Auditor.

A. FUND ACCOUNTING

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

GOVERNMENTAL FUNDS:

General Fund:

The General Fund is the principal fund and is used to account for the general operations of the Board. The various fees and charges due the Board are accounted for in this fund. The Board has no other Funds.

B. GENERAL FIXED ASSETS AND GENERAL LONG-TERM OBLIGATIONS

Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Depreciation has not been provided on general fixed assets. All fixed assets are valued at historical costs.

LOUISIANA STATE BOARD OF ELECTROLYSIS EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
SCHEDULE OF INTERNAL CONTROL STRUCTURE REPORTABLE CONDITIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 1966

Inadequate segregation of duties

Condition: The Board is not large enough to permit an adequate segregation of employee duties for effective internal control over the purchasing (invoice approval, processing and general ledger) and reporting (journal entry preparation, approval and reconciliation) cycles.

Criteria: The processing of purchases and journal entries under the control of one person represents a failure to segregate the incompatible accounting activities.

Effect: The effect is such that errors, either intentional or unintentional, in the processing of purchases and journal entries could occur and not be detected in a timely manner and in the ordinary course of operations.

Cause: The size of the Board and the limited number of employees does not permit an adequate segregation of incompatible duties.

Recommendation: Due to the size of the Board's operations, it does not have sufficient staff to establish adequate segregation of duties. Therefore, the cost associated with reducing this deficiency in the design or operation of the internal control structure may not be considered justified.

Auditee response: Management has noted this condition and has determined that the cost necessary to establish adequate segregation of duties is not justifiable at the current time.

McRight & Associates

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Page 15

L. Edwin McRight, CPA
Kenneth E. McRight, CPA

REPORT ON THE INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the general purpose financial statements of Louisiana State Board of Electrolysis Examiners, Baton Rouge Louisiana, as of and for the two years ended June 30, 1994, and have issued our report thereon dated September 20, 1994.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of Louisiana State Board of Electrolysis Examiners, Baton Rouge, Louisiana, for the two years ended June 30, 1994, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of Louisiana State Board of Electrolysis Examiners, Baton Rouge, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objective of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projections of any evaluations of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance with laws and regulations required by Government Auditing Standards, issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.

LOUISIANA STATE BOARD OF ELECTROLYTIC EXAMINERS
 DEPARTMENT OF HEALTH AND HOSPITALS
 STATE OF LOUISIANA
 SCHEDULE OF PER DIEM PAID BOARD MEMBERS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1966

NAME	AMT PAID	AMT ACCUSED	TOTAL
Lucille Bonnette	\$ 200	-0-	\$ 200
Cheri L. Millett	200	-0-	200
Linda G. Ritchie	200	-0-	200
Margen Calloway	150	-0-	150
Karen Tucker, M.D.	50	-0-	50
TOTAL	\$ 800	-0-	\$ 800

The schedule of diem paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1978 Session of the Louisiana Legislature. Board members are paid \$20 for each day they attend a board meeting, as authorized by Louisiana Revised Statute 37:1061.

LOUISIANA STATE BOARD OF ELECTROLYTIC EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

5. OPERATING LEASES

The board has no lease obligations as of June 30, 1996.

6. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

There were no long-term obligations during the period.

7. LITIGATION AND CLAIMS

There were no unasserted claims or assessments as of June 30, 1996.

8. RELATED PARTY TRANSACTIONS

At June 30, 1996, the board's office was located in the personal residence of the executive director. The director was not charging the board rent on the space provided.

9. SUBSEQUENT EVENTS

Subsequent to June 30, 1996, the Commission On Ethics For Public Employees issued Opinion 96-288 which stated that the code of Governmental Ethics prohibits an appointed member of a licensing board or staff members from providing, with or without compensation, office space to the board.

LOUISIANA STATE BOARD OF ELECTROLYSIS EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTICE TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1954

1. ANNUAL AND SICK LEAVE

The Louisiana State Board of Electrolysis Examiners does not compensate its employees for vacation leave, sick leave, or postretirement health care and life insurance benefits.

4. TOTAL COLUMN ON STATEMENTS

The total column on the statements is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. CHANGES IN GENERAL FIXED ASSETS

There were no changes in general fixed assets.

3. PENSION PLAN

The board has one employee that participates in the Federal Social Security System. The employee contributes 7.65 per cent of gross salary, and the board contributes an equal amount to the Social Security System. Aggregate cost for the year was \$414. The board does not guarantee benefits granted by the Social Security System.

4. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board has no retired employees, and at present does not provide life insurance benefits.

LOUISIANA STATE BOARD OF ELECTROLYSIS EXAMINERS
 DEPARTMENT OF HEALTH AND HOSPITALS
 STATE OF LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1996

F. CASH AND CASH EQUIVALENTS

For reporting purposes, cash and cash equivalents include cash, demand deposits, time deposits and certificates of deposit.

The Louisiana State Board of Electrolysis Examiners had cash and cash equivalents totaling \$9,300 at June 30, 1996. Cash and cash equivalents 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 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, 1996 were accrued as follows:

	JUNE 30, 1996
	\$
Demand Deposits	5,300
Total Bank Balances (Insured by FDIC)	\$ 5,300

G. INVESTMENTS

The Louisiana State Board of Electrolysis Examiners does not maintain investment accounts.

H. INVENTORIES

inventories are considered immaterial and are recorded at cost and recognized as an expenditure when purchased.

LOUISIANA STATE BOARD OF ELECTROLYSIS EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1998

Long-term obligation expected to be financed from governmental funds are accounted for in the General Long-Term Obligation Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position, not with measurement of results of operations.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures 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 Board's records are maintained on the modified accrual basis of accounting using the following practices:

Revenues:

Licenses, fees, and fines are recorded in the year received, which approximates when measurable and available. All other revenues are recorded when received. Licenses are received annually in December.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liabilities are incurred and the goods or services have been received.