

LOUISIANA STATE BOARD OF
EXAMINERS OF PSYCHOLOGISTS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 1988
(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:

DYER & VICKNAIR

CERTIFIED PUBLIC ACCOUNTANTS

300 PINE ST. SUITE 1000
Baton Rouge, Louisiana 70802

MEMBER AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
MEMBER NATIONAL ASSOCIATION
OF ACCOUNTING COLLEGIATE MEMBERS
FOR 1984-1985

**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
Examiners of Psychologists
Department of Health and Hospitals
State of Louisiana
Baton Rouge, Louisiana

We have audited the general-purpose financial statements of Louisiana State Board of Examiners of Psychologists, Baton Rouge, Louisiana, a component unit of the State of Louisiana, as of and for the two years ended June 30, 1994, and have issued our report thereon dated September 20, 1994.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These 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.

Compliance with laws and regulations applicable to Louisiana State Board of Examiners of Psychologists, Baton Rouge, Louisiana, is the responsibility of the Board's management. As part of obtaining reasonable assurance about whether the general-purpose financial statements are free of material misstatement, we performed tests of Louisiana State Board of Examiners of Psychologists, Baton Rouge, Louisiana's compliance with certain provisions of laws and regulations. However, the objective of our audit of the general-purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

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

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.

In the audit for the year ended June 30, 1994, there was a finding related to noncompliance with property control regulations. This finding has been resolved.

Baton Rouge, Louisiana
September 20, 1994

Dyer & Vicknair

DYER & VICKNAIR

CERTIFIED PUBLIC ACCOUNTANTS

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DALLAS TEXAS 75248-0000
TEL: (214) 752-2000**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying general-purpose financial statements of

**LOUISIANA STATE BOARD OF
EXAMINERS OF PSYCHOLOGISTS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA**

a component unit of the State of Louisiana, as of and for the two years ended June 30, 1990. These financial statements are the responsibility of Louisiana State Board of Examiners of Psychologists, Baton Rouge, Louisiana's 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 general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 Examiners of Psychologists, Baton Rouge, Louisiana at June 30, 1990, and the results of its operations for the two years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated September 30, 1998 on our consideration of Louisiana State Board of Examiners of Psychologists, Baton Rouge, Louisiana's internal control structure and a report dated September 30, 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 Examiners of Psychologists, Baton Rouge, Louisiana. 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 relation to the general-purpose financial statements taken as a whole.

Baton Rouge, Louisiana
September 30, 1998

Dyer & Vicknair

LOUISIANA STATE BOARD OF
 EXAMINERS OF PSYCHOLOGISTS
 DEPARTMENT OF HEALTH AND HOSPITALS
 STATE OF LOUISIANA
 ALL FUNDS AND ACCOUNT GROUPS
 BALANCE SHEET
 JUNE 30, 1988

	GOVERNMENTAL FUND		GENERAL FIXED ASSETS		TOTAL (NONCASH/IN DEBT)
	GENERAL FUND		ASSETS		DEBT)
ASSETS AND OTHER DEBITS					
Cash	\$ 94,998				\$ 94,998
Other assets	211				211
Fixed assets			\$ 26,330		26,330
Total assets and other debits	<u>95,209</u>		<u>26,330</u>		<u>121,539</u>
LIABILITIES, EQUITY, AND OTHER CREDITS					
Liabilities					
Accounts payable	\$ 4,419				\$ 4,419
Deferred revenues	40,875				40,875
Total current liabilities	<u>45,294</u>				<u>45,294</u>
Equity and Other Credits					
Investment in general fixed assets			\$ 26,330		\$ 26,330
Fund balance	9,515				9,515
Total fund equity	<u>9,515</u>		<u>26,330</u>		<u>35,845</u>
Total liabilities and fund equity	<u>54,809</u>		<u>26,330</u>		<u>81,139</u>

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF
 EXAMINERS OF PSYCHOLOGISTS
 DEPARTMENT OF HEALTH AND HOSPITALS
 STATE OF LOUISIANA
 GOVERNMENTAL FUND - GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 TWO YEARS ENDED JUNE 30, 1998

	YEAR ENDED JUNE 30, 1998	YEAR ENDED JUNE 30, 1997
REVENUES		
Licenses and fees	\$ 129,450	\$ 123,558
Interest	1,317	3,001
Other	<u>17,300</u>	<u>4,988</u>
Total revenues	<u>147,767</u>	<u>127,538</u>
EXPENDITURES		
Personal services and related benefits	51,573	47,191
Operating services	57,452	51,144
Materials and supplies	2,862	3,913
Professional services	11,138	25,825
Travel	6,509	8,732
Capital outlay	<u>1,468</u>	<u>353</u>
Total expenditures	<u>128,222</u>	<u>136,128</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	21,045	(10,445)
FUND BALANCE (DEFICIENCY), beginning of year	<u>(11,528)</u>	<u>7,112</u>
FUND BALANCE (DEFICIENCY), end of year	<u>9,519</u>	<u>(11,931)</u>

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF
 EXAMINERS OF PROFESSIONALISTS
 DEPARTMENT OF HEALTH AND HOSPITALS
 STATE OF LOUISIANA
 GOVERNMENTAL FUND - GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 TWO YEARS ENDED JUNE 30, 1955

	YEAR ENDED JUNE 30, 1955		
	BUDGET	ACTUAL	VARIANCE- (UNPAIDABLE)
REVENUES			
Applicant fees	\$ 3,000	\$ 3,900	\$ 900
Examination fees	23,050	14,800	(7,250)
License renewal fees	109,000	109,840	2,850
Interest income	8,000	8,317	317
Miscellaneous	17,450	17,309	(150)
Total revenues	158,500	147,267	(13,233)
EXPENDITURES			
Fees	1,300	1,303	98
Examination costs	8,000	7,015	985
Accounting	4,000	3,645	655
Auditing			
Advertising	4,200	4,152	48
Directory	3,700	3,892	(192)
Newsletter	1,400	1,774	(374)
Insurance-general	953	758	197
Legal fees	14,000	1,403	8,597
Miscellaneous	1,073	4,387	(3,314)
Office supplies	2,788	2,882	(182)
Travel	6,588	6,588	1,992
Per diem	7,588	5,825	1,875
Postage	4,588	4,188	388
Printing	1,788	1,863	(183)
Rent	7,534	11,763	(4,228)
Repairs and maintenance	888	748	33
Salary-Executive assistant	18,000	18,000	(1,000)
Salary-Clerical assistant	18,000	8,451	8,547
Payroll taxes	288	1,888	(1,688)
Retirement	5,850	4,378	1,773
Insurance-health	0	1,334	(1,104)
Telephone	4,888	3,334	848
Utilities	3,888	1,837	1,888
Investigative	0	0	0
Capital outlay	588	1,488	(188)
Total expenditures	136,888	126,222	9,778
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	14,512	21,045	6,545

YEAR ENDED JUNE 30, 1975

<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
\$ 18,500	\$ 5,300	\$ (13,200)
18,500	13,300	4,600
87,500	91,380	3,880
2,000	1,801	(199)
<u>2,500</u>	<u>4,980</u>	<u>2,480</u>
<u>112,000</u>	<u>117,931</u>	<u>4,931</u>
1,200	1,212	(12)
4,500	8,615	(4,115)
4,400	4,374	26
1,000	2,640	(1,640)
4,200	4,678	(478)
2,200	3,648	(1,448)
1,700	3,668	(1,968)
500	309	191
12,000	19,411	(7,411)
1,200	2,973	(1,673)
2,100	2,911	(811)
7,500	8,752	(1,252)
6,600	7,673	(1,073)
3,100	4,302	(1,202)
1,600	1,669	(69)
7,824	7,703	121
200	700	(500)
27,500	30,000	(2,500)
11,984	12,391	(1,207)
853	200	653
3,273	4,510	(1,237)
2,200	3,405	(1,205)
2,400	2,027	373
1,000	8	1,000
<u>1,800</u>	<u>253</u>	<u>647</u>
<u>112,000</u>	<u>116,176</u>	<u>(4,176)</u>
<u>0</u>	<u>(18,645)</u>	<u>(18,645)</u>

(Continued)

LOUISIANA STATE BOARD OF
 EXAMINERS OF PSYCHOLOGISTS
 DEPARTMENT OF HEALTH AND HOSPITALS
 STATE OF LOUISIANA
 GOVERNMENTAL FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE
BUDGET COMPARATIVE AND ACTUAL
TWO YEARS ENDED JUNE 30, 1956
 (Continued)

	YEAR ENDED JUNE 30, 1956
<u>FUND BALANCE (DEFICIT),</u> beginning of year	<u>\$ 11,520</u>
<u>FUND BALANCE (DEFICIT),</u> end of year	<u>2,515</u>

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF
 EXAMINERS OF PUBLIC ACCOUNTANTS
 DEPARTMENT OF HEALTH AND HOSPITALS
 STATE OF LOUISIANA
 BAYOU BOULEVARD, LOUISIANA
 FINANCIAL STATEMENTS
 TWO YEARS ENDED JUNE 30, 1996

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LOUISIANA STATE BOARD OF
EXAMINERS OF PSYCHOLOGISTS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED JUNE 30, 1996

INTRODUCTION

The Louisiana State Board of Examiners of Psychologists 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.) 39:2261-2269. The board is composed of five members, appointed by the governor, who serve without compensation for terms of three years. The Board was established to license persons in Louisiana representing themselves to the public as psychologists and regulation of the practice of psychology in Louisiana. The Board's operations are funded entirely through annual self-generated revenues. As of June 30, 1996 there were 463 licensed psychologists in the state.

Note 1): SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of Louisiana State Board of Examiners of Psychologists 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 Louisiana State Board of Examiners of Psychologists, a component unit of the State of Louisiana.

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LOUISIANA STATE BOARD OF
EXAMINERS OF PSYCHOLOGISTS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA

FINANCIAL STATEMENTS
FOR YEARS ENDED JUNE 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, 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.

OCT 02 1996

Release Date: _____

**LOUISIANA STATE BOARD OF
EXAMINERS OF PSYCHOLOGISTS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR YEARS ENDED JUNE 30, 1994
(Continued)**

Licenses and fees are recorded in the year they are received, which approximates when measurable and available.

Substantially all other revenues are recorded when received.

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.

E. General 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 governmental funds 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 (GAAP).

LOUISIANA STATE BOARD OF
EXAMINERS OF CERTIFICATES
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED JUNE 30, 1996
(Continued)

6. Cash and Cash Equivalents and Investments

Cash includes 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, and 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 three months or less to be cash equivalents. If the original maturities exceed 90 days, they are classified as investments.

7. Accrued Liabilities

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 obligations account group. No expenditures is reported for these amounts.

Unpaid annual leave time at June 30, 1996 is immaterial and no provision for accrual has been made in the financial statements.

8. 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 9: LEGAL COMPLIANCE - BUDGET

The board adopts a budget for the fiscal year at its summer meeting.

LOUISIANA STATE BOARD OF
 EXAMINERS OF PROFESSIONISTS
 DEPARTMENT OF HEALTH AND HOSPITALS
 STATE OF LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 TWO YEARS ENDED JUNE 30, 1996
 (Continued)

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

All appropriations lapse at the end of the year.

Note #3: CASH

At June 30, 1996, the Board has cash (book balances), totaling \$24,588, comprised of demand deposits and petty cash on hand.

These deposits are stated at cost, which approximates market.

Under state law, these deposits (or the resulting bank balances), 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 June 30, 1996, the Board has \$81,768 in deposits (collected bank balances). This entire balance is secured from risk by Federal depository insurance.

Note #4: CHANGES IN GENERAL FIXED ASSETS

At June 30, 1996, the Board has stewardship responsibility for \$28,330 in furniture and equipment. Changes in general fixed assets during the two years ended June 30, 1996 follows:

The following is a summary of the changes to fixed assets during the two years ended June 30, 1996.

Balance, July 1, 1994	\$28,812
Additions	253
Balance, June 30, 1995	<u>29,065</u>
Additions	1,469
Disposals	<u>(2,194)</u>
Balance, June 30, 1996	<u>\$28,330</u>

Note #5: DEFERRED REVENUES

Annual of license fees collected at June 30, 1996, but applicable to the fiscal year ending June 30, 1997 are reported as deferred revenues on the balance sheet.

LOUISIANA STATE BOARD OF
EXAMINERS OF PSYCHOLOGISTS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
THE YEARS ENDED JUNE 30, 1996
(Continued)

Note #6: GRANT INCOME

During the year ended June 30, 1996, the board received a \$14,500 Psychology Defense Fund grant from the American Psychological Board of Directors. This grant was used to defray costs of litigation and is included in miscellaneous income.

Note #7: RETIREMENT PLAN

All full time employees of the Board are members in 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.

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 200% 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.

In addition to the employee contribution at 7.5% of gross salary, the Board contributes an additional 11.5% of gross salary to the System. Contributions to the System during the two years were funded through employee and employer contributions of \$2,611 and \$4,179, and \$2,845 and \$3,273 for the years ended June 30, 1996 and June 30, 1995, respectively. The total current year payroll of the Board was \$44,455 and \$48,484 for the years ended June 30, 1996 and June 30, 1995, respectively, and its current year payroll covered by the System was \$14,425 and \$13,275 for the years ended June 30, 1996 and June 30, 1995, respectively. Under present statutes, the Board does not guarantee any of the benefits granted by the System.

Note #8: POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board has no retired employees receiving postretirement health care and life insurance benefits.

LOUISIANA STATE BOARD OF
EXAMINERS OF PSYCHOLOGISTS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED JUNE 30, 1986
(continued)

Note #9: LEASES

The Board leases office space for \$900 per month. This lease is an operating lease which expires June 30, 1991. Rent expenditures for the years ended June 30, 1986 and June 30, 1985 are \$11,760 and \$7,524, respectively.

Note #10: LITIGATION

There were no judgments, claims or similar contingencies pending against the Board at June 30, 1986.

Note #11: BOARD MEMBERS' PER DIEM

The Board members are paid per diem of \$75 for each day while engaged in the discharge of their duties.

SUPPLEMENTAL INFORMATION

LOUISIANA STATE BOARD OF
 EXAMINERS OF PSYCHOLOGISTS
 DEPARTMENT OF HEALTH AND HOSPITALS
 STATE OF LOUISIANA
 SCHEDULE OF BOARD MEMBERS' FEE RISE
 TWO YEARS ENDED JUNE 30, 1956

	<u>YEAR</u> <u>ENDED</u> <u>JUNE 30,</u> <u>1955</u>	<u>YEAR</u> <u>ENDED</u> <u>JUNE 30,</u> <u>1956</u>
John F. Bolter, Ph.D.		\$ 1,200
Kenneth R. Scullion, Ph.D.	\$ 975	1,350
Stuart L. Katz, Ph.D.	900	
John E. Nordens, Ph.D.	1,650	1,800
James W. Quillin, Ph.D.	1,200	1,650
C. Gary Pettigrew, Ph.D.	<u>900</u>	<u>1,875</u>
Totals	<u>8,625</u>	<u>12,875</u>

DYER & VICKNAIR

CERTIFIED PUBLIC ACCOUNTANTS

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1000 UNIVERSITY AVENUE
WACO, TEXAS 76798-0000
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**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
Examiners of Psychologists
Department of Health and Hospitals
State of Louisiana
Baton Rouge, Louisiana

We have audited the general-purpose financial statements of Louisiana State Board of Examiners of Psychologists, Baton Rouge, Louisiana, a component unit of the State of Louisiana, for the two years ended June 30, 1996, and have issued our report thereon dated September 28, 1996.

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 Examiners of Psychologists, 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 recorded in accordance with management's authorization and recorded properly to permit the preparation of general-purpose 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 Examiners of Psychologists, Baton Rouge, Louisiana for the two years ended June 30, 1996, we obtained an understanding of the internal control structure.

With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide 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 weaknesses under standard established by the American Institute of Certified Public Accountants. A material weakness is a 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.

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.

In the audit for the year ended June 30, 1984 reportable conditions concerning inadequate segregation of accounting duties and adequate control of movable property were noted. These conditions have been corrected.

Baton Rouge, Louisiana
September 26, 1986

Dyer & Vicknair

YEAR ENDED
JUNE 30, 1925

\$ 7,315

411,5381