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LOUISIANA STATE RADIOLOGIC TECHNOLOGY
BOARD OF EXAMINERS

DEPARTMENT OF HEALTH AND HOSPITALS

STATE OF LOUISIANA

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 1999 AND 1998

AND

INDEPENDENT AUDITOR'S REPORT

DERBES & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS, L.L.C.

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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 06 1999

LOUISIANA STATE RADIOLOGIC TECHNOLOGY
BOARD OF EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 1999 AND 1998

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INDEPENDENT AUDITOR'S REPORT

Louisiana State Radiologic Technology Board of Examiners
Department of Health and Hospitals
State of Louisiana
Metairie, Louisiana

We have audited the accompanying financial statements of the Louisiana State Radiologic Technology Board of Examiners (the Board), a component unit of the State of Louisiana, as of June 30, 1999 and for the years ended June 30, 1999 and 1998, as listed in the table of contents. These financial statements are the responsibility of the Louisiana State Radiologic Technology Board of 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 State Radiologic Technology Board of 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 **Governmental Auditing Standards**, we have also issued a report dated September 1, 1999 on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana State Radiologic Technology Board of Examiners of the State of Louisiana as of June 30, 1999, and the results of its operations for the years ended June 30, 1999 and 1998 in conformity with generally accepted accounting principles.



September 1, 1999

LOUISIANA STATE RADIOLOGIC TECHNOLOGY BOARD OF EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999

	<u>Governmental Fund Type</u>	<u>Account Groups</u>		<u>Total (Memorandum Only)</u>
	<u>General Fund</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	<u>Total (Memorandum Only)</u>
<u>ASSETS AND OTHER DEBITS</u>				
Cash and cash equivalents	\$361,994	\$ -0-	\$ -0-	\$361,994
Fixed assets	-0-	18,248	-0-	18,248
Amount to be provided for retirement of general long-term obligations	-0-	-0-	11,145	11,145
Total Assets	<u>\$361,994</u>	<u>\$18,248</u>	<u>\$11,145</u>	<u>\$391,387</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Accounts payable and accrued expenses	\$ 4,465	\$ -0-	\$ -0-	\$ 4,465
Accumulated annual leave	-0-	-0-	11,145	11,145
Total Liabilities	<u>4,465</u>	<u>-0-</u>	<u>11,145</u>	<u>15,610</u>
<u>FUND EQUITY</u>				
Investment in general fixed assets	-0-	18,248	-0-	18,248
Fund balance - unreserved and undesignated	<u>357,529</u>	<u>-0-</u>	<u>-0-</u>	<u>357,529</u>
Total Fund Equity	<u>357,529</u>	<u>18,248</u>	<u>-0-</u>	<u>375,777</u>
Total Liabilities and Fund Equity	<u>\$361,994</u>	<u>\$18,248</u>	<u>\$11,145</u>	<u>\$391,387</u>

The accompanying notes are an integral part of this statement.

LOUISIANA STATE RADIOLOGIC TECHNOLOGY
BOARD OF EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

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

FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>General Fund</u>	
	<u>1999</u>	<u>1998</u>
<u>Revenues:</u>		
Licenses, permits and fees	\$163,278	\$ 85,550
Use of money and property - interest earnings	9,797	11,211
Other revenue	<u>405</u>	<u>1,354</u>
Total Revenues	<u>173,480</u>	<u>98,115</u>
<u>Expenditures:</u>		
General government:		
Personal services and related benefits	94,070	93,512
Professional services	3,588	6,720
Operating services	18,885	19,040
Materials and supplies	3,685	3,265
Travel and other charges	4,174	4,565
Capital outlay	<u>1,041</u>	<u>2,400</u>
Total Expenditures	<u>125,443</u>	<u>129,502</u>
Excess (Deficiency) of Revenues over Expenditures	48,037	(31,387)
Fund Balance - beginning of year	<u>309,492</u>	<u>340,879</u>
Fund Balance - end of year	<u>\$357,529</u>	<u>\$309,492</u>

The accompanying notes are an integral part of this statement.

LOUISIANA STATE RADIOLOGIC TECHNOLOGY BOARD OF 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, 1999

	General Fund		Variance- Favorable (Unfavorable)
	Budget	Actual	
<u>REVENUES:</u>			
Licenses, permits and fees	\$164,000	\$163,278	\$ (722)
Interest earned	10,000	9,797	(203)
Other revenues	<u>500</u>	<u>405</u>	<u>(95)</u>
Total Revenues	<u>174,500</u>	<u>173,480</u>	<u>(1,020)</u>
<u>EXPENDITURES:</u>			
Personal services and benefits	104,500	94,070	10,430
Professional services	14,370	3,588	10,782
Operating services	23,350	18,885	4,465
Materials and supplies	4,000	3,685	315
Travel and other charges	5,300	4,174	1,126
Capital outlay	<u>4,000</u>	<u>1,041</u>	<u>2,959</u>
Total Expenditures	<u>155,520</u>	<u>125,443</u>	<u>30,077</u>
Excess (Deficiency) of Revenues Over Expenditures	18,980	48,270	29,290
Fund Balance - beginning of year	<u>309,492</u>	<u>309,492</u>	<u>-0-</u>
Fund Balance - end of year	<u>\$328,472</u>	<u>\$357,762</u>	<u>\$29,290</u>

The accompanying notes are an integral part of this statement.

LOUISIANA STATE RADIOLOGIC TECHNOLOGY BOARD OF 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, 1998

	General Fund		Variance- Favorable (Unfavorable)
	Budget	Actual	
<u>REVENUES:</u>			
Licenses, permits and fees	\$ 79,500	\$ 85,550	\$ 6,050
Interest earned	10,000	11,211	1,211
Other revenues	<u>500</u>	<u>1,354</u>	<u>854</u>
Total Revenues	<u>90,000</u>	<u>98,115</u>	<u>8,115</u>
<u>EXPENDITURES:</u>			
Personal services and benefits	104,500	93,512	10,988
Professional services	14,970	6,720	8,250
Operating services	22,750	19,040	3,710
Materials and supplies	4,000	3,265	735
Travel and other charges	5,300	4,565	735
Capital outlay	<u>4,000</u>	<u>2,400</u>	<u>1,600</u>
Total Expenditures	<u>155,520</u>	<u>129,502</u>	<u>26,018</u>
Excess (Deficiency) of Revenues Over Expenditures	(65,520)	(31,387)	34,133
Fund Balance - beginning of year	<u>340,879</u>	<u>340,879</u>	<u>-0-</u>
Fund Balance - end of year	<u>\$275,359</u>	<u>\$309,492</u>	<u>\$34,133</u>

The accompanying notes are an integral part of this statement.

LOUISIANA STATE RADIOLOGIC TECHNOLOGY
BOARD OF EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Louisiana State Radiologic Technology Board of 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 (LSA R.S.) 37:3200-3219. The Board is currently composed of eleven members who are appointed by and serve at the pleasure of the Governor. The Board is charged with the responsibility of regulating the practice of radiologic technology in the State of Louisiana, administering examinations of candidates for radiologic technologist certificates and issuing licenses to practice radiologic technology. Operations of the Board are funded with self-generated revenues, including license fees, renewals, and examination fees. The Board has two full-time employees. At June 30, 1999, there were approximately 4,050 licensed radiologic technologists in the state.

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 State Radiologic Technology Board of 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 statements present only transactions of the Louisiana State Radiologic Technology Board of Examiners, a component unit of the State of Louisiana.

LOUISIANA STATE RADIOLOGIC TECHNOLOGY
BOARD OF EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Louisiana State Radiologic Technology Board of 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:

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

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.

LOUISIANA STATE RADIOLOGIC TECHNOLOGY
BOARD OF EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. General Fixed Assets and General Long-Term Obligations (Continued)

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

License fees, examination fees, renewal fees, fines and penalties are reported when received. Licenses must be renewed biennially by May 31 and are considered expired 90 days after that date. The large majority of license renewals occur in the odd numbered calendar years due to the method in which renewals are charged. All other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for accumulated vacation leave, which is recognized when paid.

LOUISIANA STATE RADIOLOGIC TECHNOLOGY
BOARD OF EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

2 - BUDGET PRACTICES

Annually the Board adopts a budget that is submitted to the Department of Health and Hospitals, as prescribed by LSA R.S. 39:1331-1342. The budget for the fiscal year ended June 30, 1999 was adopted on January 21, 1998. The budget for the fiscal year ended June 30, 1998 was adopted on January 16, 1997. The adopted budgets were prepared and reported using the same accounting procedures and practices that are used in preparing the annual financial statements. Although budget amounts lapse at year-end, the Board retains its unexpended fund balance to fund expenditures of the succeeding year. Formal budget integration is not employed as a management control device during the year. The Board does not employ the use of encumbrance accounting for the operations of its activities.

Substantial budget variances for the years ended June 30, 1999 and 1998 are explained as follows:

<u>Title</u>	Variance- Favorable (Unfavorable)	<u>Comments</u>
For the year ended June 30, 1999:		
Personal service and benefits	\$10,430	The Board typically budgets for temporary extra help which might be needed during renewal season.
Professional services	10,782	The budget provided for potential audit fees and unforeseen legal services which might be needed during the fiscal year.
Operating services	4,465	The Board did not incur anticipated expenditures for certain budget line items such as general liability insurance and postage.
Capital outlay	2,959	The Board typically budgets \$4,000 per year for capital outlays to cover possible major repairs and/or replacements.

LOUISIANA STATE RADIOLOGIC TECHNOLOGY
BOARD OF EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

2 - BUDGET PRACTICES (Continued)

<u>Title</u>	Variance- Favorable (Unfavorable)	<u>Comments</u>
For the year ended June 30, 1998:		
Licenses, permits and fees	\$6,050	The Board collected more in delinquent fees than budgeted due to the implementation of continuing education requirements.
Personal services and benefits	10,988	The Board typically budgets for temporary extra help which might be needed during renewal season.
Professional services	8,250	The budget provided for unforeseen legal services which might be needed during the fiscal year.
Operating services	3,710	The Board did not incur anticipated expenditures for certain budget line items such as general liability insurance and postage.
Capital outlay	1,600	The Board typically budgets \$4,000 per year for capital outlays to cover possible major repairs and/or replacements.

3 - CASH AND CASH EQUIVALENTS

For reporting purposes, cash and cash equivalents include cash and demand deposits. 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 the State 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

LOUISIANA STATE RADIOLOGIC TECHNOLOGY
BOARD OF EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

3 - CASH AND CASH EQUIVALENTS (Continued)

At June 30, 1999, the carrying amount of the Board's deposits was \$361,994 and the bank balance was \$361,737. Of the bank balance, \$265,000 was covered by federal depository insurance and \$96,737 was covered by collateral held by the New Orleans branch of the Federal Reserve Bank in the Board's name..

Certificates of deposit at June 30, 1999 consist of the following:

<u>Depository</u>	<u>Date of Origination</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>	<u>Accrued Interest</u>
Whitney	03/04/99	08/31/99	3.81%	\$ 65,000	\$176
Hibernia	06/18/99	12/17/99	4.70%	25,000	39
Bank One	03/29/99	09/29/99	3.90%	50,000	21
Bank One	03/29/99	09/29/99	3.90%	<u>50,000</u>	<u>21</u>
Totals				<u>\$190,000</u>	<u>\$257</u>

Of the total certificates of deposit, \$165,000 was covered by federal depository insurance and \$25,000 was covered by collateral by held by the New Orleans branch of the Federal Reserve Bank in the Board's name.

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, 1999, were secured as follows:

LOUISIANA STATE RADIOLOGIC TECHNOLOGY
BOARD OF EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

3 - CASH AND CASH EQUIVALENTS (Continued)

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Carrying Amount on Balance Sheet	<u>\$171,737</u>	<u>\$190,257</u>	<u>\$361,994</u>
Bank Balances:			
1. Insured (FDIC) or collateralized with securities held by the entity or its agent <u>in the entity's name</u>	\$171,737	\$190,000	\$361,737
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>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL Bank Balances	<u>\$171,737</u>	<u>\$190,000</u>	<u>\$361,737</u>

4 - VACATION AND SICK LEAVE

The Louisiana State Radiologic Technology Board of 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 Board is obligated to pay the employee at their current hourly rate for all unused vacation time up to 300 hours.

LOUISIANA STATE RADIOLOGIC TECHNOLOGY
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NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

4 - VACATION AND SICK LEAVE (Continued)

At June 30, 1999, employees of the Board had accumulated and vested \$11,145 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$-0- is recorded as an obligation of the General Fund and \$11,145 is recorded within the General Long-Term Obligation Account Group because the Board does not expect to pay it out of current resources. No liability has been recorded for accumulated vacation time in excess of 300 hours or for accumulated sick leave which, upon retirement, 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 State Radiologic Technology Board of Examiners consists of only one fund, no memorandum totals are presented on the Statement of Revenues, Expenditures and Changes in Fund Balance or the Statements of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual.

LOUISIANA STATE RADIOLOGIC TECHNOLOGY
BOARD OF EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
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NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

6 - CHANGES IN GENERAL FIXED ASSETS

The changes in general fixed assets follows:

	<u>Furniture and Equipment</u>
Balance, July 1, 1997	\$14,807
Additions	2,400
Dispositions	<u>-0-</u>
Balance, June 30, 1998	17,207
Additions	1,041
Dispositions	<u>-0-</u>
Balance, June 30, 1999	<u>\$18,248</u>

In accordance with LSA R.S. 39:321-332, the Board has complied with the Louisiana movable property statutes.

7 - EMPLOYEE PENSION PLAN

All employees of the Board are members 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.

LOUISIANA STATE RADIOLOGIC TECHNOLOGY
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DEPARTMENT OF HEALTH AND HOSPITALS
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NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

7 - EMPLOYEE PENSION PLAN (Continued)

In addition to the employee contribution withheld at 7.5% of covered payroll for the fiscal years ended June 30, 1999 and 1998, the Board contributed an additional 12.4% and 13.0% of covered payroll for the years ended June 30, 1999 and 1998, respectively. Contributions to the System were funded through employee contributions of \$5,970 and \$5,764 for the years ended June 30, 1999 and 1998, respectively, and employer contributions of \$9,882 and \$9,542 for the years ended June 30, 1999 and 1998, respectively. The Board contributed \$9,882, \$9,542 and \$9,131 to the System for the years ended June 30, 1999, 1998 and 1997, respectively, which represented 100% of the required contribution for each year. The total payroll of the Board was \$80,086 and \$79,322 for the years ended June 30, 1999 and 1998, respectively, and the total payroll covered by the System was \$79,600 and \$76,847 for the years ended June 30, 1999 and 1998, respectively. 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.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's 1999 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 1974.

8 - LEASE

The Board occupies leased premises at 3108 Cleary Avenue, Suite 207, Metairie, Louisiana on a five-year operating lease which expires August 31, 2000. The lease requires monthly rental payments of \$340. All taxes and general insurance are paid by the lessor. Utilities are paid by the lessee. Rent expense for the years ended June 30, 1999 and 1998 was \$4,580 and 4,580, respectively.

LOUISIANA STATE RADIOLOGIC TECHNOLOGY
BOARD OF EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

8 - LEASE (Continued)

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

<u>June 30,</u>	
2000	\$4,080
2001	<u>680</u>
	<u>\$4,760</u>

9 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions during the two years ended June 30, 1999:

Accumulated annual leave at July 1, 1997	\$11,033
Additions	5,477
Reductions	<u>(5,669)</u>
Accumulated annual leave at June 30, 1998	10,841
Additions	6,035
Reductions	<u>(5,731)</u>
Accumulated annual leave at June 30, 1999	<u>\$11,145</u>

10 - LITIGATION AND CLAIMS

At June 30, 1999, the Board was not involved in any litigation and was not aware of any claims which would not be covered by insurance as provided by coverages self-insured by the Louisiana Department of Risk Management. During the years ended June 30, 1999 and 1998, legal fees of \$3,588 and \$3,750, respectively, were incurred and recorded as expenditures in the general fund.

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY DATA

We have reported separately herein on the basic financial statements of the Louisiana State Radiologic Technology Board of Examiners. The supplementary information on pages 19-23 included in the Schedule of Compensation of Board Members, the Summary Schedule of Findings and the Summary Schedule of Prior Audit Findings 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. The year 2000 supplementary information on page 24 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the year 2000 supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Board is or will become year 2000 compliant, that the Board's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Board does business are or will become year 2000 compliant.



September 1, 1999

LOUISIANA STATE RADIOLOGIC TECHNOLOGY BOARD OF EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

SCHEDULE OF COMPENSATION OF BOARD MEMBERS

FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>June 30, 1999</u>	<u>Meetings Attended</u>	<u>June 30, 1998</u>	<u>June 30, 1999</u>	<u>June 30, 1998</u>
Alice M. Dauzat, L.R.T.	8	11		\$ 400	\$ 550
Susan Hammonds, L.R.T.	8	7		400	350
Deborah K. Lea, L.R.T.	9	6		450	300
Elizabeth Frizzell, L.R.T.	9	9		450	450
William Joseph Allen, L.H.A.	4	4		200	200
Milton Bourgeois, Jr., L.H.A.	4	4		200	200
James S. Lawton, M.D.	3	4		150	200
Joel Massey, Ph.D.	4	3		200	150
Eugene Patterson, M.D.	0	1		-0-	50
Wayne Swiniarski, L.H.A.	<u>3</u>	<u>4</u>		<u>150</u>	<u>100</u>
	<u>52</u>	<u>53</u>		<u>\$2,600</u>	<u>\$2,550</u>

The schedule of per diem paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members are paid \$50 for each board meeting they attend, as authorized by LSA-R.S. 37:3206.

LOUISIANA STATE RADIOLOGIC TECHNOLOGY
BOARD OF EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

SUMMARY SCHEDULE OF FINDINGS

YEARS ENDED JUNE 30, 1999 AND 1998

We have audited the financial statements of the Louisiana State Radiologic Technology Board of Examiners (the Board), a component unit of the State of Louisiana, as of June 30, 1999 and for the years ended June 30, 1999 and 1998, and have issued our report thereon, dated September 1, 1999. We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States, and the **Louisiana Governmental Audit Guide**. Our audit of the financial statements as of June 30, 1999 resulted in an unqualified opinion. No management letter was issued in connection with our engagement.

Section I - Summary of Auditor's Reports

The audit disclosed the following instances of noncompliance which are material to the financial statements:

Finding 1

As noted in footnote 2 of the audited financial statements the budget for the fiscal year ended June 30, 1999 was adopted on January 21, 1998, and the budget for the fiscal year ended June 30, 1998 was adopted on January 16, 1997. As mandated in L.R.S. 39:1335 of the Louisiana Licensing Agency Budget Act, "not later than the first day of January in each year, each licensing agency shall submit a copy of its proposed budget for the ensuing fiscal year to the Joint Legislative Committee on the Budget, to each chairman of a standing committee of the legislature having jurisdiction as listed in R.S. 49:968, to the legislative auditor, and to the legislative fiscal office."

Recommendation

We recommend that the Board prepare and submit annual budgets timely in accordance with state statutes.

LOUISIANA STATE RADIOLOGIC TECHNOLOGY
BOARD OF EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

SUMMARY SCHEDULE OF FINDINGS

YEARS ENDED JUNE 30, 1999 AND 1998
(CONTINUED)

Management Response

In the future, the Board will submit budgets on a timely basis in accordance with the Louisiana Licensing Agency Budget Act.

Finding 2

The Board entered into a contract for legal services which expired on July 15, 1996. The Board continued to use the attorney after the contract expiration date. During the years ended June 30, 1999 and 1998, the attorney was paid \$3,588 and \$3,750, respectively. The original contract required that "the effective date of (the) contract may be extended only if an amendment to that effect is duly executed by the contracting parties and approved by the necessary authorities prior to said termination date." No such extension was executed nor approved.

Recommendation

We recommend that the Board enter into approved contracts for all professional services rendered.

Management Response

The Board's failure to extend the legal contract was an oversight. The Board is currently in the process of obtaining necessary approvals for a new contract for legal services, and will observe contract requirements in the future.

The following reportable condition in internal control was disclosed by the audit of the financial statements:

LOUISIANA STATE RADIOLOGIC TECHNOLOGY
BOARD OF EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

SUMMARY SCHEDULE OF FINDINGS

YEARS ENDED JUNE 30, 1999 AND 1998
(CONTINUED)

Finding 3

The size and the nature of the operations of the Louisiana State Radiologic Technology Board of 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:

Due to the size of the office staff and the budget, management does not feel that the Board can justify hiring additional personnel to segregate the accounting functions. The Board will continue to monitor all transactions within the accounting functions.

Section II - Financial Statement Findings

There are no findings to report.

Section III - Federal Award Findings and Questioned Costs

There are no federal awards and, therefore, no findings and questioned costs to report.

LOUISIANA STATE RADIOLOGIC TECHNOLOGY
BOARD OF EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEARS ENDED JUNE 30, 1999 AND 1998

Section I - Internal Control and Compliance Material to the Financial Statements

There were no findings to report.

Section II - Internal Control and Compliance Material to Federal Awards

There were no federal awards and, therefore, no findings to report.

Section III - Management Letter

There was no management letter and, therefore, no findings to report.

LOUISIANA STATE RADIOLOGIC TECHNOLOGY BOARD OF EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

YEAR 2000 SUPPLEMENTARY INFORMATION

JUNE 30, 1999

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Board's operations.

As of June 30, 1999, the Board has completed the validation/testing stage to address Year 2000 issues for its computer systems and other electronic equipment critical to conducting business. As of June 30, 1999, no significant amount of resources has been committed to address Year 2000 issues for computer systems and other electronic equipment.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Board is or will be year 2000 ready, that the Board's remediation efforts will be successful in whole or in part, or that parties with whom the Board does business will be year 2000 ready.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Louisiana State Radiologic Technology Board of Examiners
Department of Health and Hospitals
State of Louisiana
Metairie, Louisiana

We have audited the financial statements of the Louisiana State Radiologic Technology Board of Examiners (the Board), a component unit of the State of Louisiana, as of June 30, 1999 and for the years ended June 30, 1999 and 1998, and have issued our report thereon, dated September 1, 1999. 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**.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of the Louisiana State Radiologic Technology Board of Examiners are free of material misstatement, we performed tests of the Board's compliance with certain provisions of laws, regulations and contracts, noncompliance 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 instances of noncompliance that are required to be reported under **Government Auditing Standards** which are described in the Summary Schedule of Findings on pages 20-22 as Findings 1 and 2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana State Radiologic Technology Board of Examiners' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting 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. A reportable condition is described in the Summary Schedule of Findings on pages 20-22 as Finding 3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial 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 over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

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 1, 1999