

In planning and performing our audit of the financial statements of the Louisiana Board of Chiropractic Examiners for the year ended June 30, 1997, 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 financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain conditions involving the internal control structure and its operation that we consider to be a reportable condition 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 Board's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

The size and the nature of the operations of the Louisiana Board of Chiropractic Examiners are such that the accounting functions are performed primarily by one staff person. Although Board members authorize and approve transactions in each of the internal control categories, the separation of duties, which is a basic element of any system of internal accounting control, is necessarily limited.

Management Response:

Primarily due to the size of the Board, the amount of the Board's revenue collected through its fees, and continued loss of licensees, it is not financially practical or feasible to hire additional full-time employees to achieve separation of duties.

This report is intended for the information of management, the Department of Health and Hospitals, the Legislative Auditor of the State of Louisiana, and the Office of Statewide Reporting and Accounting Policy. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



September 10, 1997

DERBES & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, L.L.C.

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* A PROFESSIONAL
ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Louisiana Board of Chiropractic Examiners
Department of Health and Hospitals
State of Louisiana
Baton Rouge, Louisiana

We have audited the financial statements of the Louisiana Board of Chiropractic Examiners (the Board), a component unit of the State of Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated September 10, 1997.

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 Audit Guide**. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Louisiana Board of Chiropractic Examiners 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 objectives 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 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, projection of any evaluation 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.

This report is intended for the information of management, the Department of Health and Hospitals, the Legislative Auditor of the State of Louisiana, and the Office of Statewide Reporting and Accounting Policy. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink, appearing to read "Peter Longamy". The signature is written in a cursive style with a large, stylized initial 'P'.

September 10, 1997

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Louisiana Board of Chiropractic Examiners
Department of Health and Hospitals
State of Louisiana
Baton Rouge, Louisiana

We have audited the financial statements of the Louisiana Board of Chiropractic Examiners (the Board), a component unit of the State of Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated September 10, 1997.

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 Audit Guide**. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations and contracts applicable to the Louisiana Board of Chiropractic Examiners is the responsibility of the Board. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Board's compliance with certain laws, regulations and contracts. However, the objective of our audit of the financial statements 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 no instances of noncompliance that are required to be reported under **Government Auditing Standards**.

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

SCHEDULE OF COMPENSATION OF BOARD MEMBERS

FOR THE YEAR ENDED JUNE 30, 1997

	<u>Meetings Attended</u>	<u>Compensation</u>
Peter R. Brosnan, D.C., Lake Charles, LA	12	\$ 500
Dwayne L. Burch, D.C., Hammond, LA	14	700
Salvadore R. Giangrosso, D.C., Covington, LA	6	300
Donald W. LaBorde, D.C., Alexandria, LA	7	350
Thomas M. Nossier, D.C., Shreveport, LA	5	100
Marilyn J. Panger, D.C., River Ridge, LA	13	650
Jacqueline C. Sloane, D.C., Alexandria, LA	11	550
J. E. Stephenson, D.C., DeRidder, LA	<u>9</u>	<u>400</u>
	<u>77</u>	<u>\$3,550</u>

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ACCOUNTANT'S REPORT ON SUPPLEMENTARY DATA

We have reported separately herein on the basic financial statements of the Louisiana Board of Chiropractic Examiners of the State of Louisiana. The supplementary information included in the Schedule of Compensation of Board Members has been subjected to the same auditing procedures and, in our opinion, is stated fairly in all material respects when considered in conjunction with the basic financial statements taken as a whole.

Derbes Company

September 10, 1997

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

9 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions during the year:

	Compensated <u>Absences</u>
Long-term obligations payable at June 30, 1996	\$12,693
Additions	-0-
Deductions	<u>(573)</u>
Long-term obligations payable at June 30, 1997	<u>\$12,120</u>

10 - LITIGATION AND CLAIMS

At June 30, 1997, the Board was not involved in any litigation and was not aware of any claims against the Board which would not be covered by insurance as provided by coverages self-insured by the Louisiana Department of Risk Management. Claims and litigation costs of \$16,297 were incurred in the current year and recorded as a current year expenditure in the general fund.

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

7 - PENSION PLAN (Continued)

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's 1997 comprehensive annual financial report which is separately issued. Benefits granted by the System are guaranteed by the State of Louisiana under the Louisiana Constitution of 1975.

8 - LEASES

During the fiscal year ended June 30, 1996, the Board entered into a lease for office space from a third party under an operating lease which expires in September, 2000, with an option to extend the lease for an additional three years. Total rent expense was \$23,400 for the year ended June 30, 1997.

Future annual minimum lease payments for the next five years and in the aggregate are as follows:

<u>June 30,</u>	
1998	\$23,400
1999	23,400
2000	23,400
2001	5,850
2002	<u>-0-</u>
	<u>\$76,050</u>

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

6 - CHANGES IN GENERAL FIXED ASSETS

The changes in general fixed assets follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Ending Balance</u>
Furniture and Equipment	\$34,216	\$ -0-	\$ -0-	\$34,216

7 - PENSION PLAN

The one full-time employee of the Board is a member of the Louisiana State Employees Retirement System (System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of state employees, which is administered and controlled by a separate board of trustees. Contributions of participating state agencies are pooled within the System to fund accrued benefits, with contribution rates approved by the Louisiana Legislature. In addition to the employee contribution withheld at 7.5% of covered payroll, the Board contributed an additional 12.4% of covered payroll. Contributions to the System are funded through employee and employer contributions of \$3,435 and \$5,708, respectively. The Board contributed \$5,708, \$5,105 and \$4,532 to the System for the years ended June 30, 1997, 1996, and 1995, respectively, which represented 100% of the required contribution for each year. The total current year payroll of the Board was \$56,795 and its current year payroll covered by the System was \$45,972. Under present statutes, the Board does not guarantee any of the benefits granted by the System.

All full-time Board employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5 per cent of their highest consecutive 36 months' average salary multiplied by their years of credited service. Vested employees may retire 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. The System also provides death and disability benefits. Benefits are established by state statute.

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

4 - VACATION AND SICK LEAVE

The Louisiana Board of Chiropractic Examiners has the following policy related to vacation and sick leave:

Employees earn vacation and sick leave at rates established by the Louisiana Department of Civil Service. The rate varies from twelve days of vacation time and twelve days of sick leave per year for new employees up to twenty-four days of each for employees with over fifteen years of service. Employees can carry over unused time indefinitely. Upon termination of employment, the Louisiana Board of Chiropractic Examiners is obligated to pay the employee at the current hourly rate for all unused vacation time up to 300 hours. At June 30, 1997, the one full-time employee of the Board had accumulated and vested \$6,605 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. In addition, the Board's one full-time employee had accumulated \$5,515 of unused compensatory time, which the Board's legal counsel has held would be payable to the employee upon termination of employment. All of this obligation is classified as a general long-term obligation because the Board does not expect to pay it out of current resources. Upon retirement, unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

5 - TOTAL COLUMN ON BALANCE SHEET

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

Since the Louisiana Board of Chiropractic Examiners consists of only one fund, no memorandum totals are presented on the Statement of Revenues, Expenditures and Changes in Fund Balance or the Statement of Revenues, Expenditures and Fund Balance-Budget (GAAP Basis) and Actual.

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

3 - CASH AND CASH EQUIVALENTS (Continued)

The deposits at June 30, 1997 were secured as follows:

	<u>Cash Equivalents</u>		
	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Carrying Amount on Balance Sheet	<u>\$32,790</u>	<u>\$63,101</u>	<u>\$ 95,891</u>
Bank Balances:			
1. Insured (FDIC) or collateralized with securities held by the entity or its agent <u>in the entity's name</u>	\$33,414	\$61,933	\$ 95,347
2. Collateralized with securities held by pledging financial institution's trust department or agent <u>in the entity's name</u>	-0-	-0-	-0-
3. Uncollateralized, including any securities held for the entity but <u>not in the entity's name</u>	-----0-	-----0-	-----0-
TOTAL Bank Balances	<u>\$33,414</u>	<u>\$61,933</u>	<u>\$ 95,347</u>

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

3 - CASH AND CASH EQUIVALENTS

For reporting purposes, cash and cash equivalents include cash, demand deposits, time deposits, and certificates of deposit. Under state law the Board may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Board may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal 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.

At June 30, 1997, the carrying amount of the Board's deposits was \$95,891 and the bank balance was \$95,347. Of the bank balance, \$95,347 was covered by federal depository insurance.

Certificates of deposit at June 30, 1997 consist of the following:

<u>Depository</u>	<u>Date of Origin</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>	<u>Accrued Interest</u>
Whitney National Bank	05/20/97	11/16/97	4.50%	\$12,432	\$ 63
Whitney National Bank	04/11/97	07/10/97	4.10%	24,943	224
Whitney National Bank	10/11/96	10/11/97	5.00%	<u>24,558</u>	<u>881</u>
Totals				<u>\$61,933</u>	<u>\$1,168</u>

As reflected on the balance sheet, the Board had cash and cash equivalents totaling \$95,891 at June 30, 1997. 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.

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

2 - BUDGET PRACTICES (Continued)

Substantial budget variances for the year ended June 30, 1997 are explained as follows:

<u>Title</u>	Variance- Favorable (Unfavorable)	<u>Comments</u>
Interest earnings	\$ (1,378)	Less interest was earned than budgeted due to falling interest rates and declining balances to invest.
Other revenue	1,610	More funds were collected than budgeted as the Board began to assess administrative costs for copies, postage, faxes, etc. during the fiscal year ended June 30, 1997.
Professional services	23,751	The Board anticipated that proceedings related to certain hearings in progress would have progressed more during the fiscal year. As of June 30, 1997, these proceedings were still ongoing.
Materials and supplies	1,797	Less funds were expended than budgeted due to a reduction in supplies provided to Board members, as well as ordering supplies from more economical mail order companies.
Travel and other charges	(4,674)	Higher costs were incurred than budgeted due to the Board's participation in national testing as required by law, as well as convention travel to very high cost areas, i.e., Charleston, SC and Palm Beach, FL.
Capital outlay	1,000	Due to budgetary cutbacks, the Board did not purchase budgeted items.

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

License fees are received at the beginning of the licensee's annual license period. License fees, as well as other revenues, are reported when received. Interest income on short-term investments is recognized as it is earned.

Expenditures

Expenditures are generally recognized when paid. Compensation, professional fees and other obligations incurred as of June 30, 1997, for services provided during the fiscal year, have also been recognized as expenditures in the current year.

2 - BUDGET PRACTICES

Annually, the Board adopts a budget that is submitted to the Department of Health and Hospitals in compliance with LSA-R.S. 36:1331-1342. The budget, adopted on January 26, 1996, was prepared and reported using the same accounting procedures and practices that are used in preparing the annual financial statements. Appropriations lapse at year-end. Budgeted amounts included in the accompanying financial statements represent the original adopted budget approved by the Board on January 26, 1996. The Board does not employ the use of encumbrance accounting for the operations of its activities.

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Fund Accounting

The accounts of the Louisiana Board of Chiropractic Examiners 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 fund presented in the financial statements is described as follows:

General Fund

The General Fund is the principal fund and is used to account for the general operations of the Board. The various license fees and charges due the Board are accounted for in this fund. General operating expenditures are paid from this fund.

B. General Fixed Assets and General Long-Term Obligations Account Groups

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 cost.

Long-term obligations expected to be financed from governmental funds are accounted for in the General Long-Term Obligation Account Group, not in the governmental funds. The only long-term obligation of the Board is for accrued annual leave and compensatory time.

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

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Louisiana Board of Chiropractic 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 Statutes 36:259E(7) and 37:2801 et seq. The Board is composed of seven members appointed by the Governor, who serve terms of four years. The Board is charged with the responsibility of regulating the practice of chiropractic activities within the State of Louisiana. Operations of the Board are funded entirely through self-generated revenues. The governmental reporting entity is the State of Louisiana.

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. 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 Board of Chiropractic Examiners prepares 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 Board is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the Governor appoints the Board members, and public service is rendered within the state's boundaries. The accompanying financial statements present information only as to the transactions of the Louisiana Board of Chiropractic Examiners, a component unit of the State of Louisiana.

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.

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GOVERNMENTAL FUND TYPE

FOR THE YEAR ENDED JUNE 30, 1997

	General Fund		
	Budget	Actual	Variance- Favorable (Unfavorable)
<u>REVENUES:</u>			
Licenses, permits and fees	\$ 124,975	\$ 120,630	\$ (4,345)
Interest earned	5,000	3,622	(1,378)
Other revenues	<u>-0-</u>	<u>1,610</u>	<u>1,610</u>
Total Revenues	<u>129,975</u>	<u>125,862</u>	<u>(4,113)</u>
<u>EXPENDITURES:</u>			
Personal services and benefits	68,715	67,696	1,019
Professional services	42,500	18,749	23,751
Operating services	39,710	36,256	3,454
Materials and supplies	4,500	2,703	1,797
Travel and other charges	20,000	24,674	(4,674)
Capital outlay	<u>1,000</u>	<u>-0-</u>	<u>1,000</u>
Total Expenditures	<u>176,425</u>	<u>150,078</u>	<u>26,347</u>
Excess (Deficiency) of Revenues Over Expenditures	(46,450)	(24,216)	22,234
Fund Balance - beginning of year	<u>109,745</u>	<u>109,745</u>	<u>-0-</u>
Fund Balance - end of year	\$ <u>63,295</u>	\$ <u>85,529</u>	\$ <u>22,234</u>

The accompanying notes are an integral part of this statement

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE

FOR THE YEAR ENDED JUNE 30, 1997

	<u>General Fund</u>
<u>Revenues:</u>	
Licenses, permits and fees	\$ 120,630
Use of money and property - interest earnings	3,622
Other revenue	<u>1,610</u>
Total Revenues	<u>125,862</u>
<u>Expenditures:</u>	
General government:	
Personal services and related benefits	67,696
Professional services	18,749
Operating services	36,256
Materials and supplies	2,703
Travel and other charges	24,674
Capital outlay	<u>-0-</u>
Total Expenditures	<u>150,078</u>
Excess (Deficiency) of Revenues over Expenditures	(24,216)
Fund Balance - beginning of year	<u>109,745</u>
Fund Balance - end of year	\$ <u>85,529</u>

The accompanying notes are an integral part of this statement.

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
 DEPARTMENT OF HEALTH AND HOSPITALS
 STATE OF LOUISIANA

BALANCE SHEET -
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1997

	Governmental Fund Type	Account Groups			Total (Memorandum Only)
		General Fund	General Fixed Assets	General Long-Term Obligations	
<u>OTHER DEBITS</u>					
Cash and cash equivalents	\$ 95,891	\$ -0-	\$ -0-	\$ 95,891	
Fixed assets	<u>-0-</u>	<u>34,216</u>	<u>-0-</u>	<u>34,216</u>	
Total Assets	<u>\$ 95,891</u>	<u>\$ 34,216</u>	<u>\$ -0-</u>	<u>\$ 130,107</u>	
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts payable and accrued expenses	\$ 10,363	\$ -0-	\$ -0-	\$ 10,363	
Accumulated annual leave	<u>-0-</u>	<u>-0-</u>	<u>12,120</u>	<u>12,120</u>	
Total Liabilities	<u>10,362</u>	<u>-0-</u>	<u>12,120</u>	<u>22,482</u>	
<u>FUND EQUITY</u>					
Investment in general fixed assets	-0-	34,216	-0-	34,216	
Fund balance - unreserved and undesignated	<u>85,529</u>	<u>-0-</u>	<u>(12,120)</u>	<u>73,409</u>	
Total Fund Equity	<u>85,529</u>	<u>34,216</u>	<u>(12,120)</u>	<u>107,625</u>	
Total Liabilities and Fund Equity	\$ 95,891	\$ 34,216	\$ -0-	\$ 130,107	

The accompanying notes are an integral part of this statement.

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INDEPENDENT AUDITOR'S REPORT

Louisiana Board of Chiropractic Examiners
Department of Health and Hospitals
State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the Louisiana Board of Chiropractic Examiners (the Board), a component unit of the State of Louisiana, as of and for the year ended June 30, 1997, as listed in the table of contents. These financial statements are the responsibility of the Louisiana Board of Chiropractic Examiners. 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 Audit Guide**. Those standards require that we plan and perform the audit to obtain *reasonable assurance about whether the financial statements are free of material misstatement*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Louisiana Board of Chiropractic Examiners, and are not intended to present fairly the financial position of the State of Louisiana and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds in conformity with generally accepted accounting principles.

In accordance with **Government Auditing Standards**, we have also issued a report dated September 10, 1997 on our consideration of the Board's internal control structure and a report dated September 10, 1997 on its compliance with laws and regulations.

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS

DEPARTMENT OF HEALTH AND HOSPITALS

STATE OF LOUISIANA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1997

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LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1997
AND
INDEPENDENT AUDITOR'S REPORT

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 08 1997~~

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LEGISLATIVE AUDITOR