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**Louisiana State Board
of Physical Therapy Examiners**

Financial Statements

June 30, 1997

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~~

Alton Dale Thornton, Jr.
Certified Public Accountant
Baton Rouge, Louisiana

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INDEPENDENT AUDITOR'S REPORT

To the Board of Examiners
Louisiana State Board of Physical Therapy Examiners
Lafayette, Louisiana

I have audited the accompanying general purpose financial statements of the Louisiana State Board of Physical Therapy Examiners, a component unit of the State of Louisiana created within the Louisiana Department of Health and Hospitals, as of and for the year ended June 30, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the Louisiana State Board of Physical Therapy Examiners. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis evidence supporting the amounts and disclosures in the general purpose 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana State Board of Physical Therapy Examiners as of June 30, 1997, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated September 26, 1997 on my consideration of the Louisiana State Board of Physical Therapy Examiners' internal control structure and a report dated September 26, 1997 on its compliance with laws and regulations.


September 26, 1997

LOUISIANA LICENSED PROFESSIONAL VOCATIONAL
REHABILITATION COUNSELORS BOARD OF EXAMINERS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDING JUNE 30, 1997

<u>REVENUES</u>	
Examination Fees	\$128,915
Reciprocity Fees	35,830
Renewal Fees	135,510
Interest Earned	16,480
Other Income	<u>24,970</u>
Total Revenue	<u>341,705</u>
<u>EXPENDITURES</u>	
Salaries	43,829
Payroll Taxes	760
Accounting Consulting Services	2,000
Audit Fees	1,680
Bank Charges	489
Dues and Subscriptions	2,354
Exam Costs	78,635
Insurance	2,358
Investigative and Legal Costs	72,511
Miscellaneous	116
Office Supplies and Expenses	2,689
Pension Expense	4,642
Postage	6,981
Printing	4,101
Rent	13,728
Telephone	2,047
<u>Monitor Costs</u>	
Travel	166
Per Diem	1,800
Subsistence	21
<u>Board Member Expenses</u>	
Lodging	2,782
Mileage	3,591
Subsistence	1,492
Per Diem	3,450
Travel	23
Capital Outlay	<u>5,516</u>
Total Expenditures	<u>257,761</u>
EXCESS OF REVENUES OVER EXPENDITURES	83,944
FUND BALANCE - BEGINNING OF YEAR	<u>297,823</u>
FUND BALANCE - END OF YEAR	<u>\$381,767</u>

The Accompanying Notes are an Integral Part of This Statement.

LOUISIANA STATE BOARD
OF PHYSICAL THERAPY EXAMINERS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP/BASIS) AND ACTUAL-GOVERNMENTAL FUND TYPE - GENERAL FUND FOR THE
YEAR ENDED JUNE 30, 1997

<u>REVENUES</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Examination Fees	\$ 98,000	\$128,915	\$ 30,915
Licenses	175,000	171,340	(3,660)
Interest Income	15,000	16,480	1,480
Other Revenues	<u>18,000</u>	<u>24,970</u>	<u>6,970</u>
Total Revenue	<u>306,000</u>	<u>341,705</u>	<u>35,705</u>
 <u>EXPENDITURES</u>			
CURRENT:			
Exam Costs	54,000	78,635	(24,635)
Exam Monitor Costs	-0-	1,987	(1,987)
Board Member Lodging, Travel and Subsistence	11,000	7,888	3,112
Board Member Per Diem	5,700	3,450	2,250
Board Member Conference	1,300	-0-	1,300
Bank Charges	400	489	(89)
Accounting Consulting Services	5,000	2,000	3,000
Annual Audit Costs	1,500	1,680	(180)
Dues and Subscriptions	2,500	2,354	146
Insurance	2,500	2,358	142
Office Supplies	2,400	2,689	(289)
Pension Expense	4,580	4,642	(62)
Postage	7,000	6,981	19
Printing	4,000	4,101	(101)
Salaries and Wages	43,390	43,829	(439)
Payroll Taxes	286	760	(474)
Telephone	2,000	2,047	(47)
Rent	14,000	13,728	272

The Accompanying Notes are an Integral Part of This Statement.

LOUISIANA STATE BOARD
OF PHYSICAL THERAPY EXAMINERS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP/BASIS) AND ACTUAL-GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1997 (CONTINUED)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>EXPENDITURES - continued</u>			
<u>CURRENT:</u>			
Miscellaneous	-0-	116	(116)
Legal and Investigative	90,000	72,511	17,489
Capital Outlay	<u>12,000</u>	<u>5,516</u>	<u>6,484</u>
TOTAL EXPENDITURES	<u>263,556</u>	<u>257,761</u>	<u>5,795</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	42,444	83,944	41,500
FUND BALANCE AT BEGINNING OF YEAR	<u>297,823</u>	<u>297,823</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$340,267</u>	<u>\$381,767</u>	<u>\$ 41,500</u>

The Accompanying Notes are an Integral Part of This Statement.

LOUISIANA STATE BOARD
OF PHYSICAL THERAPY EXAMINERS

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997

Note 1 - Summary of Significant Accounting Policies

The Louisiana State Board of Physical Therapy Examiners is a component unit of the State of Louisiana operated within the Louisiana Department of Health and Hospitals, as provided by Louisiana Revised Statutes 37:2401 - 37:3452 as amended in 1982. The Board is composed of five members, appointed by the Governor, who serve terms of three years. The board is charged with the responsibility to examine all applicants for licenses to practice Physical Therapy, issue licenses to those possessing the necessary qualifications and to take appropriate administrative actions to regulate the practice of Physical Therapy in Louisiana. Operations of the Board are funded with fees charged to examine and license practicing Physical Therapists.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles 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 Physical Therapy 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 accompanying statements present only transactions of the Louisiana State Board of Physical Therapy Examiners, a component unit of the State of Louisiana.

Annually, the State of Louisiana issues general purpose financial statements, which includes 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.

Note 2 - Fund Accounting

The accounts of the Louisiana State Board of Physical Therapy 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 funds presented in the financial statements are described as follows:

LOUISIANA STATE BOARD
OF PHYSICAL THERAPY EXAMINERS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

General Fund

The General Fund is the only 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. Generally operations expenditures are paid from this fund.

Note 3 - General Fixed Assets

Fixed assets used in the governmental fund type operations 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 or estimated historical cost.

The Account Group is not a fund. It is concerned only with the measurements of financial position, not with measurement of results of operations.

Note 4 - 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 accrual basis of accounting.

Note 5 - Budget Practices

The Louisiana State Board of Physical Therapy Examiners utilized the following budgetary practices:

1. The Board is required by Louisiana Revised Statute 39:1334 and 1335 to adopt and submit a budget by January 1 of each year to the Louisiana Department of Health and Hospitals for the following expenditures and the means of financing them.
2. Each budget is presented on the accrual basis of accounting.
3. The budget must be revised and approved by the Board of Examiners for any increase in budgetary expenditures
4. All budgetary appropriations lapse at the end of each fiscal year.

Note 6 - Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents included cash, demand deposits, time deposits, and certificates of deposit. Under state law, the Louisiana State Board of Physical Therapy Examiners 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

LOUISIANA STATE BOARD
OF PHYSICAL THERAPY EXAMINERS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 6 - Cash and Cash Equivalents (continued)

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.

As reflected on Pages 3 and 4, the Louisiana State Board of Physical Therapy Examiners had cash and cash equivalents totaling \$377,953 at June 30, 1997. Cash and cash equivalents are stated at cost, which approximate 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 in the name of the pledging fiscal agent bank in the holding or custodial bank in the form of safekeeping receipts held by the state treasurer. The deposits at June 30, 1997 of \$377,953 were secured as follows:

	<u>Cash</u>	<u>Certificates of Deposits</u>	<u>Total</u>
Carrying Amount on Balance Sheet	<u>\$ 67,828</u>	<u>\$310,125</u>	<u>\$377,953</u>
Bank balances:			
1. Insured (FDIC) or collateralized with securities held by the entity or its agent in the entity's name	67,728	122,095	189,823
2. Collateralized with securities held by pledging financial institution's trust department or agent in the entity's name	-0-	188,030	188,030
3. Uncollateralized, including any securities held for the entity but not in the entity's name	100	-0-	100
Total Bank Balances	<u>\$ 67,828</u>	<u>\$310,125</u>	<u>\$377,953</u>

Note 7 - Total Columns of Statements

The total columns on the statements are captioned Memorandum Only to indicate they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Nor is such data comparable to a consolidation.

LOUISIANA STATE BOARD
OF PHYSICAL THERAPY EXAMINERS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 8 - Changes in General Fixed Assets

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Furniture and equipment	<u>\$30,861</u>	<u>\$ 5,516</u>	<u>\$ -0-</u>	<u>\$36,377</u>

Note 9 - Pension Plan

All full-time employees are members in the Louisiana State Employee Retirement System. In addition to the employee contribution withheld at 7.9% of gross salary, the State contributes an additional 12.0% of gross salary to the Louisiana State Employees Retirement System. The total current year payroll of the agency was \$43,829 and its current year payroll covered by the retirement system was \$38,686. Under present statutes, the agency does not guarantee any of the benefits granted by the retirement system.

Note 10 - Leases

The board currently leases office space in Lafayette, Louisiana on a three year term expiring on March 31, 1999. Monthly lease payments are \$971 or \$11,652 annually. Total future minimum rental payments are as follows:

For the year ending June 30, 1998	\$11,652
For the year ending June 30, 1999	<u>8,739</u>
Total	<u>\$20,391</u>

Note 11 - Schedule of Per Diem Paid to Board Members

Amounts paid to board members for the year ended June 30, 1997 are as follows:

<u>Name</u>	<u>Amount</u>
Paul Lamothe	\$ 600
Becky Lege'	1,150
Sharon Toups	1,000
Gregory Ward	300
Lana Wilson	<u>400</u>
Total	<u>\$3,450</u>

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain reports on internal control structure and compliance with laws and regulation 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 matter that would be material to the presented financial statements.

Independent Auditor's Report on Internal Control
Structure Based on an Audit of General Purpose
Financial Statements performed in Accordance
With *Government Auditing Standards*

To the Board of Examiners
Louisiana State Board of Physical Therapy Examiners
Lafayette, Louisiana

I have audited the general purpose financial statements of the Louisiana State Board of Physical Therapy Examiners, a component unit of the State of Louisiana, as of and for the year ended June 30, 1997, and have issued my report thereon dated September 26, 1997.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The Board of Examiners of the Louisiana State Board of Physical Therapy Examiners is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements 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, projections 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.

In planning and performing my audit of the general purpose financial statements of the Louisiana State Board of Physical Therapy Examiners, for the year ended June 30, 1997, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention

relating to significant deficiencies in the design or operation of the internal control structure that, in my judgement, 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.

In my consideration of the internal control structure, I noted that, as a reportable condition, the size of the board's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial.

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.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions that are also considered to be material weaknesses as defined above. However, I believe the reportable condition described above is not a material weakness.

This report is intended for the information of the Board of Examiners, management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


September 26, 1997

Alton Dale Thornton, Jr.

Certified Public Accountant

Independent Auditor's Report on Compliance Based on an
Audit of General Purpose Financial Statements Performed In
Accordance With *Government Auditing Standards*

To the Board of Examiners
Louisiana State Board of Physical Therapy Examiners
Lafayette, Louisiana


I have audited the component unit financial statements of the Louisiana State Board of Physical Therapy Examiners, a component unit of the State of Louisiana, as of and for the year ended June 30, 1997, and have issued my report thereon dated September 26, 1997.

I conducted my audit in accordance with generally acceptance auditing standards and *Government Auditing Standards*, issued by the Comptroller General of The United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

Compliance with laws, regulations, contracts, and grants applicable to the Louisiana State Board of Physical Therapy Examiners is the responsibility of the Board of Examiners. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, I performed tests of the Louisiana State Board of Physical Therapy Examiners compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Examiners, management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report which is a matter of public record.



September 26, 1997