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LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS

DEPARTMENT OF HEALTH AND HOSPITALS

STATE OF LOUISIANA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1999

AND

INDEPENDENT AUDITOR'S REPORT

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

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date DEC 03 1999

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS

DEPARTMENT OF HEALTH AND HOSPITALS

STATE OF LOUISIANA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1999

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HUGH J. POSNER, C.P.A.*

* A PROFESSIONAL
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INDEPENDENT AUDITOR'S REPORT

Louisiana State Board of
Practical Nurse Examiners
Department of Health and Hospitals
Metairie, Louisiana

We have audited the accompanying financial statements of the Louisiana State Board of Practical Nurse Examiners (the Board), a component unit of the State of Louisiana, as of June 30, 1999 and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Louisiana State Board of Practical Nurse Examiners. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States, and the **Louisiana Governmental Audit Guide**. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Louisiana State Board of Practical Nurse Examiners, and are not intended to present fairly the financial position of the State of Louisiana and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds in conformity with generally accepted accounting principles.

In accordance with **Government Auditing Standards**, we have also issued a report dated August 19, 1999 on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts.

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

A handwritten signature in black ink, appearing to read "Derbes & Company". The signature is written in a cursive, flowing style with a prominent upward stroke at the end.

August 19, 1999
Metairie, Louisiana

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999

	<u>Governmental Fund Type</u>	<u>Account Groups</u>		<u>Total (Memorandum Only)</u>
	<u>General Fund</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
<u>ASSETS AND OTHER DEBITS</u>				
Cash and cash equivalents	\$329,337	\$ -0-	\$ -0-	\$329,337
Fixed assets	-0-	113,339	-0-	113,339
Amount to be provided for retirement of general long-term obligations	<u>-0-</u>	<u>-0-</u>	<u>38,402</u>	<u>38,402</u>
Total Assets	<u>\$329,337</u>	<u>\$113,339</u>	<u>\$38,402</u>	<u>\$481,078</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Accounts payable and accrued expenses	\$ 28,052	\$ -0-	\$ -0-	\$ 28,052
Accumulated annual leave	<u>-0-</u>	<u>-0-</u>	<u>38,402</u>	<u>38,402</u>
Total Liabilities	<u>28,052</u>	<u>-0-</u>	<u>38,402</u>	<u>66,454</u>
<u>FUND EQUITY</u>				
Investment in general fixed assets	-0-	113,339	-0-	113,339
Fund balance - unreserved and undesignated	<u>301,285</u>	<u>-0-</u>	<u>-0-</u>	<u>301,285</u>
Total Fund Equity	<u>301,285</u>	<u>113,339</u>	<u>-0-</u>	<u>414,624</u>
Total Liabilities and Fund Equity	<u>\$329,337</u>	<u>\$113,339</u>	<u>\$38,402</u>	<u>\$481,078</u>

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

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

FOR THE YEAR ENDED JUNE 30, 1999

	<u>General Fund</u>
<u>Revenues:</u>	
Licenses, permits and fees	\$545,900
Fines	57,375
Use of money and property - interest earnings	16,529
Other revenue	<u>1,152</u>
Total Revenues	<u>620,956</u>
<u>Expenditures:</u>	
General government:	
Personal services and related benefits	516,530
Professional services	11,066
Operating services	127,253
Materials and supplies	2,750
Travel and other charges	11,171
Capital outlay	<u>1,955</u>
Total Expenditures	<u>670,725</u>
Excess of Expenditures over Revenues	(49,769)
Fund Balance - beginning of year	<u>351,054</u>
Fund Balance - end of year	<u>\$301,285</u>

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GOVERNMENTAL FUND TYPE

FOR THE YEAR ENDED JUNE 30, 1999

	General Fund		Variance- Favorable (Unfavorable)
	Budget	Actual	
<u>REVENUES:</u>			
Licenses, permits and fees	\$531,000	\$545,900	\$14,900
Fines	50,000	57,375	7,375
Interest earned	15,000	16,529	1,529
Other revenues	<u>1,500</u>	<u>1,152</u>	<u>(348)</u>
Total Revenues	<u>597,500</u>	<u>620,956</u>	<u>23,456</u>
<u>EXPENDITURES:</u>			
Personal services and benefits	517,047	516,530	517
Professional services	11,000	11,066	(66)
Operating services	141,787	127,253	14,534
Materials and supplies	3,500	2,750	750
Travel and other charges	12,000	11,171	829
Capital outlay	<u>-0-</u>	<u>1,955</u>	<u>(1,955)</u>
Total Expenditures	<u>685,334</u>	<u>670,725</u>	<u>14,609</u>
Excess of Expenditures Over Revenues	<u>(87,834)</u>	<u>(49,769)</u>	<u>38,065</u>
Fund Balance - July 1, 1998	<u>351,054</u>	<u>351,054</u>	<u>-0-</u>
Fund Balance - June 30, 1999	<u>\$263,220</u>	<u>\$301,285</u>	<u>\$38,065</u>

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Louisiana State Board of Practical Nurse Examiners (the Board) is a component unit of the State of Louisiana created under the provisions of Louisiana Revised Statute (LSA-R.S.) 37:962. LSA-R.S. 36:803 transferred the supervision and control of the Louisiana State Board of Practical Nurse Examiners to the Department of Health and Hospitals. The Board is currently composed of twelve members who are appointed by and serve at the pleasure of the Governor for terms of six years. The Board is charged with the responsibility of licensing and regulating practical nurses. Operations of the Board are funded through self-generated revenues. At June 30, 1999 approximately 20,550 practical nurses were licensed.

In April 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In June 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 Practical Nurse Examiners prepares its financial statements in accordance with the standards established by the GASB. GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and has defined the governmental reporting entity to be the State of Louisiana. The Board is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the Governor appoints the Board members, and public service is rendered within the state's boundaries. The accompanying statements present only transactions of the Louisiana State Board of Practical Nurse Examiners, a component unit of the State of Louisiana.

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.

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Fund Accounting

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

General Fund

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

B. General Fixed Assets and General Long-Term Obligations

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

Long-term obligations expected to be financed from governmental funds are accounted for in the General Long-Term Obligation Account Group, not in the governmental funds. The only long-term obligation of the Board is for accrued annual leave.

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

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The Board's records are maintained on the modified accrual basis of accounting using the following practices:

Revenues

License fees, as well as other revenues, are reported when received. Licenses must be renewed annually by January 31 and are considered delinquent after that date. Interest income on short-term investments is recognized as it is earned.

Expenditures

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

2 - BUDGET PRACTICES

Annually the Board adopts a budget that is submitted to the Department of Health and Hospitals in compliance with LSA-R.S. 36:1331-1342. The budget for the fiscal year ended June 30, 1999, adopted on November 7, 1997 and amended twice on October 23, 1998 and June 4, 1999, was prepared and reported using the same accounting procedures and practices that are used in preparing the annual financial statements. Although budget amounts lapse at year-end, the Board retains its unexpended fund balance to fund expenditures of the succeeding year. Formal budget integration is employed as a management control device during the year. The Board does not employ the use of encumbrance accounting for the operations of its activities.

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

2 - BUDGET PRACTICES (Continued)

Substantial budget variances for the year ended June 30, 1999 are explained as follows:

<u>Title</u>	Variance- Favorable <u>(Unfavorable)</u>	<u>Comments</u>
Fines	\$7,375	It is difficult to project the number and/or type of disciplinary cases that will come before the Board during any given year.
Operating services	14,534	Uncertainty over the outcome of proposed legislation to increase fees prompted the Board to employ cost containment measures in supplies, postage and communications. These measures exceeded expectations.
Capital outlays	(1,955)	The staff budgeted year 2000 software remediation under operating services.

3 - CASH AND CASH EQUIVALENTS

For reporting purposes, cash and cash equivalents include cash, demand deposits, time deposits, and certificates of deposit. Under state law the Board may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Board may invest in time certificates of deposit of state banks organized under the laws of the State of Louisiana, national banks having their principal office in the State of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

At June 30, 1999, the carrying amount of the Board's deposits was \$329,312 and the bank balance was \$338,695. Of the bank balance, \$100,000 was covered by federal depository insurance and \$238,695 was covered by collateral held by the Atlanta branch of the Federal Reserve Bank in the Board's name.

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

3 - CASH AND CASH EQUIVALENTS (Continued)

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

<u>Depository</u>	<u>Date of Origination</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>	<u>Accrued Interest</u>
Whitney National Bank	02/23/99	08/24/99	4.65%	\$100,000	\$1,640
Whitney National Bank	04/27/99	07/26/99	4.60%	<u>107,791</u>	<u>882</u>
Totals				<u>\$207,791</u>	<u>\$2,522</u>

Certificates of deposit are collateralized by securities pledged by Whitney National Bank in the Board's name.

As reflected on the balance sheet, the Board had cash and cash equivalents totaling \$329,337 at June 30, 1999. Cash and cash equivalents are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the state treasurer. The deposits at June 30, 1999 were secured as follows:

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

3 - CASH AND CASH EQUIVALENTS (Continued)

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Carrying Amount on Balance Sheet	<u>\$118,999</u>	<u>\$210,313</u>	<u>\$329,312</u>
Bank Balances:			
1. Insured (FDIC) or collateralized with securities held by the entity or its agent <u>in the entity's name</u>	\$130,904	\$207,791	\$338,695
2. Collateralized with securities held by pledging financial institution's trust department or agent <u>in the entity's name</u>	-0-	-0-	-0-
3. Uncollateralized, including any securities held for the entity but <u>not in the entity's name</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL Bank Balances	<u>\$130,904</u>	<u>\$207,791</u>	<u>\$338,695</u>

4 - VACATION AND SICK LEAVE

The Louisiana State Board of Practical Nurse Examiners has the following policy related to vacation and sick leave:

Employees earn vacation and sick leave at rates established by the Louisiana Department of Civil Service. The rate varies from twelve days of vacation time and twelve days of sick leave per year for new employees up to twenty-four days of each for employees with over fifteen years of service. Employees can carry over unused time indefinitely. Upon termination of employment, the Board is obligated to pay the employee at their current hourly rate for all unused vacation time up to 300 hours.

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

4 - VACATION AND SICK LEAVE (Continued)

At June 30, 1999, employees of the Board had accumulated and vested \$41,990 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$3,588 is recorded as an obligation of the General Fund and \$38,402 is recorded within the General Long-Term Obligation Account Group because the Board does not expect to pay the general long-term obligation out of current resources. No liability has been recorded for accumulated vacation time in excess of 300 hours or for accumulated sick leave which, upon retirement, are used to compute retirement benefits.

5 - TOTAL COLUMN ON BALANCE SHEET

The total column on the balance sheet is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Since the Louisiana State Board of Practical Nurse Examiners consists of only one fund, no memorandum totals are presented on the Statement of Revenues, Expenditures and Changes in Fund Balance or the Statements of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual.

6 - CHANGES IN GENERAL FIXED ASSETS

The changes in general fixed assets follows:

Balance, June 30, 1998	\$111,384
Additions	1,955
Dispositions	<u>-0-</u>
Balance, June 30, 1999	<u>\$113,339</u>

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

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

7 - EMPLOYEE PENSION PLAN

Substantially all employees of the Board are members of the Louisiana State Employees Retirement System (System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of state employees, which is administered and controlled by a separate board of trustees. Contributions of participating state agencies are pooled within the System to fund accrued benefits, with contribution rates approved by the Louisiana Legislature. In addition to the employee contribution withheld at 7.5% of covered payroll, the Board contributed an additional 12.4% of covered payroll for the year ended June 30, 1999. Contributions to the System were funded through employee and employer contributions of \$28,353 and \$46,962, respectively, for the year ended June 30, 1999. The Board contributed \$46,962, \$47,608 and \$39,766 to the System for the years ended June 30, 1999, 1998 and 1997, respectively, which represented 100% of the required contribution for each year. The total payroll of the agency was \$443,509 and its payroll covered by the System was \$378,035 for the year ended June 30, 1999. Under present statutes, the Board does not guarantee any of the benefits granted by the System.

All full-time Board employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5 per cent of their highest consecutive 36 months' average salary multiplied by their years of credited service. Vested employees may retire at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. The System also provides death and disability benefits. Benefits are established by state statute.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's 1999 comprehensive annual financial report. Benefits granted by the System are guaranteed by the State of Louisiana under the Louisiana Constitution of 1974.

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

8 - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Board employees become eligible for those benefits if they reach normal retirement age while working for the Board. Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the Board. The Board's cost of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended June 30, 1999, the cost of retiree benefits totaled \$5,237 for two retired employees.

9 - LEASE

The Board occupies leased premises at 3421 N. Causeway Blvd., Suite 203, Metairie, Louisiana on a five-year operating lease which expires August 12, 1999. The lease requires monthly rental payments of \$5,774. All taxes, utilities and building maintenance are paid by the lessor. Rent expense for the year ended June 30, 1999 was \$69,287.

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

June 30, 2000	<u>\$8,009</u>
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10 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

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

Accumulated annual leave at June 30, 1998	\$37,466
Additions	5,596
Reductions	<u>(4,660)</u>
Accumulated annual leave at June 30, 1999	<u>\$38,402</u>

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

10 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS (Continued)

Many of the Board's employees have accumulated annual leave in excess of the 300 hour maximum referred to in Note 4. Therefore, increases in accumulated annual leave arise primarily from annual increases in hourly wage rates applied to the hours accumulated.

11 - LITIGATION AND CLAIMS

At June 30, 1999, the Board was involved in one suit which is being handled by the Louisiana Department of Risk Management. Management believes that the suit has little merit and any claim would be covered by insurance. During the year ended June 30, 1999, legal fees of \$678 were incurred and recorded as current year expenditures in the general fund.

12 - DEFERRED COMPENSATION PLAN

Certain employees of the Board participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana.

13 - SUBSEQUENT EVENT

Pursuant to the passage of House Bill 308 during the fiscal year ending June 30, 2000, various fees were amended effective July 1, 1999 within prescribed ranges as follows:

	<u>Previously</u>	<u>Minimum</u>	<u>Maximum</u>
License fees:			
License by examination	\$20	\$85	\$200
License by endorsement	30	50	100
Duplicate license	2	20	30
Renewal of license	20	30	60
Reinstatement of license	10	100	300
Duplicate renewal	2	10	20
Delinquency fee per year	-0-	50	100

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

13 - SUBSEQUENT EVENT (Continued)

	<u>Previously</u>	<u>Minimum</u>	<u>Maximum</u>
Survey fee	\$50	\$250	\$500
Renewal of certificate of accreditation	30	100	200
Evaluation of credits:			
Applicants for admission to approved program	2	25	50
Out-of-state applicants for practical nurse license	4	50	100
Verification of license to out-of-state board	4	15	30
Miscellaneous fees and costs:			
Photocopies per page	-0-	.50	1
Certification of document as true copy	-0-	5	10
Certification of license in good standing	-0-	5	10
Handling and mailing per page	-0-	1	2

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HUGH J. POSNER, C.P.A.*

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ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY DATA

We have reported separately herein on the basic financial statements of the Louisiana State Board of Practical Nurse Examiners. The supplementary information on pages 18-20 included in the Schedule of Compensation of Board Members, the Summary Schedule of Findings and the Summary Schedule of Prior Audit Findings has been subjected to the same auditing procedures and, in our opinion, is stated fairly in all material respects when considered in conjunction with the basic financial statements taken as a whole. The year 2000 supplementary information on page 21 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the year 2000 supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Board is or will become year 2000 compliant, that the Board's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Board does business are or will become year 2000 compliant.



August 19, 1999
Metairie, Louisiana

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

SCHEDULE OF COMPENSATION OF BOARD MEMBERS

FOR THE YEAR ENDED JUNE 30, 1999

	<u>Meetings Attended</u>	<u>Compensation</u>
Walter Birdsall, M.D.	0	\$ -0-
F. P. Bordelon, Jr., M.D.	4	300
Ruby Chancellor, L.P.N.	4	300
Roberta Connelley, R.N.	11	825
Patricia Juneau, R.N.	6	450
Ann Laws, R.N.	6	450
Rebecca Nelson, L.P.N.	6	450
Eva Nettles, L.P.N.	6	450
Rosemary Passentino, L.P.N.	2	150
William Sonnier, Jr., M.D.	6	450
Eugene St. Martin, M.D.	2	150
I. C. Turnley, M.D.	<u>0</u>	<u>-0-</u>
	<u>53</u>	<u>\$3,975</u>

The schedule of per 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 \$75 for each board meeting they attend, as authorized by LSA-R.S. 37:968.

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

SUMMARY SCHEDULE OF FINDINGS

FOR THE YEAR ENDED JUNE 30, 1999

We have audited the financial statements of the Louisiana State Board of Practical Nurse Examiners (the Board), a component unit of the State of Louisiana, as of June 30, 1999 and for the year then ended, and have issued our report thereon, dated August 19, 1999. We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States, and the **Louisiana Governmental Audit Guide**. Our audit of the financial statements as of June 30, 1999 resulted in an unqualified opinion. No management letter was issued in connection with our engagement.

Section I - Summary of Auditor's Reports

No reportable conditions in internal control were disclosed by the audit of the financial statements. The audit disclosed no noncompliance which is material to the financial statements.

Section II - Financial Statement Findings

There are no findings to report.

Section III - Federal Award Findings and Questioned Costs

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

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 1999

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

There were no findings to report.

Section II - Internal Control and Compliance Material to Federal Awards

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

Section III - Management Letter

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

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

YEAR 2000 SUPPLEMENTARY INFORMATION

JUNE 30, 1999

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

As of June 30, 1999, the Board has completed the validation/testing stage to address Year 2000 issues for its computer systems and other electronic equipment critical to conducting business. Test results have indicated no anomalies which need to be corrected and re-tested. As of June 30, 1999, no further significant amount of resources has been committed to address Year 2000 issues for computer systems and other electronic equipment.

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

DERBES & COMPANY

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22

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ALBERT J. DERBES, III, C.P.A.
HUGH J. POSNER, C.P.A.*

* A PROFESSIONAL
ACCOUNTING CORPORATION

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

Louisiana State Board of Practical Nurse Examiners
Department of Health and Hospitals
Metairie, Louisiana

We have audited the financial statements of the Louisiana State Board of Practical Nurse Examiners (the Board), a component unit of the State of Louisiana, as of June 30, 1999 and for the year then ended, and have issued our report thereon, dated August 19, 1999. We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in **Government Audit Standards**, issued by the Comptroller General of the United States, and the **Louisiana Governmental Audit Guide**.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of the Louisiana State Board of Nursing are free of material misstatement, we performed tests of the Board's compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no material 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 Practical Nurse Examiner's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. 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 material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial 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 weaknesses.

This report is intended for the information of management, the Department of Health and Hospitals, the Legislative Auditor of the State of Louisiana, and the Office of Statewide Reporting and Accounting Policy. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



August 19, 1999
Metairie, Louisiana