

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

GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1968

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Release Date APR 17 1969

MCROIGHT & ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose financial statements of the Louisiana State Board of Medical Examiners, a component unit of the State of Louisiana, as of and for the year ended December 31, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Louisiana State Board of Medical Examiners management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Government Auditing Standards issued by the comptroller General of the United States, and the Louisiana Governmental Auditing Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 the Louisiana State Board of Medical Examiners as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 24, 1999 on our consideration of Louisiana State Board of Medical Examiners internal control structure and 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 "schedules" listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Louisiana State Board of Medical Examiners. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*M. R. H. McRight*

McRight & Associates

June 24, 1998

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
COMBINED BALANCE SHEET - ALL FUNDS TYPES AND ACCOUNT GROUPS  
DECEMBER 31, 1998  
(With Comparative Totals for December 31, 1997)

	Governmental Fund Types	
	General Fund	Special Revenues
<b>ASSETS AND OTHER DEBITS</b>		
<b>ASSETS</b>		
Cash	\$ 621,763	\$ 118,701
Investments	2,623,336	350,000
Accrued Interest	60,390	4,668
SWF Checks and Foreign Items	467	942
Property, plant & Equipment, at cost		
Due From Special Revenue Fund	10,883	
Other Assets	71,908	
<b>OTHER DEBITS</b>		
Amount to be provided for compensated absences		
Total assets and other debits	<u>3,388,825</u>	<u>474,311</u>
<b>LIABILITIES, FUND BALANCE AND OTHER CREDITS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 74,009	\$ 4,253
Due to general fund		10,883
Payroll taxes payable	1,914	
Wages payable		
Deferred revenue	528,734	117,000
Compensated absences	19,710	1,217
Total Liabilities	<u>644,467</u>	<u>133,353</u>
<b>FUND BALANCE &amp; OTHER CREDITS</b>		
Investment in general fixed assets		
Fund Balance:		
Unreserved & undesignated	2,744,318	338,934
Total liabilities, fund balance & other credits	<u>3,388,825</u>	<u>474,311</u>

See Notes to Financial Statements

Account Groups			Totals (Memorandum Only)	
General Fund Fixed Assets	General Revenues Fixed Assets	General Long-term Debt	1988	1987
\$	\$	\$	\$	\$
			740,884	888,023
			2,773,336	3,793,808
			64,943	73,137
			1,555	3,138
2,330,910	25,907		2,156,905	2,123,941
			10,843	28,385
			71,988	61,371
		28,847	28,847	27,312
2,330,910	25,907	28,847	6,049,884	6,905,840
			80,292	138,435
			10,853	11,884
			1,918	1,796
		28,847	683,724	1,834,478
			85,782	87,384
		28,847	789,507	2,123,909
2,330,910	25,907		2,156,905	2,123,941
			3,103,392	2,667,109
2,330,910	25,907	28,847	6,049,884	6,905,840

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
DECEMBER 31, 1999  
(With Comparative Totals for December 31, 1997)

	General	Special Revenues
<b>Revenues:</b>		
Licenses and permits	\$2,718,399	\$ 256,922
Miscellaneous -		
Interest earned	192,374	19,397
Other	159,842	5,115
	-----	-----
<b>Total revenues</b>	<b>3,040,615</b>	<b>281,434</b>
	-----	-----
<b>Expenditures:</b>		
Public Safety -		
Personnel services	882,787	65,603
Operating services	1,526,828	189,913
Materials and supplies	76,988	4,227
Travel and meetings	39,917	3,339
Capital outlay	64,461	6,965
	-----	-----
<b>Total expenditures</b>	<b>2,599,529</b>	<b>300,239</b>
	-----	-----
<b>Excess of revenues over (under) expenditures</b>	<b>441,086</b>	<b>(18,805)</b>
	-----	-----
<b>Fund Balance - beginning</b>	<b>2,301,331</b>	<b>383,789</b>
	-----	-----
<b>Fund Balance, ending</b>	<b>2,742,417</b>	<b>364,974</b>
	-----	-----

See Notes to Financial Statements

(Memorandum only)

1998	1997
\$2,872,321	\$2,828,828
281,771	174,982
155,947	273,782
3,310,038	3,284,783
878,372	871,183
1,431,741	1,413,297
89,182	98,769
43,048	38,282
79,429	108,977
2,890,768	2,505,570
416,291	759,213
3,487,200	1,967,887
3,183,291	2,847,180



**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS**  
**DEPARTMENT OF HEALTH AND HOSPITALS**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**FUND BALANCES - BUDGET AND ACTUAL - ALL**  
**GOVERNMENTAL FUND TYPES**  
**DECEMBER 31, 1999**  
**(With comparative totals for December 31, 1997)**

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Licenses and permits	\$2,814,304	\$2,814,399	(\$ 2,199)
Miscellaneous -			
Interest earned	178,800	183,334	4,534
Other	89,873	83,843	( 6,030)
Total revenues	<u>3,084,977</u>	<u>3,081,576</u>	<u>( 3,401)</u>
<b>Expenditures:</b>			
Public Safety -			
Personnel services	799,488	882,743	(83,255)
Operating services	1,894,874	1,820,828	74,046
Materials and supplies	90,880	78,958	11,922
Travel and meetings	40,318	39,517	801
Capital outlay	71,528	88,481	( 16,953)
Total expenditures	<u>2,997,088</u>	<u>2,980,327</u>	<u>16,761</u>
Excess of revenues over (under) expenditures	487,889	461,249	26,640
Fund Balance - beginning	2,301,331	2,301,331	=0=
Fund Balance, ending	<u>2,789,228</u>	<u>2,762,588</u>	26,640

See Notes to Financial Statements

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS  
 DEPARTMENT OF HEALTH AND HOSPITALS  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 FUND BALANCE - BUDGET AND ACTUAL - ALL  
 GOVERNMENTAL FUND TYPES  
 DECEMBER 31, 1998  
 (With comparative totals for December 31, 1997)

	Special Revenue Fund		
	Budget	Actual	Variance (Favorable /Unfavorable)
<b>Revenues:</b>			
Licenses and permits	\$ 284,422	\$ 284,822	\$ 400
Miscellaneous -			
Interest earned	19,408	19,397	( 11)
Other	1,809	5,129	1,320
total revenues	277,639	301,448	2,809
<b>Expenditures:</b>			
Public Safety -			
Personnel services	95,970	95,605	365
Operating services	198,083	195,913	2,170
Materials and supplies	5,448	8,327	1,233
Travel and meetings	3,078	3,828	( 854)
Capital outlay	9,843	9,866	998
Total expenditures	312,222	308,339	4,295
Excess of revenues over (under) expenditures	(34,583)	(34,785)	\$ 102
Fund Balance - beginning	285,789	285,789	-0-
Fund Balance, ending	330,872	338,974	8,102

See Notes to Financial Statements

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting entity:**

The Louisiana State Board of Medical Examiners (the Board) is a component unit of the State of Louisiana created within the Louisiana Department of Health and Hospitals, as provided by Louisiana Revised Statute 37:1261-1292. The Board is composed of seven members, appointed by the Governor. The members serve terms of six years. The Board is charged with the responsibility of administering practice acts providing for the licensure of doctors of medicine, doctors of osteopathy, doctors of podiatry, physician assistants, occupational therapists, occupational therapy assistants, respiratory therapists, respiratory therapy technicians, midwives, athletic trainers, radiological technologists, emergency medical technicians (intermediate and paramedic) and clinical laboratory technicians. Operations of the Board are funded entirely through self-generated revenues.

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

The Louisiana State Board of Medical 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 Medical Examiners, a component unit of the State of Louisiana.

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999

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.

**2. FUND ACCOUNTING**

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

**GOVERNMENTAL FUNDS:**

**General Fund:**

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

**Special Revenue Fund**

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The Clinical Laboratory Personnel Fund was authorized by the Louisiana Legislature in 1993 (R.S. 16:38803 and 819.3, R.S. 37:1278(A)(8) and Part II of Chapter 15 of Title 37 of the LA. R.S. of 1980, to be comprised of R.S. 37:1412 - 1429 inclusive.

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998

This fund is to account for the receipts and subsequent expenditure of the fees assessed to individuals engaged in the practice of clinical laboratory science in the state of Louisiana.

**B. GENERAL FIXED ASSETS AND GENERAL LONG-TERM OBLIGATIONS**

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

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 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 bases applied. The Board's records are maintained on the modified accrual basis of accounting using the following practices:

**Revenues:**

Revenues are recognized when they become measurable. All revenues are susceptible to accrual. Renewal notices for 1998 were mailed in November 1997. The Board has changed the renewal date from December 31, to the month of birth for the majority of licensees. Renewal fees for 1998 received in 1997 were deferred and were recognized as revenues in 1998. Fees received for years after 1998 that were received in 1998 are deferred to the year that they apply.

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1988**

**Expenditures:**

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

**D. BUDGET PRACTICES**

Budgets are prepared and adopted by the Board annually. The budget for the fiscal year ending December 31, 1988 was adopted at the Board meeting of November, 1987. The Board adopts a budget annually for the General and Special Revenue Funds. The Board is a state licensing agency subject to the Licensing Agency Budget Act established by Louisiana Revised Statutes 39:1331 et al.

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

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

The budget is prepared on the GAAP basis, using the modified accrual basis of accounting.

The Board monitors the budget and makes changes when deemed appropriate.

The Board has complied with the budgetary requirements of 15A:85 30:43.

**E. ENCUMBRANCES**

The Louisiana State Board of Medical Examiners does not follow the encumbrances method of accounting.

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS  
 DEPARTMENT OF HEALTH AND HOSPITALS  
 STATE OF LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998

**F. CASH AND CASH EQUIVALENTS**

For reporting purposes, cash and cash equivalents include cash, demand deposits, time deposits and certificates of deposit with maturities less than three months.

The Louisiana State Board of Medical Examiners had cash and cash equivalents totaling \$740,464 at December 31, 1998. 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 December 31, 1998 were accrued as follows:

	December 31, 1998	
	Carrying Amount	Book Balance
Depositor:		
Insured (FDIC, NCUA or FDIC)	\$ 308,000	\$ 308,000
Uninsured collateral held by the pledging bank's trust department or the pledging bank's agent in the Board's name .....	540,464	540,464
<b>Total Deposits</b>	<b>\$ 740,464</b>	<b>\$ 740,464</b>

The carrying amount is included on the balance sheet under the following captions:

Cash	\$ 740,464
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LOUISIANA STATE BOARD OF MEDICAL EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998

**G. INVESTMENTS**

Investments totaling \$3,973,136 consists of Certificates of Deposits with maturities of three months or more. These Certificates of Deposits are secured by the pledge of securities as described in Note F. The bank balances and carrying balance were \$2,973,136 at December 31, 1998.

**H. INVENTORIES**

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

**I. DEFERRED LEAVES**

Accumulated annual leave is accrued in the accompanying financial statements. The Board's employees accumulate unlimited amounts of annual and sick leave at varying rates, as established by state regulations. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to employees at the employee's current rate of pay. Upon retirement, annual leave in excess of 300 hours and unused sick leave is credited as earned service in computing retirement benefits. The current portion is recorded as a liability in the General Fund and represents the amount unpaid at December 31, 1998, which would normally be liquidated with expendable available financial resources.

Accumulated annual leave at December 31, 1998   \$ 28,847

**F. PENSION PLAN**

The employees of the Board are members of the Louisiana State Employees Retirement System ("System"), a multiple-employer, 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.



LOUISIANA STATE BOARD OF MEDICAL EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998

The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by contacting the Louisiana State Employee Retirement System at P.O. Box 44213, Baton Rouge, Louisiana 70894 or by calling (504) 383-2600.

All full-time board employees, who began state employment prior to age 60, 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 2.5 per cent of their highest consecutive 36 months average salary multiplied by their years of credited service plus \$300 for employees hired before July 31, 1996. Vested age 55 with 25 years of service, or (c) age 60 with 10 years of service. The system also provides death and disability benefits.

Covered employees were required to contribute 7.5% of gross salary to the plan. The board added an 1% contribution for the year.

Contribution requirements to the System are set by Statute and differ from the contribution requirement determined using actuarial methods. Contributions to the retirement system for the years 1996, 1997 and 1998 were \$73,179, \$68,903 and \$68,378.

**F. TOTAL COLUMN ON STATEMENTS**

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

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS  
 DEPARTMENT OF HEALTH AND HOSPITALS  
 STATE OF LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998

**L. CHANGES IN GENERAL FUND ASSETS**

**GENERAL FUND**

Fiscal Year Ending December 31,	Ending Balance 1997	Additions	Deletions	Ending Balance 1998
Land & Building	\$682,879			682,879
Building Improve	888,389			888,389
Equipment:				
Office Furn & Equip	378,698	24,894		403,591
Computers	159,259			159,259
Vehicles	"			"
<b>Total</b>	<b>2,109,622</b>	<b>24,894</b>		<b>2,134,516</b>

**SPECIAL REVENUE FUND**

Fiscal Year Ending December 31,	Ending Balance 1997	Additions	Deletions	Ending Balance 1998
Equipment:				
Office Furn & Equip	12,818	8,068		20,887
<b>Total</b>	<b>12,818</b>	<b>8,068</b>		<b>20,887</b>

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS  
 DEPARTMENT OF HEALTH AND HOSPITALS  
 STATE OF LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998

**N. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

The Louisiana State Board of Medical Examiners provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Board employees become eligible for these benefits if they reach normal retirement age while working for the Board. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly (50%) by the employee and by the Board. The Board's cost of providing retired health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended December 31, 1998, the Louisiana State Board of Medical Examiners provided retirement benefits for 2 retired employees and the costs of these retiree benefits totaled \$16.

**O. CHANGE IN GENERAL LONG-TERM OBLIGATIONS**

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

	Compensated Absences
Long-term obligations	
Payable 12/31/97	\$27,312
Additions	3,838
Deductions	
Long-term Obligations	
Payable 12/31/98	<u>29,647</u>

**F. LITIGATION AND CLAIMS**

There were no unasserted claims or assessments as of December 31, 1998.

**G. RELATED PARTY TRANSACTIONS**

There were no related parties transactions.

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS  
 DEPARTMENT OF HEALTH AND HOSPITALS  
 STATE OF LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998

SCHEDULE OF FEE DIED PAID BOARD MEMBERS

NAME	Number of Meetings Attended	Amount
Dr. Richard M. Hunsally	0	\$ 450
Dr. Leo Maslow	15	750
Dr. Kimo S. Lebecke	18	1,800
Dr. F. P. Roudsick, Jr.	8	400
Dr. Keith C. Ferdinand	12	600
Dr. Mary Lou Applewhite	18	900
Dr. Trenton Jones	22	1,100
	<hr/>	
TOTAL	120	\$6,000
	<hr/>	

The schedule of diem paid 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 day they attend a board meeting, as authorized by Louisiana Revised Statute.

# McRight & Associates

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James R. McRight, CPA, CMA

L. Bruce McRight, CPA, CMA

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

We have audited the general purpose financial statements of the Louisiana State Board of Medical Examiners, a Component Unit of the State of Louisiana, as of and for the year ended December 31, 1998, and have issued our report thereon dated June 24, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Louisiana State Board of Medical Examiners's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which would have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana State Board of Medical Examiners's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. 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 accounts 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weakness.

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

*McKnight & Associates*

June 24, 2009

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1968

There were no findings of questioned costs for the year ending December 31, 1968.



LOUISIANA STATE BOARD OF MEDICAL EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1988

There were no findings or questioned costs for the year ending December 31, 1988.

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998

The Board has corrected the audit findings reported in  
the December 31, 1997 audit.