

3429

**OFFICIAL
FILE COPY**
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

LOUISIANA STATE BOARD OF
BARBER EXAMINERS
DEPARTMENT OF LABOR
STATE OF LOUISIANA
FINANCIAL STATEMENTS
TWO YEARS ENDED DECEMBER 31, 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 APR 08 1998

LOUISIANA STATE BOARD OF
BARBER EXAMINERS
DEPARTMENT OF LABOR
STATE OF LOUISIANA
FINANCIAL STATEMENTS
TWO YEARS ENDED DECEMBER 31, 1997

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1 - 2
General-Purpose Financial Statements	
Balance Sheet - All Fund Types and Account Groups, December 31, 1997	3
Governmental Fund Type - General Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance, Two Years Ended December 31, 1997	4
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual, Two Years Ended December 31, 1997	5 - 8
Notes to the Financial Statements, Two Years Ended December 31, 1997	9 - 15
Supplemental Information	16
Schedule of Board Members Per Diem, Two Years Ended December 31, 1997	17
Schedule of Revenues by Source, Nine Years Ended December 31, 1997 (Unaudited)	18 - 19
Independent Auditors' Report on the Internal Control Structure Based on an Audit of General-Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	20 - 21
Independent Auditors' Report on Compliance Based on an Audit of General-Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	22

DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

GLYNN R. DYER, CPA (APC)
ERIC J. VICKNAIR, CPA (APC)

MAILING ADDRESS
POST OFFICE BOX 66007
BATON ROUGE, LOUISIANA 70806
FAX (504) 922-9300

INDEPENDENT AUDITORS' REPORT

Louisiana State Board of
Barber Examiners
Department of Labor
State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying general-purpose financial statements of

LOUISIANA STATE BOARD OF
BARBER EXAMINERS
DEPARTMENT OF LABOR
STATE OF LOUISIANA

a component unit of the State of Louisiana, as of and for the two years ended December 31, 1997. These financial statements are the responsibility of Louisiana State Board of Barber 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 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 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.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Louisiana State Board of Barber Examiners, Baton Rouge, Louisiana, at December 31, 1997, and the results of its operations for the two years then ended in conformity with generally accepted accounting principles.

DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

In accordance with Government Auditing Standards, we have also issued a report dated March 3, 1998 on our consideration of Louisiana State Board of Barber Examiners, Baton Rouge, Louisiana's, internal control structure and a report dated March 3, 1998 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The supplemental information 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 Louisiana State Board of Barber Examiners, Baton Rouge, Louisiana. Such information, except for that portion marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

Baton Rouge, Louisiana
March 3, 1998

Dyer & Vicknair

LOUISIANA STATE BOARD OF
BARBER EXAMINERS
DEPARTMENT OF LABOR
STATE OF LOUISIANA
ALL FUNDS AND ACCOUNT GROUPS
BALANCE SHEET
DECEMBER 31, 1997

	<u>GOVERNMENTAL</u> <u>FUND</u>	<u>ACCOUNT GROUPS</u>		<u>TOTAL</u> <u>(MEMORANDUM</u> <u>ONLY)</u>
	<u>GENERAL FUND</u>	<u>GENERAL</u> <u>FIXED</u> <u>ASSETS</u>	<u>GENERAL</u> <u>LONG-TERM</u> <u>OBLIGATIONS</u>	
<u>ASSETS AND OTHER DEBITS</u>				
Cash	\$ 106,535			\$ 106,535
Investments, at amortized cost	48,541			48,541
Receivables	2,808			2,808
Deposits	950			950
Fixed assets		\$15,813		15,813
Other debits:				
Amount to be provided for retirement of long- term obligations			\$ 8,705	8,705
	<u>158,834</u>	<u>15,813</u>	<u>8,705</u>	<u>183,352</u>
<u>LIABILITIES AND FUND</u>				
<u>EQUITY</u>				
Liabilities				
Accounts payable	\$ 9,162			\$ 9,162
Salaries and related benefits	6,390			6,390
Deferred revenue	15,440			15,440
Accrued compensated absences			\$ 8,705	8,705
	<u>30,992</u>		<u>8,705</u>	<u>39,697</u>
Fund Equity				
Investment in general fixed assets		\$15,813		15,813
Fund balance- unreserved, undesignated	<u>127,842</u>			<u>127,842</u>
<u>Total fund equity</u>	<u>127,842</u>	<u>15,813</u>		<u>143,655</u>
<u>Total liabilities</u> <u>and fund equity</u>	<u>158,834</u>	<u>15,813</u>	<u>8,705</u>	<u>183,352</u>

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF
BARBER EXAMINERS
DEPARTMENT OF LABOR
STATE OF LOUISIANA
GOVERNMENTAL FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
TWO YEARS ENDED DECEMBER 31, 1997

	YEAR ENDED DECEMBER 31, 1997	YEAR ENDED DECEMBER 31, 1996
<u>REVENUES</u>		
Barbers' annual license fee	\$ 130,160	\$ 126,860
Shops' annual license fee	25,460	27,340
Penalty and delinquent fees	20,764	14,998
Other fees	8,165	18,185
Interest earnings	6,241	5,715
Miscellaneous	351	621
	<hr/>	<hr/>
<u>Total revenues</u>	<u>191,141</u>	<u>193,719</u>
<u>EXPENDITURES</u>		
Personal services and related benefits	129,326	109,343
Operating services	29,081	20,324
Materials and supplies	2,986	3,035
Travel	34,448	31,018
Capital outlay	15,923	882
	<hr/>	<hr/>
<u>Total expenditures</u>	<u>211,764</u>	<u>164,602</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	(20,623)	29,117
<u>FUND BALANCE,</u> beginning of year	<hr/> <u>148,465</u>	<hr/> <u>119,348</u>
<u>FUND BALANCE,</u> end of year	<hr/> <u>127,842</u>	<hr/> <u>148,465</u>

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF
BARBER EXAMINERS
DEPARTMENT OF LABOR
STATE OF LOUISIANA
GOVERNMENTAL FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
TWO YEARS ENDED DECEMBER 31, 1997

	<u>YEAR ENDED DECEMBER 31, 1997</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
Barbers' annual license fee	\$ 129,420	\$ 130,160	\$ 740
Shops' annual license fee	25,500	24,460	(1,040)
Penalty and delinquent fee	15,000	20,764	5,764
Examination fees	9,000	5,299	(4,701)
New shop registration fee	1,500	1,000	(500)
Duplicate license fees			
Equivalent examination	250	76	174
Teachers' license fee	1,600	2,640	1,040
School certificates	750	750	-0-
Reciprocity	1,000	400	600
Interest earnings	5,000	6,241	1,241
Miscellaneous	450	351	99
	<u>189,470</u>	<u>191,141</u>	<u>1,671</u>
<u>Total revenues</u>			
<u>EXPENDITURES</u>			
Salaries	102,675	104,898	(2,223)
Retirement	11,000	8,034	2,966
Insurance	10,000	14,824	(4,824)
Payroll and unemployment taxes	1,200	1,570	(370)
Per diem	8,000	7,600	400
Telephone	2,500	6,470	(3,970)
Postage	2,800	3,202	(402)
Printing	1,100	674	426
Equipment maintenance	300	40	260
National Barber Board fees	100	100	-0-
Rent	6,000	3,800	2,200
Utilities	1,800	-0-	1,800
Accounting and audit	4,000	5,844	(1,844)
Miscellaneous	544	1,351	(807)
Office and copy supplies	3,200	2,986	214
Travel expenses			
Staff	22,800	24,128	(1,328)
Board members	8,000	10,320	(2,320)
Capital outlay	15,700	15,923	(223)
	<u>201,719</u>	<u>211,764</u>	<u>(10,045)</u>
<u>Total expenditures</u>			

<u>YEAR ENDED DECEMBER 31, 1996</u>		
<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
\$ 124,000	\$ 128,680	\$ 4,680
26,000	25,940	(60)
13,037	14,998	1,961
7,200	11,730	4,530
2,000	1,400	(600)
88	48	(40)
350	118	(232)
1,000	1,600	600
250	750	500
1,000	2,120	1,120
5,000	5,715	715
75	620	545
<u>180,000</u>	<u>193,719</u>	<u>13,719</u>
91,350	89,603	1,747
7,500	11,277	(3,777)
9,600	7,397	2,203
1,000	1,066	(66)
4,000	6,700	(2,700)
3,000	2,628	372
2,800	3,357	(557)
1,100	398	702
300	-0-	300
300	100	200
6,000	-0-	6,000
1,800	-0-	1,800
6,700	6,523	177
800	618	182
2,800	3,035	(235)
21,500	22,952	(1,452)
7,500	8,066	(566)
700	882	(182)
<u>168,750</u>	<u>164,602</u>	<u>4,148</u>

(Continued)

LOUISIANA STATE BOARD OF
BARBER EXAMINERS
DEPARTMENT OF LABOR
STATE OF LOUISIANA
GOVERNMENTAL FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
TWO YEARS ENDED DECEMBER 31, 1997
 (Continued)

	<u>YEAR ENDED DECEMBER 31, 1997</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	<u>\$ (12,249)</u>	<u>\$ (20,623)</u>	<u>\$ (8,374)</u>
<u>FUND BALANCE, beginning of year</u>		<u>148,465</u>	
<u>FUND BALANCE, end of year</u>		<u>127,842</u>	

The accompanying notes are an integral part of this statement.

<u>YEAR ENDED DECEMBER 31, 1996</u>		
<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>\$ 11,250</u>	\$ 29,117	<u>\$ 17,867</u>
	<u>119,348</u>	
	<u>148,465</u>	

LOUISIANA STATE BOARD OF
BARBER EXAMINERS
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
TWO YEARS ENDED DECEMBER 31, 1997

INTRODUCTION

The Louisiana State Board of Barbers Examiners is a component unit of the State of Louisiana created as provided by Louisiana Revised Statutes (LSA-R.S.) 37:341-392 within the Louisiana Department of Labor, as provided by LSA-R.S. 36:309. The board is composed of five members, appointed by the governor, who are charged with licensing and regulating the practice of barbering in the State of Louisiana. The board was established to administer examinations and issue, renew, suspend and/or revoke licenses of Barbers in the State of Louisiana. Operations of the board are funded entirely through self-generated revenues. As of December 31, 1997, there were 3,200 licensed barbers in the state.

Note #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the Louisiana State Board of Barber Examiners have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. In accordance with GASB Codification Section 2100, the board is 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 general-purpose financial statements present only the transactions of the Louisiana State Board of Barber Examiners, a component unit of the State of Louisiana.

LOUISIANA STATE BOARD OF
BARBER EXAMINERS
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
TWO YEARS ENDED DECEMBER 31, 1997
(Continued)

C. Fund Accounting

The Board uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect the net expendable available financial resources.

Funds of the board are classified as governmental funds. Governmental funds account for the board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition of general fixed assets, and the servicing of general long-term obligations. Governmental funds of the Board include:

General Fund

The general fund is the general operating fund of the board. It is used to account for all financial resources except those required to be accounted for in other funds.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

LOUISIANA STATE BOARD OF
BARBER EXAMINERS
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
TWO YEARS ENDED DECEMBER 31, 1997
(Continued)

Licenses and fees are recorded in the year earned, which approximates when measurable and available. Licenses are renewed by November of each year. Amounts collected in advance are recorded as deferred revenues.

Interest income is recorded when earned.

Substantially all other revenues are recorded when they are received.

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

E. Fixed Assets and Long-Term Obligations

Fixed assets used in governmental fund type operations are not capitalized in the funds used to acquire them. Instead, capital acquisition is reflected in governmental funds, and the related assets are reported in the general fixed assets account group. No depreciation has been provided on such fixed assets. All fixed assets are valued at historical cost.

Long-term obligations expected to be financed from the general fund are accounted for in the general long-term obligations account group.

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

F. Encumbrances

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the application appropriation, is not employed.

G. Budgets and Budgetary Accounting

An annual budget is adopted for the general fund on a basis consistent with generally accepted accounting principles.

LOUISIANA STATE BOARD OF
BARBER EXAMINERS
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
TWO YEARS ENDED DECEMBER 31, 1997
(Continued)

H. Cash and Investments

Cash includes demand deposits and interest-bearing demand deposits. Under state law, the board may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law, national banks having their principal offices in Louisiana, in savings account 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.

Under state law, the Board may invest in United States bonds, treasury notes or certificates.

The Board considers time deposits and investments with an original maturity of ninety days or less to be cash equivalents. If the original maturities exceed ninety days, they are classified as investments.

Investments are stated at cost, which approximates market.

I. Compensated Absences

Vested or accumulated annual leave that is not expected to be liquidated with expendable available resources of the general funds is reported in the general long-term obligation account group. No expenditure is reported for these amounts.

J. Memorandum Only - Total Column

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.

Note #2: LEGAL COMPLIANCE - BUDGET

The board adopts a budget for the year.

Formal budget integration is employed as a management control device during the year.

LOUISIANA STATE BOARD OF
BARBER EXAMINERS
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
TWO YEARS ENDED DECEMBER 31, 1997
(Continued)

All appropriations lapse at the end of the year.

Budgetary amendments require the approval of the board.

Budgeted amounts included in the accompanying financial statements reflect the original adopted budget.

Note #3: CASH

At December 31, 1997, the board has cash (book balances) totaling \$108,410, as follows:

Interest-bearing demand deposits	\$ 91,534
Demand deposits	<u>15,001</u>
<u>Total</u>	<u>106,535</u>

These deposits 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 of deposit with the fiscal agent. These securities must be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 1997, the Board has \$106,404 in deposits (collected bank balances). This entire balance is secured from risk by federal depository insurance.

Note #4: INVESTMENTS

At December 31, 1997, the board has investments consisting of a time certificate of deposit with an original maturity of over 90 days. This amount is secured from risk by federal deposit insurance.

At December 31, 1997, the investment's amortized cost and market value is \$48,541.

Note #5: CHANGES IN GENERAL FIXED ASSETS

At December 31, 1997, the board has stewardship responsibility for \$15,813 in furniture and equipment.

The following is a summary of the changes to fixed assets during the two years ended December 31, 1997:

LOUISIANA STATE BOARD OF
BARBER EXAMINERS
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
TWO YEARS ENDED DECEMBER 31, 1997
(Continued)

Balance, January 1, 1996	\$ 7,515
Additions	1,297
Reductions	<u>(220)</u>
Balance, December 31, 1996	8,592
Additions	9,836
Reductions	<u>(2,615)</u>
Balance, December 31, 1997	<u>15,813</u>

During the year ended December 31, 1997, the Board purchased \$4,062 of computer software and \$2,025 of leasehold improvements which were not considered as additions to the general fund assets account group.

Note #6: LONG-TERM OBLIGATIONS

Long-term obligations consist of compensated absences. The following is a summary of the long-term obligation transactions during the two years ended December 31, 1997.

Balance, January 1, 1996	\$17,663
Additions	689
Reductions	<u>(3,609)</u>
Balance, December 31, 1996	10,673
Additions	1,641
Reductions	<u>(7,679)</u>
Balance, December 31, 1997	<u>8,705</u>

Note #7: PENSION PLAN

All full time employees of the Board are members of the Louisiana State Employees Retirement System ("System"), a multiple-employer (cost sharing), public employee retirement system (PERS) controlled and administered by a separate board of trustees. Contributions of participating agencies are pooled within the System to fund accrued benefits, with contribution rates approved by the Louisiana Legislature.

All full time employees are eligible to participate in the System. Benefits vest with ten years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5 percent of their highest consecutive 36 months average salary multiplied by their years of credited service. Vested employees may retire at (a) any age with thirty years of service, (b) age 55 with twenty-five years of service, or (c) at age 60 with ten years of service. The System also provides death and disability benefits. Benefits are established by state statute.

LOUISIANA STATE BOARD OF
BARBER EXAMINERS
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
TWO YEARS ENDED DECEMBER 31, 1997
 (Continued)

The System issues stand-alone financial statements that may be obtained at Post Office box 44213, Baton Rouge, Louisiana, 70804.

In addition to the employee contributions of 7.5% of gross salary, the Board contributes an additional 12.4% of gross salary to the System. Contributions to the System were funded through employee and employer contributions of \$4,860 and \$8,034 and \$4,550 and \$7,397, respectively, for the years ended December 31, 1997 and December 31, 1996, respectively. The total payroll of the Board for the years ended December 31, 1997 and December 31, 1996 were \$104,898 and \$89,603, respectively. The total payroll covered by the System for the years ended December 31, 1997 and December 31, 1996 were \$64,800 and \$60,630, respectively. The Board contributed to the System 11.9% of covered payroll from January 1, 1995 to June 30, 1995; 12% of covered wages from January 1, 1996 to December 31, 1996; and 12.4% of covered wages from July 1, 1996 to December 30, 1997. Under present statutes, the Board does not guarantee any of the benefits of the System.

Note #8: LEASES

The Board leases office space for \$950 per month. This lease is considered for accounting purposes to be an operating lease which expires August 31, 2002. Rent expenditure is \$3,800 for the year ended December 31, 1997.

Future minimum lease payments for this lease are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
1998	\$11,400
1999	\$11,400
2000	\$11,900
2001	\$12,000
2002	\$ 8,000

Note #9: LITIGATION

There were no judgments, claims or similar contingencies pending against the Board at December 31, 1997.

Note #10: PER DIEM PAID TO BOARD MEMBERS

The Board members are paid a per diem of \$100 for each day's attendance at a board meeting or at an examination. The total amount of per diem for the period ended December 31, 1997 and December 31, 1996 is \$7,600, and \$6,800, respectively.

LOUISIANA STATE BOARD OF
BARBER EXAMINERS
DEPARTMENT OF LABOR
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
TWO YEARS ENDED DECEMBER 31, 1997
(Continued)

Note #11: POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board has three retired employees receiving postretirement health care and life insurance benefits. For the years ended December 31, 1997 and December 31, 1996, those costs totaled \$1,708 and \$1,704, respectively.

LOUISIANA STATE BOARD OF
BARBER EXAMINERS
DEPARTMENT OF LABOR
STATE OF LOUISIANA
SCHEDULE OF BOARD MEMBERS' PER DIEM
TWO YEARS ENDED DECEMBER 31, 1997

	YEAR ENDED	
	DECEMBER 31,	
	<u>1997</u>	<u>1996</u>
Audry Adams	\$ 800	\$ 800
James Adams	800	500
Gerald Breaux	1,400	600
J. Wayne Daigle	2,000	1,700
Lloyd Lejeune		400
Gervis Ned	1,300	1,200
Patricia Pipes	1,300	1,600
Claude Todaro		
<u>Totals</u>	<u>7,600</u>	<u>6,800</u>

LOUISIANA STATE BOARD OF
BARBER EXAMINERS
DEPARTMENT OF LABOR
STATE OF LOUISIANA
SCHEDULE OF REVENUES BY SOURCE
NINE YEARS ENDED DECEMBER 31, 1997
 (Unaudited)

<u>REVENUES</u>	<u>1997</u>	<u>1996</u>	<u>YEAR</u> <u>1995</u>
Barbers' annual license fees \$	130,160	\$ 128,680	\$ 120,800
Shops' annual license fees	24,460	25,940	26,480
Penalty and delinquent fees	20,764	14,998	16,504
Examination fees	4,299	11,730	7,567
New shop registration fees	1,000	1,400	2,100
Duplicate license fees		48	88
Equivalent examinations	76	118	904
Teachers' license fees	2,640	1,600	326
School certificates	750	750	250
Reciprocity	400	2,120	1,660
Entrance fees			
Interest earnings	6,241	5,715	6,689
Federal grant			0
Miscellaneous	351	620	91
<u>Totals</u>	<u>191,141</u>	<u>193,719</u>	<u>183,459</u>

ENDED DECEMBER 31,					
1994	1993	1992	1991	1990	1989
\$ 119,520	\$ 120,921	\$ 126,060	\$ 120,302	\$ 120,796	\$ 118,500
25,480	24,945	27,110	2,000	1,975	2,634
16,674	15,015	9,100	11,290	11,560	12,830
7,119	6,317	8,442	6,043	3,774	3,449
1,625					
12	64	0	0	60	220
325	255	587	338	265	324
350	300	255	337	215	180
750	500	444	280	650	270
540	2,860	4,600	1,900	0	2,000
	750	0	440	2,200	5,580
4,191	3,681	2,197	4,845	5,930	6,180
0	0	0	1,980	0	0
48	697	333	237	571	4,468
<u>176,634</u>	<u>176,305</u>	<u>179,128</u>	<u>149,992</u>	<u>147,996</u>	<u>156,635</u>

DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

GLYNN R. DYER, CPA (APC)
ERIC J. VICKNAIR, CPA (APC)

MAILING ADDRESS
POST OFFICE BOX 66007
BATON ROUGE, LOUISIANA 70896
FAX (504) 922-9300

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Louisiana State Board of
Barber Examiners
Department of Labor
State of Louisiana
Baton Rouge, Louisiana

We have audited the general-purpose financial statements of Louisiana State Board of Barber Examiners, Baton Rouge, Louisiana, a component unit of the State of Louisiana for the two years ended December 31, 1997, and have issued our report thereon dated March 3, 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.

The management of Louisiana State Board of Barber 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 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 the policies and procedures may deteriorate.

In planning and performing our audit of the general-purpose financial statements of Louisiana State Board of Barber Examiners, Baton Rouge, Louisiana for the two years ended December 31, 1997, we obtained an understanding of the internal control structure. With respect to the

DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

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 provided an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weakness under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific 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 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain other matters involving the internal control structure and its operation that we have reported to the management of Louisiana State Board of Barber Examiners, Baton Rouge, Louisiana, in a separate letter dated March 3, 1998.

This report is intended for the information of the Board management, the State of Louisiana and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

There were no comments concerning control the internal control structure noted in the audit for the two years ended December 31, 1995.

Baton Rouge, Louisiana
March 3, 1998

Dyer & Vicknair

DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

GLYNN R. DYER, CPA (APC)
ERIC J. VICKNAIR, CPA (APC)

MAILING ADDRESS
POST OFFICE BOX 66007
BATON ROUGE, LOUISIANA 70896
FAX (504) 922-9300

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

Louisiana State Board of
Barber Examiners
Department of Labor
State of Louisiana
Baton Rouge, Louisiana

We have audited the general-purpose financial statements of Louisiana State Board of Barber Examiners, Baton Rouge, Louisiana, a component unit of the State of Louisiana as of and for the two years ended December 31, 1997, and have issued our report thereon dated March 3, 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 financial statements are free of material misstatement.

Compliance with laws and regulations applicable to the Louisiana State Board of Barber Examiners, Baton Rouge, Louisiana, is the responsibility of the Board's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Louisiana State Board of Barber Examiners compliance with certain provisions of laws and regulations. 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 to be reported herein under Government Auditing Standards.

This report is intended for the information of the Board management, the State of Louisiana and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

There were no instances of material noncompliance noted in the audit for the two years ended December 31, 1995.

Baton Rouge, Louisiana
March 3, 1998

Dyer & Vicknair

DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

GLYNN R. DYER, CPA (APC)
ERIC J. VICKNAIR, CPA (APC)

MAILING ADDRESS
POST OFFICE BOX 66007
BATON ROUGE, LOUISIANA 70896
FAX (504) 922-9300

March 3, 1998

Mr. Wayne Daigle
Louisiana State Board of Barber Examiners
Department of Labor
State of Louisiana
Baton Rouge, Louisiana

In planning and performing our audit of the financial statements of Louisiana State Board of Barber Examiners, Baton Rouge, Louisiana for the two years ended December 31, 1997, we considered the Board's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. We previously reported on the Board's internal control in our report dated March 3, 1998. This letter does not affect our report dated March 3, 1998 on the financial statements of Louisiana Board of Barber Examiners, Baton Rouge, Louisiana.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience or to assist you in implementing the recommendations.

Sincerely,

DYER & VICKNAIR



Eric J. Vicknair

EJV/ps

Timely Deposits of Cash Receipts

Certain cash receipts were not deposited to the bank on a timely basis. Receipts collected on January 31, 1997 were not deposited to the bank until May 12, 1997. Receipts collected on March 20, 1997 were not deposited to the bank until May 10, 1997. Also, there were no deposits to the bank during October, 1997.

As a result, not only is there a risk of loss from burglary, misplacement or misappropriation, but the cash is not available for expenditures.

We recommend that deposits be made on a regular basis to reduce the risk of loss and to improve cash flow.

Management's Response:

The office employee responsible for this function was on leave due to complications connected with a pregnancy and ultimate childbirth during the beginning of 1997. The temporary employee responsible for this function kept the monies in a locked, fireproof file cabinet. In the future, the board will insure that all deposits/monies are deposited timely.

The Board relocated its office in September/October. Immediately before the move, the office was burglarized and major computer equipment used for our financial information was stolen. The computer could not be replaced until late November. Monies collected for October are historically at a minimum. These monies were kept in a locked, fireproof file cabinet.

Accounts Receivable

Our audit work disclosed that the accounts receivable balance includes an excessive amount of balances due from barbers. Specifically, \$1,875 of total receivables are over ninety days old. These balances arose by these barbers paying their annual licenses with NSF checks.

Consequently, barbers were allowed to operate their business without a proper license.

The older a balance gets, the more difficult it is to collect.

To improve collections, we recommend that after the initial letter is sent to a delinquent barber, follow ups, such as a phone call, should be made if payment is not made by a specified date.

Management's Response:

Procedures are in place. Letters were sent in June, 1997. Follow up procedures were lax. Barber inspectors have been advised to go collect these monies. If monies owed are not paid, barbers will not be allowed to practice.

In future, we will strictly adhere to the policy already in place.