

LOUISIANA STATE BOARD OF CERTIFICATION
FOR NURSING AND ADMINISTRATION
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
THE YEARS ENDED JUNE 30, 1998
(Continued)

H. 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.

I. Compensated Absences and Post-Retirement Benefits

Vested or accumulated annual leave that is not expected to be liquidated with expendable available resources of the general fund 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: FUND BALANCE (DEFICIT)

The unreserved-undesignated fund balance has a deficit balance of \$22,929 at June 30, 1998. The board anticipates future operations will eliminate this deficit.

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STATE BOARD OF CERTIFICATION
JUN 20 1925

**LOUISIANA STATE BOARD OF CERTIFICATION
FOR RESISTANCE ARMY COUNCILS
DEPARTMENT OF REVENUE AND HOSPITALS
STATE OF LOUISIANA**

FINANCIAL STATEMENTS

TWO YEARS ENDED JUNE 30, 1925

Under provisions of state law, this report is a public document. A copy of the report has been furnished to the auditor, or controller, entity and other appropriate public officials. The report is available for public inspection at the State Range office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **OCT 02 1925**

LOUISIANA STATE BOARD OF CERTIFICATION
 FOR SUPERVISOR ABUSE COURSEWORK
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
 FINANCIAL STATEMENTS
 TWO YEARS ENDED JUNE 30, 1986

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DYER & VICKNAIR

CERTIFIED PUBLIC ACCOUNTANTS

SUITE 100, DRYDEN
5000 J. VICKNAIR, SUITE 1000SUITE 100, DRYDEN
5000 J. VICKNAIR, SUITE 1000
BATON ROUGE, LOUISIANA 70802
PHONE (504) 762-1111**INDEPENDENT AUDITORS' REPORT**

Louisiana State Board of Certification
For Substance Abuse Counselors
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 CERTIFICATION
FOR SUBSTANCE ABUSE COUNSELORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA**

a component unit of the State of Louisiana, as of June 30, 1986, and for the two years then ended. These financial statements are the responsibility of Louisiana State Board of Certification for Substance Abuse Counselors, 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 Certification for Substance Abuse Counselors, Baton Rouge, Louisiana at June 30, 1986, and the results of its operations for the two years then ended in conformity with generally accepted accounting principles.

DYER & VICKNAIRCERTIFIED PUBLIC ACCOUNTANTS

In accordance with Government Auditing Standards, we have also issued a report dated September 9, 1996 on our consideration of Louisiana State Board of Certification for Substance Abuse Counselors, Baton Rouge, Louisiana's internal control structure and a report dated September 9, 1996 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 Certification for Substance Abuse Counselors, Baton Rouge, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and is fairly stated in relation to the general-purpose financial statements taken as a whole.

Baton Rouge, Louisiana
September 9, 1996

Agnes A. Vicknair

LOUISIANA STATE BOARD OF CERTIFICATION
FOR NURSING AND NURSE EDUCATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
ALL FUNDS AND ACCOUNT GROUPS
BALANCE SHEET
JUNE 30, 1986

	GOVERNMENTAL FUND	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
		GENERAL FUND ASSETS	GENERAL LONG-TERM LIABILITIES	
ASSETS AND OTHER DEBITS				
Cash	\$ 16,381			\$ 16,381
Receivables-licenses	2,488			2,488
Fixed assets		\$10,333		10,333
Amount to be provided for retirement of general long-term obligations			\$ 373	373
Total assets and other debits	18,781	10,333	373	28,487
LIABILITIES, EQUITY, AND OTHER CREDITS				
Liabilities				
Accounts payable	\$ 16,288			\$ 16,288
Due to Division of Administration	28,000			28,000
Accrued compensated absences			\$ 373	373
Total current liabilities	44,288		373	44,661
Equity and Other Credits				
Investment in general fixed assets		\$10,333		10,333
Fund balance (deficit)	(22,599)			(22,599)
Total fund equity	(22,599)	10,333		(12,266)
Total liabilities and fund equity	21,689	10,333	373	32,405

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF CERTIFICATION
 FOR NURSING AND NURSING ASSISTANTS
 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, 1995

	YEAR ENDED JUNE 30, 1994	YEAR ENDED JUNE 30, 1995
REVENUES		
Licenses and fees	\$ 46,571	\$ 52,473
Other	<u>1,663</u>	<u>2,421</u>
Total revenues	<u>48,234</u>	<u>54,894</u>
EXPENDITURES		
Personnel services and related benefits	32,344	32,350
Operating services	24,172	19,189
Materials and supplies	1,237	1,340
Professional services	8,067	663
Travel	4,212	2,960
Capital outlay	<u>791</u>	<u></u>
Total expenditures	<u>61,823</u>	<u>48,402</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(13,589)	6,492
FUND BALANCE (DEFICIT), beginning of year	<u>(8,801)</u>	<u>(17,396)</u>
FUND BALANCE (DEFICIT), end of year	<u>(22,390)</u>	<u>(10,904)</u>

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF CERTIFICATION
FOR SUBSTANCE ABUSE COUNSELORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
GOVERNMENTAL FUND - GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (1984 FUND) AND ACTUAL
TWO YEARS ENDED JUNE 30, 1984

	YEAR ENDED JUNE 30, 1984		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUE			
Licenses	\$ 33,000	\$ 37,285	\$ (5,705)
Examinations	10,000	3,900	(6,100)
Delinquency fees	1,000	2,625	1,625
Registration	14,825	12,757	(1,868)
Other	3,000	1,663	(1,337)
Total revenues	61,825	68,228	(13,403)
EXPENDITURES			
Personal services and related benefits	32,500	33,366	(866)
Operating services	18,978	36,177	(17,207)
Materials and supplies	3,078	1,297	1,781
Professional services	17,150	6,067	11,083
Travel	3,600	4,213	(613)
Capital outlay	792	792	0
Total expenditures	69,098	61,828	7,270
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(3,461)	(13,608)	(10,147)
FUND BALANCE (DEFICIT), beginning of year	(18,428)	(8,503)	(9,925)
FUND BALANCE (DEFICIT), end of year	(22,889)	(22,503)	(386)

The accompanying notes are an integral part of this statement.

YEAR ENDED JUNE 30, 1995

		VARIANCE- FAVORABLE (UNFAVORABLE)
BUDGET	ACTUAL	(UNFAVORABLE)
\$ 22,800	\$ 20,735	\$ 4,375
5,000	8,810	3,810
2,000	1,580	(500)
15,000	14,580	(412)
3,000	2,421	421
<u>48,000</u>	<u>48,884</u>	<u>8,398</u>
24,210	22,350	1,660
16,720	19,589	(2,469)
2,000	1,240	1,660
19,650	863	18,987
3,590	2,560	540
<u>66,980</u>	<u>66,802</u>	<u>28,578</u>
(20,480)	8,492	28,972
<u>1,054</u>	<u>(17,381)</u>	<u>(18,442)</u>
<u>(19,426)</u>	<u>19,801</u>	<u>19,523</u>

Management letter points

The Board did not develop specific goals and objectives for each of their programs to include measures of performance, as required by Louisiana Revised Statute (LSA-R.S.) 24:222(D)(2) which was enacted during the 1995 Regular Session of the Louisiana Legislature.

LOUISIANA STATE BOARD OF CERTIFICATION
FOR SUPERVISOR'S ASSISTANT POSITIONS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
TWO YEARS ENDED JUNE 30, 1994
(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 CERTIFICATION
 FOR SUBSTANCE ABUSE COUNSELORS
 DEPARTMENT OF HEALTH AND HOSPITALS
 STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
TWO YEARS ENDED JUNE 30, 1994
 (Continued)

Note #3: LEGAL COMPLIANCE - BUDGET

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

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

All appropriations lapse at the end of the year.

Note #4: CASH AND CASH EQUIVALENTS

At June 30, 1994, the board has cash (book balances), totaling \$16,311, comprised of demand deposits.

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 June 30, 1994, the board has \$16,706 in deposits (collected bank balances). This entire balance is secured from risk by federal depository insurance.

Note #5: CHANGES IN GENERAL FIXED ASSETS

At June 30, 1994, the Board has stewardship responsibility for \$18,311 in furniture and equipment.

The following is a summary of the changes to fixed assets during the two years ended June 30, 1994.

Balance, July 1, 1994	\$ 18,492
Additions	_____
Balance, June 30, 1995	18,492
Additions	791
Disposals	(1,000)
Balance, June 30, 1994	<u>18,311</u>

LOUISIANA STATE BOARD OF CERTIFICATION
FOR ASSISTANCE AGREE CONTRACTORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
TWO YEARS ENDED JUNE 30, 1996
(Continued)

Note #6: CHANGES IN LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the two years ended June 30, 1996.

	<u>Composited</u> <u>Amounts</u>
Balance, July 1, 1994	\$ 216
Additions	726
Balance, June 30, 1995	942
Additions	880
Reductions	(11,441)
Balance, June 30, 1996	(9,619)

Note #7: ADVANCE FROM DIVISION OF ADMINISTRATION

The Board received an advance of \$25,000 from the State of Louisiana, Division of Administration in April, 1991 for operations. This advance represents a liability to the Board and is represented as such on the balance sheet.

Note #8: PERRICH PLAN

The Board has one employee who participates in the Federal Social Security system. The employee contributes 5.2 percent of gross salary, and the board contributes an equal amount to the Social Security System. Aggregate cost for the years ended June 30, 1995 and June 30, 1996 were \$1,671, and \$1,828, respectively. The Board does not guarantee benefits quoted by the Social Security System.

Note #9: LEASES

The Board leases office space for \$484 per month. This lease is an operating lease which expires May 31, 1997. Rent expenditures for the years ended June 30, 1995 and June 30, 1996 are \$4,819 and \$4,800, respectively.

LOUISIANA STATE BOARD OF CERTIFICATION
FOR NURSANCE ASSIST COURSEWARE
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
TWO YEARS ENDED JUNE 30, 1986
(Continued)

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 \$50 per day for each day in actual attendance at board meetings and for attending to official business of the board.

SUPPLEMENTAL INFORMATION

LOUISIANA STATE BOARD OF CERTIFICATION
 FOR DISTANCE AREA COUNSELORS
 DEPARTMENT OF HEALTH AND HOSPITALS
 STATE OF LOUISIANA
 SCHEDULE OF BOARD MEMBERS FOR DUES
 TWO YEARS ENDED JUNE 30, 1998

	YEAR ENDED JUNE 30, 1996	YEAR ENDED JUNE 30, 1998
Michael D. Hollingsworth	\$ 100	\$ 150
Anthony C. Michromasokera	100	50
Kesslie M. Ridgway	100	100
Eileen B. Calvert	50	
Michael L. Radin	150	
A. Henderson Roy, III	100	50
Don Talley	150	
	<u>1,350</u>	<u>550</u>
Totals		

**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 Certification
for Substance Abuse Counselors
Department of Health and Hospitals
State of Louisiana
Baton Rouge, Louisiana

We have audited the general-purpose financial statements of Louisiana State Board for Substance Abuse Counselors, 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 9, 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 Certification for Substance Abuse Counselors, 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 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 Certification for Substance Abuse Counselors, 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 standards 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, 1994, reportable conditions concerning renewals of certification fees, inadequate documentation and lack of approval for disbursements, and timely depositing of fees collected were noted. These conditions have been corrected.

Baton Rouge, Louisiana
September 9, 1994

Ray A. Vicknair

DYER & VICKNAIR

STATE BOARD PUBLIC ACCOUNTANTS

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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 Certification
for Substance Abuse Counselors
Department of Health and Hospitals
State of Louisiana
Baton Rouge, Louisiana

We have audited the general-purpose financial statements of Louisiana State Board of Certification for Substance Abuse Counselors, Baton Rouge, Louisiana, a component unit of the State of Louisiana, as of and for the two years ended June 30, 1998, and have issued our report thereon dated September 9, 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.

Compliance with laws and regulations applicable to Louisiana State Board of Certification for Substance Abuse Counselors, 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 Certification for Substance Abuse Counselors, 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. We noted a certain immaterial instance of noncompliance that we have reported to the management of Louisiana State Board of Certification for Substance Abuse Counselors in a separate letter dated September 9, 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.

DYER & VICKNAIR

CERTIFIED PUBLIC ACCOUNTANTS

In the audit for the year ended June 30, 1994, there were findings of noncompliance with property control regulations, budgeting, professional service contracts, office leases and civil service requirements. These findings have been resolved.

Baton Rouge, Louisiana
September 9, 1996

Ray A. Wickham

DYER & VICKNAIR

REGISTERED PUBLIC ACCOUNTANTS

2100 N. DYER, SUITE 2000
SUITE 2000, MONROE, LOUISIANA

2025 RELEASE UNDER E.O. 14176

ALLIANCE BETWEEN
DYER & VICKNAIR AND
WATSON & WATSON, ACCOUNTANTS, MONROE
HAS BEEN REVOKED

September 9, 1996

Board of Commissioners
Louisiana State Board of Certification
For Substance Abuse Counselors
Department of Health and Hospitals
State of Louisiana
Baton Rouge, Louisiana

In planning and performing our audit of the financial statements of the Louisiana State Board of Certification for Substance Abuse counselors for the two years ended June 30, 1996, we performed tests of the Board's compliance with certain provisions of laws and regulations.

During our audit we became aware of a matter that is an opportunity for strengthening operating efficiency. The memorandum that accompanies this letter summarizes our comments regarding this matter. A separate report dated September 9, 1996, contains our report on compliance with laws and regulations. This letter does not affect our report dated September 9, 1996 on the financial statements of the Louisiana State Board of Certification for Substance Abuse Counselors.

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, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

DYER & VICKNAIR

Eric J. Vicknair

Eric J. Vicknair

EJV/ga

LOUISIANA STATE BOARD OF CERTIFICATION
FOR SUBSTANCE ABUSE COUNSELORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
TWO YEARS ENDED JUNE 30, 1994

INTRODUCTION

The Louisiana State Board of Certification for Substance Abuse Counselors 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.) 17:3371. The board is composed of seven members, appointed by the governor, who serve without compensation for terms of three years. The board was established to establish and publish minimum educational and experience requirements for persons seeking certification in substance abuse counseling; to establish and publish minimum standards of practice; and to examine to approve, deny, revoke, suspend and renege certification of duly qualified candidates. The board's operations are funded entirely through self-generated revenues. As of June 30, 1994, there were 360 licensed substance abuse counselors in the state.

Note #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of Louisiana State Board of Certification for Substance Abuse Counselors 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 Certification for Substance Abuse Counselors, a component unit of the State of Louisiana.

LOUISIANA STATE BOARD OF CERTIFICATION
FOR ASSISTANCE AGENC COUNSELORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
TWO YEARS ENDED JUNE 30, 1968
(Continued)

Licenses and fees are recorded in the year they are received, which approximates when measurable and available. Licenses must be renewed bi-annually and are considered delinquent after January 1 or June 30, depending on the original certification date.

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.