

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA**

**Basic Financial Statements  
and Independent Auditors' Reports**

**As of and for the Two Years Ended June 30, 2004  
With Supplemental Information**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 9-8-04

**LOUISIANA STATE BOARD OF NURSING  
3510 N. CAUSEWAY BLVD., SUITE 601  
METAIRIE, LOUISIANA 70002  
(504) 838-5332**

**GOVERNING BOARD**

As of June 30, 2004

**Nursing Educators**

Patsy Bourgeois, MSN, CNS, RN  
Nora Steel, DNS, RN, C  
Karen Moody, Ph. D, RNC

**Nursing Administrators**

Deborah Ford, MSN, RN, CNA  
Frankie Rosenthal, MSN, RN, CNA, CNS

**Other Areas of Nursing**

Deborah Olds, RN  
Tommie Jean Ashby, RN, BSN  
Elsie Crapanzano, MSN, RN

**Advanced Practice Nursing**

Patsy McClanahan, MSN, RDMS, RNCNP

**Non-voting Medical Doctors**

Alan J. Ostrowe, MD  
William St. John LaCorte, MD

Barbara Morvant, Executive Director

## TABLE OF CONTENTS

	<u>Page</u>
<b>Independent Auditors' Report on the Financial Statements</b> .....	1
<b>Management's Discussion and Analysis</b> .....	3
<b>Basic Financial Statements:</b>	
Statement of Net Assets.....	9
Statement of Revenues, Expenses, and Changes in Fund Net Assets - 2004.....	10
Statement of Revenues, Expenses, and Changes in Fund Net Assets - 2003.....	11
Statement of Cash Flows - 2004.....	12
Statement of Cash Flows - 2003.....	13
Notes to the Financial Statements.....	14
<b>Other Report Required by <i>Government Auditing Standards</i>:</b>	
Independent Auditors' Report on Compliance and on Internal Control Over Financial Schedule of Findings.....	26
Resolution of Prior Year Findings.....	27
<b>Supplemental Information Required by Division of Administration:</b>	
Annual Financial Report.....	29

**Leroy J. Chustz**

Certified Public Accountant, APAC

P. O. Box 158

Denham Springs, LA 70727-0158

225/667-2700

Fax: 225/667-3553

and

**Beverly A. Ryall**

Certified Public Accountant

7426 President Dr.

Baton Rouge, LA 70817

225/752-5147

Fax: 225/752-5147

## INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Board Members of  
Louisiana State Board of Nursing  
Department of Health and Hospitals  
State of Louisiana  
Metairie, Louisiana

We have audited the accompanying basic financial statements of the **Louisiana State Board of Nursing**, a component unit of the State of Louisiana, as of and for the two years ended June 30, 2004, as listed in the Table of Contents. These basic financial statements are the responsibility of **Louisiana State Board of Nursing's** management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 and the guide require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the **Louisiana State Board of Nursing**, as of June 30, 2004, and the results of its operations and cash flows for the two years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying Management's Discussion and Analysis, as listed in the Table of Contents, is required supplementary information and therefore, is not a required part of the basic financial statements but is supplementary information required by the Government 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 required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2004, on our consideration of the **Louisiana State Board of Nursing's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the **Louisiana State Board of Nursing's** basic financial statements. The accompanying supplementary information, such as the Division of Administration Reporting packet, as listed in the table of contents is presented for purpose of additional analysis and are not a required part of the basic financial statements of the **Louisiana State Board of Nursing**. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Leroy J. Chustz*

Certified Public Accountant, APAC

August 23, 2004

*Beverly A. Ryall*

Certified Public Accountant

**STATE OF LOUISIANA  
LOUISIANA STATE BOARD OF NURSING (BTA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2004**

The Management's Discussion and Analysis of the Louisiana State Board of Nursing's financial performance presents a narrative overview and analysis of Louisiana State Board of Nursing's financial activities for the year ended June 30, 2004. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter and the State Board of Nursing's financial statements.

**FINANCIAL HIGHLIGHTS**

- ★ The Louisiana State Board of Nursing's assets exceeded its liabilities at the close of fiscal year 2004 by \$2,771,315 which represents a 5.45% decrease from last fiscal year.
- ★ The Louisiana State Board of Nursing's revenue increased \$75,211 (or 2.81%) and the net results from activities decreased by \$290,020 (or 222%).

**OVERVIEW OF THE FINANCIAL STATEMENTS**

These financial statements consist of two sections - Management's Discussion and Analysis, required supplementary information (this section), and the basic financial statements (including the notes to the financial statements).

**Basic Financial Statements**

The basic financial statements present information for the Louisiana State Board of Nursing as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets; the Statement of Activities; and the Statement of Cash Flows.

The Statement of Net Assets presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the State Board of Nursing is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents information showing how the State Board of Nursing's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statement presents information showing how the State Board of Nursing's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

STATE OF LOUISIANA  
 LOUISIANA STATE BOARD OF NURSING (BTA)  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 AS OF JUNE 30, 2004  
 FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets  
 as of June 30, 2004

	Total	
	2004	2003
Current and other assets	\$ 3,044,506	\$ 3,168,751
Capital assets	19,135	23,089
Total assets	<u>3,063,641</u>	<u>3,191,840</u>
Other liabilities	117,018	114,464
Long-term debt outstanding	175,308	146,299
Total liabilities	<u>292,326</u>	<u>260,763</u>
Net assets:		
Invested in capital assets, net of debt	19,135	23,089
Restricted		
Unrestricted	2,752,180	2,907,988
Total net assets	<u>\$ 2,771,315</u>	<u>\$ 2,931,077</u>

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, grants requirements. Conversely, unrestricted net assets are those that do not have any limitations on what these amounts may be used for.

Net assets of the State Board of Nursing decreased by \$159,763, or 5.45%, from June 30, 2003 to June 30, 2004.

**STATE OF LOUISIANA  
LOUISIANA STATE BOARD OF NURSING (BTA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2004**

The State Board of Nursing's total revenues increased by \$75,211 or (2.81%). The total cost of all programs and services increased by \$365,229 or more than 14.3%.

**Statement of Changes in Fund Net Assets  
for the years ended June 30, 2004 and 2003**

	Total	
	2004	2003
Operating and non-operating revenues	\$ 2,757,977	\$ 2,682,766
Operating expenses	(2,917,738)	(2,552,509)
Operating income(loss)	(159,761)	130,257
Non-operating revenues(expenses)		
Income(loss) before transfers	(159,761)	130,257
Transfers in		
Transfers out		
Net increase(decrease) in net assets	\$ (159,761)	\$ 130,257

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2004, the State Board of Nursing had \$19,135 invested in a broad range of capital assets, including furniture, fixtures and equipment. (See Table below).

This amount represents a net decrease (including additions and deductions) of \$3,954, or -17.1%, over last year.

**STATE OF LOUISIANA  
 LOUISIANA STATE BOARD OF NURSING (BTA)  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 AS OF JUNE 30, 2004**

**Capital Assets at Year-end  
 (Net of Depreciation, in thousands)**

	<u>2004</u>	<u>2003</u>
Land	\$	\$
Buildings and improvements		
Equipment	19,135	23,088
Infrastructure		
	<u>                    </u>	<u>                    </u>
Totals \$	<u>19,135</u>	<u>\$ 23,088</u>

This year's major additions included (in thousands):

- Computer \$10,394
- 
- 

Debt N/A

The \_\_\_\_\_ (BTA) had \$ \_\_\_\_\_ thousand in bonds and notes outstanding at year-end, compared to \$ \_\_\_\_\_ thousand last year, an increase of \_\_\_\_\_ % as shown in the table below.

**Outstanding Debt at Year-end  
 (in thousands)**

	<u>2004</u>	<u>2003</u>
General Obligation Bonds	\$	\$
Revenue Bonds and Notes		
	<u>                    </u>	<u>                    </u>
Totals \$	<u>0</u>	<u>\$ 0</u>

New debt resulted from \_\_\_\_\_.

The \_\_\_\_\_ (BTA)'s bond rating continues to carry the \_\_\_\_\_ rating for general obligation bonds, and \_\_\_\_\_ rating for other debt.

**STATE OF LOUISIANA  
LOUISIANA STATE BOARD OF NURSING (BTA)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF JUNE 30, 2004**

The Louisiana State Board of Nursing had claims and judgments of \$ 0 outstanding at year-end compared with \$0 last year. Other obligations include accrued vacation pay of \$175,308.

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Revenues were approximately \$42 thousand over budget and expenditures were more than budget due in part to an increase in staffing and related benefits costs.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The State Board of Nursing elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Demand for Registered Nurses in Louisiana
- Increased staff and related benefits
- Decrease in interest rates on deposits

The Louisiana State Board of Nursing expects that next year's results will have a decrease in net assets based on the following:

- Increased staffing requirements
- Increase in payroll related benefits
- 

**CONTACTING THE STATE BOARD OF NURSING'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the State Board of Nursing's finances and to show the State Board of Nursing's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Barbara L. Morvant, MN, RN, Executive Director.

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Proprietary Fund Financial Statements:
  - Enterprise funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
PROPRIETARY FUND - ENTERPRISE FUND  
STATEMENT OF NET ASSETS  
JUNE 30, 2004**

**ASSETS**

***Current Assets***

Cash and cash equivalents	\$ 1,606,781.96
Certificates of Deposit	1,400,000.00
Receivables	16,830.27
Prepaid postage	20,894.56
<b>Total Current Assets</b>	<u>3,044,506.79</u>

***Noncurrent Assets***

Capital Assets (net)	19,134.40
<b>Total noncurrent assets</b>	<u>19,134.40</u>

**TOTAL ASSETS**

3,063,641.19

**LIABILITIES**

***Current Liabilities***

Accounts payable	54,686.82
Accrued payroll and deductions	62,331.53
<b>Total Current Liabilities</b>	<u>117,018.35</u>

***Noncurrent Liabilities***

Compensated absences	175,308.01
<b>Total Noncurrent Liabilities</b>	<u>175,308.01</u>

**TOTAL LIABILITIES**

292,326.36

**NET ASSETS**

Investment in capital assets	19,134.40
Unrestricted	<u>2,752,180.43</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ 2,771,314.83</u></u>

The accompanying notes are an integral part of this statement.

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
PROPRIETARY FUND - ENTERPRISE FUND  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
YEAR ENDED JUNE 30, 2004**

***OPERATING REVENUES:***

Charges for services -	
Licenses	\$ 2,406,166.98
Examinations	158,320.00
Enforcement actions	110,122.00
Other operating revenues	52,461.43
<b>Total Operating Revenues</b>	<u>2,727,070.41</u>

***OPERATING EXPENSES:***

Personal services -	
Commissioners per diem	13,725.00
Salaries	1,565,254.47
Employee benefits	367,326.92
Travel	65,821.46
Operating services	435,508.08
Supplies	178,091.54
Professional services	277,662.83
Depreciation expense	14,348.20
<b>Total Operating Expenses</b>	<u>2,917,738.50</u>

<b>Operating Income (Loss)</b>	<u>(190,668.09)</u>
--------------------------------	---------------------

***NONOPERATING REVENUES:***

Interest earnings	30,083.51
Other revenues	823.00
<b>Total Nonoperating Revenues</b>	<u>30,906.51</u>

<b><i>Increase (Decrease) in net assets</i></b>	(159,761.58)
---	--------------

<b><i>NET ASSETS AT JUNE 30, 2003</i></b>	<u>2,931,076.41</u>
<b><i>NET ASSETS AT JUNE 30, 2004</i></b>	<u><u>\$ 2,771,314.83</u></u>

The accompanying notes are an integral part of this statement.

**LOUISIANA STATE BOARD OF NURSING**  
**DEPARTMENT OF HEALTH AND HOSPITALS**  
**PROPRIETARY FUND - ENTERPRISE FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**YEAR ENDED JUNE 30, 2003**

***OPERATING REVENUES:***

Charges for services -	
Licenses	\$ 2,352,685.70
Examinations	148,000.00
Enforcement actions	80,837.23
Other operating revenues	56,829.54
<b>Total Operating Revenues</b>	<b><u>2,638,352.47</u></b>

***OPERATING EXPENSES:***

Personal services -	
Commissioners per diem	12,825.00
Salaries	1,400,735.60
Employee benefits	329,328.10
Travel	84,686.65
Operating services	404,287.21
Supplies	77,808.07
Professional services	232,209.19
Depreciation expense	10,629.00
<b>Total Operating Expenses</b>	<b><u>2,552,508.82</u></b>

<b>Operating Income (Loss)</b>	<b><u>85,843.65</u></b>
--------------------------------	-------------------------

***NONOPERATING REVENUES:***

Interest earnings	43,024.90
Other revenues	1,389.00
<b>Total Nonoperating Revenues</b>	<b><u>44,413.90</u></b>

<b><i>Increase (Decrease) in net assets</i></b>	<b>130,257.55</b>
---	-------------------

<b><i>NET ASSETS AT JUNE 30, 2002</i></b>	<b><u>2,800,818.86</u></b>
<b><i>NET ASSETS AT JUNE 30, 2003</i></b>	<b><u>\$ 2,931,076.41</u></b>

The accompanying notes are an integral part of this statement.

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
PROPRIETARY FUND - ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2004**

<b>Cash flows from operating activities</b>	
Cash received from customers	\$ 2,716,147.41
Cash payments to suppliers for goods and services	1,895,555.35
Cash payments to employees for services	<u>970,113.90</u>
Net cash provided (used) by operating activities	<u>(149,521.84)</u>
<b>Cash flows from non-capital financing activities</b>	
Interest earnings	28,008.29
Other revenues	<u>823.00</u>
Net cash provided (used) by non-capital financing activities	<u>28,831.29</u>
<b>Cash flows from capital and related financing</b>	
Acquisition of capital assets	<u>(10,394.00)</u>
<b>Cash flows from investing activities</b>	
Purchase of certificates of deposit	<u>(1,400,000.00)</u>
Net cash provided (used) by investing activities	<u>(1,400,000.00)</u>
Net increase (decrease) in cash and cash equivalents	(1,531,084.55)
<b>Cash and cash equivalents at beginning of year</b>	<u>3,137,866.51</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>\$ 1,606,781.96</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating</b>	
Operating income (loss)	\$ (190,668.09)
Adjustments to reconcile operating income (loss) to net cash	
Depreciation	14,348.20
Changes in assets and liabilities:	
(Increase) decrease in receivables	10,923.00
(Increase) decrease in prepaid expenses	(15,688.31)
Increase (decrease) in accounts payable	(19,187.68)
Increase (decrease) in accrued payroll and related benefits	21,742.20
Increase (decrease) in compensated absences payable	<u>29,008.84</u>
Net cash provided (used) by operating activities	<u>\$ (149,521.84)</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
PROPRIETARY FUND - ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2003**

<b>Cash flows from operating activities</b>	
Cash received from customers	\$ 2,616,221.45
Cash payments to suppliers for goods and services	774,737.11
Cash payments to employees for services	<u>1,738,206.92</u>
Net cash provided (used) by operating activities	<u>103,277.42</u>
<b>Cash flows from non-capital financing activities</b>	
Interest earnings	48,449.66
Other revenues	<u>1,389.00</u>
Net cash provided (used) by non-capital financing activities	<u>49,838.66</u>
<b>Cash flows from capital and related financing</b>	
Acquisition of capital assets	<u>(10,450.00)</u>
Net increase (decrease) in cash and cash equivalents	142,666.08
Cash and cash equivalents at beginning of year	<u>2,995,200.43</u>
Cash and cash equivalents at the end of the year	<u>\$ 3,137,866.51</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating</b>	
Operating income (loss)	\$ 85,843.65
Adjustments to reconcile operating income (loss) to net cash	
Depreciation	10,629.00
Changes in assets and liabilities:	
(Increase) decrease in receivables	(11,718.52)
(Increase ) decrease in prepaid expenses	(5,206.25)
Increase (decrease) in accounts payable	19,047.76
Increase (decrease) in accrued payroll and related benefits	(13,245.88)
Increase (decrease) in compensated absences payable	<u>17,927.66</u>
Net cash provided (used) by operating activities	<u>\$ 103,277.42</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2003 AND 2004**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1.A. INTRODUCTION**

The Louisiana State Board of Nursing (the Board) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:911. The Board is under the control of the Department of Health and Hospitals and a component unit of the State of Louisiana and is an integral part of such reporting entity. The Board, which is composed of eleven (11) members appointed by the Governor of Louisiana for a term of four years. The Board consists of nine registered nurses selected from a list submitted by the Louisiana State Nurses Association and two physicians from a list submitted by the Louisiana State Medical Society, who serve as ex officio members of the Board as advisors and have no voting privileges. The nine nurses are composed of the following:

1. Two nursing service administrators
2. Three nursing educators
3. Three engaged in other areas of nurse practice
4. One advanced practice registered nurse

The Board elects from its members a president, vice president, and such other officers as it considers necessary to carry out the duties and functions of the board.

As authorized by Louisiana Revised Statute 37:914 E., each member of the Board shall be receive \$75.00 a day and reimbursement for actual expenses and mileage at the same rate set by the Division of Administration for state employees under the provisions of R.S. 39:231 for each day in actual attendance at board meetings or for representing the board in an official board-approved activity.

The Board is charged with the responsibility of licensing and regulating registered nurses in the State of Louisiana. Act 633 of the 1995 Legislative Session amended the Nurse Practice Act to require licensure of Advanced Practice Registered Nurses (APRNs). At June 30, 2004 approximately 43,201 registered nurses and 2,495 APRNs were licensed.

The Board's office is located in New Orleans, Louisiana, and employs 31 administrative personnel. The Board's operations are funded entirely through annual self-generated revenues.

**1.B. FINANCIAL REPORTING ENTITY**

GASB Statement No. 14, "The Financial Reporting Entity," has defined the governmental reporting entity to be the State of Louisiana. The Louisiana State Board of Nursing 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 basic financial statements present information only as to the transactions of the Louisiana State Board of Nursing, a component unit of the State of Louisiana.

Annually the State of Louisiana issues a basic financial statement which includes the activity contained in the accompanying financial statement. The basic financial statement is 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 NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2003 AND 2004**

**1.C. BASIS OF PRESENTATION**

**Proprietary Fund Financial Statements**

Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**1.D. ASSETS, LIABILITIES AND NET ASSETS**

**Cash and Cash Equivalents, Investments**

For the purpose of the Statement of Net Assets, and Statement of Cash Flows, cash and cash equivalents include all demand, savings accounts, and certificates of deposits of the Board with an original maturity of 90 days or less.

Investments are carried at fair value. Fair value is based on quoted market price.

**Receivables**

Receivables consist of all revenues earned at year-end and not yet received. Material receivables include accruals for licenses and interest which are accrued when earned.

**Prepays**

Prepays reflect payments to vendors that benefit future reporting periods and are also reported on the consumption basis.

**Capital Assets and Depreciation**

Proprietary fund fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost or donated value of \$1,000 or more are recorded at historical cost, or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Revenues, Expenses, and Changes in Fund Net Assets, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

- Equipment                      5-7 years

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2003 AND 2004**

**Compensated Absences**

Employees of the Board earn and accumulate vacation and sick leave at varying rates, depending upon their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused vacation leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

The liability for these compensated absences is recorded as long-term debt in the proprietary fund statements. The current portion of this debt can not be estimated and accordingly, it is reported as a noncurrent liability.

**Equity Classifications**

Equity is classified as net assets and may be displayed in three components:

- a. Investment in Capital Assets— Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Assets – All other net assets that do not meet the definition of “restricted” or “investment in capital assets.”

**1.E. REVENUES AND EXPENSES**

**Operating Revenues and Expenses**

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

**NOTE 2. - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

By its nature as a state agency, the Board is subject to various state laws and regulations. An analysis of the Board's compliance with significant laws and regulations and demonstration of its stewardship over Board resources follows.

**2.A. FUND ACCOUNTING REQUIREMENTS**

The Board complies with all state laws and regulations requiring the use of separate funds. The Board has no legally required funds.

**2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS**

In accordance with state law, all uninsured deposits of the Board in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Louisiana or political subdivision debt obligations, or surety

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2003 AND 2004**

bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the Board must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note 3.A., all deposits were fully insured or collateralized.

Investments are limited by R.S. 33:2955 and the Board's investment policy.

**NOTE 3. - DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

**3.A. CASH AND INVESTMENTS**

**Deposits**

The Board's policies regarding deposits of cash are discussed in Note 1.E. The table presented below is designed to disclose the level of custody credit risk assumed by the Board based upon how its deposits were insured or secured with collateral at June 30, 2004. The categories of credit risk are defined as follows:

Category 1 – Insured by FDIC or collateralized with securities held by the Board or by its agent in its name

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Board's name

Category 3 – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Board's name; or collateralized with no written or approved collateral agreement

Type of Deposits	Total Bank Balance	Custody Credit Risk Category			Total Carrying Value
		1	2	3	
Demand deposits	\$ 185,863	\$100,000		\$ 85,863	\$ 106,682
Certificates of Deposit	2,900,000			2,900,000	2,900,000
Total Deposits	<u>\$ 3,085,863</u>	<u>\$ 100,000</u>		<u>\$ 2,985,863</u>	<u>\$ 3,006,682</u>

Reconciliation to Government-wide Statement of Net Assets:

Petty cash	\$ 100
Unrestricted cash	106,682
Certificates of Deposit	2,900,000
Total Cash and Certificates	<u>\$ 3,006,782</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2003 AND 2004**

pledged securities within 10 days of being notified by the Board that the fiscal agent has failed to pay deposited funds upon demand.

**3.B. ACCOUNTS RECEIVABLE**

Receivables detail at June 30, 2004, is as follows:

	<b>Governmental Activities</b>
Accrued interest	\$ 7,130
Payroll tax overpayment	8,390
Other receivable	1,311
Total receivable	<u>\$ 16,831</u>

**3.C. CAPITAL ASSETS**

Capital assets activity for the two years ended June 30, 2004, was as follows:

	<b>Balance at June 30, 2002</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at June 30, 2003</b>
Government activities:				
Equipment	\$ 341,818	\$ 10,450		\$ 352,268
Less accumulated depreciation	(318,550)	(10,629)		(329,179)
Governmental activities capital assets, net	<u>\$ 23,268</u>	<u>\$ (179)</u>		<u>\$ 23,089</u>

\* Depreciation expense was charged to governmental activities as follows:

Depreciation expense	<u>\$ 10,629</u>
----------------------	------------------

	<b>Balance at June 30, 2003</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at June 30, 2004</b>
Capital Assets, being depreciated				
Equipment	\$ 352,268	\$ 10,394	\$ (13,643)	\$ 349,019
Less accumulated depreciation	(329,179)	(14,348)	13,643	(329,885)
Total Equipment	<u>23,089</u>	<u>(3,954)</u>		<u>19,134</u>
Total Capital Assets, being depreciated	<u>23,089</u>	<u>(3,954)</u>		<u>19,134</u>
Total Capital Assets, net	<u>\$ 23,089</u>	<u>\$ (3,954)</u>	<u>\$ 0</u>	<u>\$ 19,134</u>

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2003 AND 2004**

**3.D. ACCOUNTS PAYABLE**

Payables in the general fund is composed of payables to vendors (47%) and accrued salaries and benefits (53%).

**3.E. LONG-TERM DEBT**

**Governmental Activities**

As of June 30, 2004, the governmental long-term debt of the Board consists of the following:

Accrued Compensated Absences:

Current portion -not determinable	
Noncurrent portion	\$ 175,308
Total Governmental activity debt	<u>\$ 175,308</u>

**Changes in Long-Term Debt**

The following is a summary of changes in long-term debt for the year ended June 30, 2004:

<u>Type of Debt</u>	<u>Balance July 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2003</u>
Governmental Activities: Accrued Compensated Absences	\$ 128,372	\$ 29,066	\$ (11,138)	\$ 146,300
Total General Long- Term Debt	<u>\$ 128,372</u>	<u>\$ 29,066</u>	<u>\$ (11,138)</u>	<u>\$ 146,300</u>

<u>Type of Debt</u>	<u>Balance July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2004</u>
Governmental Activities: Accrued Compensated Absences	\$ 146,300	\$ 34,410	\$ (5,402)	\$ 175,308
Total General Long- Term Debt	<u>\$ 146,300</u>	<u>\$ 34,410</u>	<u>\$ (5,402)</u>	<u>\$ 175,308</u>

**3.F. LEASE COMMITMENT**

The Board entered into a lease for office space. The terms of the lease require monthly payments of \$15,968, through June 16, 2006.

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2003 AND 2004**

Future minimum lease payments under capital lease are as follows:

Year Ending June 30	
2005	\$ 191,621
2006	182,572
	<u>\$ 374,193</u>

**NOTE 4. - OTHER NOTES**

**4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS**

**Pension Plan**

Substantially all of the 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) 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 \$300 plus 2.5% of their highest consecutive 36 month average salary multiplied by their years of credited service.

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with thirty years of service, (b) age 55 with twenty-five years of service, and (c) at age sixty with ten years of service. In addition, vested employees have the option of reduced benefits at any age with twenty years of service. The System also provides death and disability benefits. Benefits are established by state statute. 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 writing to the Louisiana State Employees' Retirement System; P. O. Box 44213; Baton Rouge, LA 70804 or by calling (800)256-3000.

Members are required by state statute to contribute at 7.5% of gross salary. The Board is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for fiscal year ended June 30, 2004 increased to 15.8% of annual covered payroll from the 14.1% and 13.0% required in fiscal years ended June 30, 2003 and 2002 respectively. The board contributions to the System for the year ending June 30, 2004, 2003 and 2002 are \$ 233,793, \$193,500 , and \$157,137 respectively, equal to the required contributions for that year.

**Post Employment Health Care and Life Insurance Benefits**

Substantially all Board employees become eligible for post employment health care, dental, and life insurance 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 the insurance company whose premiums are paid jointly by the employee and the Board. The Board recognizes the cost of providing these benefits as an expenditure when paid during the year. For the years ended June 30, 2003 and 2004, the cost of providing those benefits for five retirees totaled \$14,832 and \$16,567, respectively.

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2003 AND 2004**

**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.

**4.B. ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the Board's management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**4.C. RISK MANAGEMENT**

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; employee health and life; and natural disasters. The Board manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk Retained</u>
Torts, errors and omissions	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None
Injuries to employees (Workers' compensation)	Participates in Louisiana Office of Risk Management public entity risk pool	None
Physical property loss and natural disasters	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None
Health and life	Participates in Louisiana Office of Group Benefits Plan	None

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Board. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

**Public Entity Risk Pool**

The Board participates in the Louisiana State Office of Risk Management (public entity risk pool), which is responsible for negotiating, compromising and settling all claims including all tort claims against the Board.

**4.D. COMMITMENTS AND CONTINGENCIES**

**Contingencies**

**Litigation**

The State of Louisiana, Division of Administration, Office of Risk Management has not reported any cases pending.

**LOUISIANA STATE BOARD OF NURSING  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2003 AND 2004**

**4.E. COMPENSATION PAID TO BOARD MEMBERS**

The schedule of per diem payments to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As authorized by Louisiana Revised Statute 32:772, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the board, and such reimbursement shall not exceed \$75.00 per day.

<u>Commissioner</u>	<u>June 30, 2004</u>		<u>June 30, 2003</u>	
	<u>Meetings</u>	<u>Amount</u>	<u>Meetings</u>	<u>Amount</u>
Tommie Jean Ashby	20	\$ 1,500	13	\$ 975
Patsy Bourgeois	23	1,725	22	1,650
Oswald Ferry			21	1,575
Deborah Ford	18	1,350	25	1,875
Elise Crapanzano	26	1,950	16	1,200
Patsy McClanahan	23	1,725	29	2,175
Karen Moody	22	1,650	22	1,650
Deborah Olds	18	1,350	3	225
Alan Ostrowe, MD	1	75		
Frankie Rosenthal	28	2,100	10	750
Nora Steel			5	375
William St. John LaCorte, MD	1	75		
Eli Sorkow, MD	3	225	5	375
<b>Total</b>	<b>183</b>	<b>\$ 13,725</b>	<b>171</b>	<b>\$ 12,825</b>

**OTHER REPORTS REQUIRED BY**  
***GOVERNMENT AUDITING STANDARDS***

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

**Leroy J. Chustz**  
Certified Public Accountant, APAC  
P. O. Box 158  
Denham Springs, LA 70727-0158  
225/667-2700  
Fax: 225/667-3553

and

**Beverly A. Ryall**  
Certified Public Accountant  
7426 President Dr.  
Baton Rouge, LA 70817  
225/752-5147  
Fax: 225/752-5147

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

**Board Members of  
Louisiana State Board of Nursing  
Department of Health and Hospitals  
State of Louisiana  
Metairie, Louisiana**

We have audited the basic financial statements of the **Louisiana State Board of Nursing**, a component unit of the State of Louisiana, as of and for the two years ended June 30, 2004, and have issued our report thereon dated August 23, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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*.

***Compliance***

As part of obtaining reasonable assurance about whether the Louisiana State Board of Nursing's basic financial statements are free of material misstatement, we performed tests of its 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 instances of noncompliance that is required to be reported under *Government Auditing Standards* and the *Louisiana Governmental Audit Guide*.

***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered the Louisiana State Board of Nursing's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the basic 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 basic 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 and use of the Louisiana State Board of Nursing and its management, the Louisiana Legislative Auditor, the State of Louisiana and is not intended to be, and should not be used by anyone other than these specified parties.

***Leroy J. Chustz***  
Certified Public Accountant, APAC  
August 23, 2004

***Beverly A. Ryall***  
Certified Public Accountant

**LOUISIANA STATE BOARD OF NURSING  
SCHEDULE OF FINDINGS  
TWO YEARS ENDED JUNE 30, 2004**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Louisiana State Board of Nursing.
2. No reportable conditions were disclosed during the audit of the basic financial statements.
3. No instances of noncompliance were disclosed during the audit of the basic financial statements.
4. There were no federal awards received by Louisiana State Board of Nursing.

**B. FINDINGS--FINANCIAL STATEMENTS AUDIT**

**None**

**LOUISIANA STATE BOARD OF NURSING  
RESOLUTION OF PRIOR YEAR FINDINGS  
TWO YEARS ENDED JUNE 30, 2004**

The prior audit findings relating to differences between the AFR and the audited financial statements have been resolved.

**SUPPLEMENTAL INFORMATION REQUIRED BY**  
**STATE OF LOUISIANA**  
**DIVISION OF ADMINISTRATION**  
**OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY**

The following pages contain a report on the Board's Annual Financial Report prepared in accordance with the requirements of the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy.

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**STATEMENT OF NET ASSETS**  
**AS OF JUNE 30, 2004**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents (Note C1)	\$ 106,782
Certificates of deposit less than 90 days	1,500,000
Certificates of deposit greater than 90 days	1,400,000
Receivables (net of allowance for doubtful accounts)(Note U)	16,830
Due from federal government	
Inventories	
Prepayments	20,895
Notes receivable	
Other current assets	
<b>Total current assets</b>	<b>3,044,507</b>

**NONCURRENT ASSETS:**

<b>Restricted assets (Note F):</b>	
Cash	
Investments	
Receivables	
Notes receivable	
<b>Capital assets (net of depreciation)(Note D)</b>	
Land	
Buildings and improvements	
Machinery and equipment	19,134
Infrastructure	
Construction in progress	
Other noncurrent assets	
<b>Total noncurrent assets</b>	<b>19,134</b>
<b>Total assets</b>	<b>\$ 3,063,641</b>

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts payable and accruals (Note V)	\$ 54,687
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	
Other current liabilities	62,331
<b>Current portion of long-term liabilities:</b>	
Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	
Capital lease obligations - (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
<b>Total current liabilities</b>	<b>117,018</b>

**NON-CURRENT LIABILITIES:**

Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	175,308
Capital lease obligations (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
<b>Total long-term liabilities</b>	<b>175,308</b>
<b>Total liabilities</b>	<b>292,326</b>

**NET ASSETS**

Invested in capital assets, net of related debt	19,134
<b>Restricted for:</b>	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	2,752,181
<b>Total net assets</b>	<b>2,771,315</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,063,641</b>

The accompanying notes are an integral part of this financial statement.  
Statement A

**STATE OF LOUISIANA  
Louisiana State Board of Nursing  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004**

<b>OPERATING REVENUES</b>	
Licenses	\$ 2,406,167
Examinations	158,320
Enforcement actions	110,122
Other	52,481
Total operating revenues	<u>2,727,070</u>
<b>OPERATING EXPENSES</b>	
Personal services	
Commissioners per diem	13,725
Salaries	1,565,254
Employee benefits	367,327
Travel	65,821
Operating services	435,508
Supplies	178,092
Professional Services	277,663
Depreciation expense	14,348
Total operating expenses	<u>2,917,738</u>
Operating income(loss)	<u>(190,668)</u>
<b>NON-OPERATING REVENUES(EXPENSES)</b>	
State appropriations	
Intergovernmental revenues (expenses)	
Taxes	
Use of money and property	
Gain (loss) on disposal of fixed assets	
Federal grants	
Interest earnings	30,084
Other	823
Total non-operating revenues(expenses)	<u>30,907</u>
Income(loss) before contributions and transfers	<u>(159,761)</u>
Capital contributions	
Transfers in	
Transfers out	
Change in net assets	<u>(159,761)</u>
Total net assets – beginning as restated	<u>2,931,076</u>
Total net assets – ending	<u>\$ 2,771,315</u>

The accompanying notes are an integral part of this financial statement.

Statement B

**STATE OF LOUISIANA  
Louisiana State Board of Nursing  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Program Revenues</u>			Net (Expense)	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	Revenue and Changes in Net Assets
BTA	\$ <u>2,917,738</u>	\$ <u>2,727,070</u>	\$ _____	\$ _____	\$ <u>(190,668)</u>
General revenues:					
Taxes					_____
State appropriations					_____
Grants and contributions not restricted to specific programs					_____
Interest					30,084
Miscellaneous					823
Special items					_____
Transfers					_____
Total general revenues, special items, and transfers					30,907
Change in net assets					(159,761)
Net assets - beginning					_____
Net assets - ending					\$ <u>(159,761)</u>

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2004**

<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 2,716,147	
Cash payments to suppliers for goods and services	(1,895,555)	
Cash payments to employees for services	(970,114)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		<u>(149,522)</u>
<b>Cash flows from non-capital financing activities</b>		
State appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest earnings	28,008	
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Other	823	
Transfers In		
Transfers Out		
Net cash provided(used) by non-capital financing activities		<u>28,831</u>
<b>Cash flows from capital and related financing</b>		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(10,394)	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		<u>(10,394)</u>
<b>Cash flows from investing activities</b>		
Purchases of investment securities	(1,400,000)	
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities		
Net cash provided(used) by investing activities		<u>(1,400,000)</u>
Net increase(decrease) in cash and cash equivalents		<u>(1,531,085)</u>
Cash and cash equivalents at beginning of year		<u>3,137,867</u>
Cash and cash equivalents at end of year		<u>\$ 1,606,782</u>

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA  
Louisiana State Board of Nursing  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2004**

**Schedule of noncash investing, capital, and financing activities:**

**Reconciliation of operating income(loss) to net cash provided(used) by operating activities:**

Operating income(loss)		\$ <u>(190,668)</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	<u>14,348</u>	
Provision for uncollectible accounts	<u>          </u>	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	<u>10,923</u>	
(Increase)decrease in due from other funds	<u>          </u>	
(Increase)decrease in prepayments	<u>(15,688)</u>	
(Increase)decrease in inventories	<u>          </u>	
(Increase)decrease in other assets	<u>          </u>	
Increase(decrease) in accounts payable and accruals	<u>(19,188)</u>	
Increase(decrease) in accrued payroll and related benefits	<u>21,742</u>	
Increase(decrease) in compensated absences payable	<u>29,009</u>	
Increase(decrease) in due to other funds	<u>          </u>	
Increase(decrease) in deferred revenues	<u>          </u>	
Increase(decrease) in other liabilities	<u>          </u>	
 Net cash provided(used) by operating activities		\$ <u><u>(149,522)</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

**INTRODUCTION**

The Louisiana State Board of Nursing was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 39.911. The following is a brief description of the operations of the Louisiana State Board of Nursing which includes the parish/parishes in which the Louisiana State Board of Nursing is located:

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF ACCOUNTING**

In April of 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. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the State Board of Nursing present information only as to the transactions of the programs of the Board as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses 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 accounts of the Board of Nursing are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

**Revenue Recognition**

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

**Expense Recognition**

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**B. BUDGETARY ACCOUNTING**

The appropriations made for the operations of the various programs of the Louisiana State Board of Nursing are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Budget Committee, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements include the original appropriation plus subsequent amendments as follows:

**STATE OF LOUISIANA  
Louisiana State Board of Nursing  
Notes to the Financial Statement  
As of and for the year ended June 30, 2004**

	<u>APPROPRIATIONS</u>
Original approved budget	\$ _____
Amendments:	_____
	_____
	_____
Final approved budget	\$ _____

**C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.)**

**1. DEPOSITS WITH FINANCIAL INSTITUTIONS**

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

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts 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.

Following the issuance of GASB Statement 3, deposits were classified into three categories of custodial credit risk depending on whether they were insured or collateralized, and who held the collateral and how it was held.

Category 1 – Deposits that are covered by insurance (FDIC) or collateralized with securities that are held by the entity in the entity’s name or registered in the entity’s name. **(Separate disclosure no longer required)**

Category 2 – Deposits that are not insured but are collateralized with securities that are held by the financial institution’s trust department or agent and are in the entity’s name. **(Separate disclosure no longer required)**

Category 3 – Deposits that are not covered by insurance and also are not collateralized. Not collateralized includes when the securities (collateral) are held by the financial institution’s trust department or agent and they are not in the entity’s name. **(Separate disclosure still required)**

**GASB Statement 40 only requires category 3 deposits to be disclosed in the custodial credit risk section of Note C. If an entity has deposits exposed to custodial credit risk category 3, it should disclose the amount of those balances, the fact that they are uninsured, and whether the balances are either uncollateralized, collateralized with securities held by the pledging financial institution,**

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2004, consisted of the following:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ 106,682	\$ 2,900,000	\$ _____	\$ 3,006,682
Bank balances (category 3 only, if any) Identify amounts reported as category 3 by the descriptions below:				
a. Insured or collateralized with securities.	_____	-	_____	-
b. Uninsured and collateralized with securities held by the pledging institution	_____	_____	_____	-
c. Uninsured and collateralized with securities held held by the pledging institution's trust department or agent, <u>but not in the entities name</u>	85,863	2,900,000	_____	2,985,863
<b>Total Category 3 bank balances</b>	<b>\$ 85,863</b>	<b>\$ 2,900,000</b>	<b>\$ -</b>	<b>\$ 2,985,863</b>
<b>Total bank balances (All categories including category 3 reported above)</b>	<b>\$ 185,863</b>	<b>\$ 2,900,000</b>	<b>\$ _____</b>	<b>\$ 3,085,863</b>

NOTE: The "Total Bank Balances" will not necessarily equal the "Deposits in Bank Account per Statement of Net Assets".

The following is a breakdown by banking institution, program, account number, and amount of the balances shown above:

	<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1.	Hibernia National Bank	General Fund	\$ 106,682
2.	Hibernia National Bank	Certificates of Deposit	2,900,000
3.	_____	_____	_____
4.	_____	_____	_____
Total			\$ 3,006,682

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the Statement of Net Assets to amounts reported in this note, list below any cash in treasury and petty cash that are included on the Statement of Net Assets.

Cash in State Treasury	\$ 0.00
Petty cash	\$ 100.00

**2. INVESTMENTS N/A**

The \_\_\_\_\_ Louisiana State Board of Nursing does (does not) maintain investment accounts as authorized by \_\_\_\_\_ (Note legal provisions authorizing investments by Louisiana State Board of Nursing).



**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

**3. Other Disclosures Required for Investments**

- a. Investments in pools managed by other governments or mutual funds \_\_\_\_\_  
\_\_\_\_\_
- b. Securities underlying reverse repurchase agreements \_\_\_\_\_  
\_\_\_\_\_
- c. Unrealized investment losses \_\_\_\_\_  
\_\_\_\_\_
- d. Commitments as of \_\_\_\_\_ (fiscal close), to resell securities under yield maintenance repurchase agreements:
  - 1. Carrying amount and market value at June 30 of securities to be resold \_\_\_\_\_
  - 2. Description of the terms of the agreement \_\_\_\_\_  
\_\_\_\_\_
- e. Losses during the year due to default by counterparties to deposit or investment transactions \_\_\_\_\_  
\_\_\_\_\_
- f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet \_\_\_\_\_  
\_\_\_\_\_

Legal or Contractual Provisions for Reverse Repurchase Agreements

- g. Source of legal or contractual authorization for use of reverse repurchase agreements \_\_\_\_\_  
\_\_\_\_\_
- h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year \_\_\_\_\_  
\_\_\_\_\_

Reverse Repurchase Agreements at Year-End

- i. Credit risk related to the reverse repurchase agreements outstanding at balance sheet date, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest \_\_\_\_\_  
\_\_\_\_\_
- j. Commitments on \_\_\_\_\_ (fiscal close), to repurchase securities under yield maintenance agreements \_\_\_\_\_  
\_\_\_\_\_
- k. Market value on \_\_\_\_\_ (fiscal close), of the securities to be repurchased \_\_\_\_\_  
\_\_\_\_\_
- l. Description of the terms of the agreements to repurchase \_\_\_\_\_  
\_\_\_\_\_
- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements \_\_\_\_\_  
\_\_\_\_\_

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement \_\_\_\_\_

**Fair Value Disclosures**

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices \_\_\_\_\_
- p. Basis for determining which investments, if any, are reported at amortized cost \_\_\_\_\_
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool \_\_\_\_\_
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares \_\_\_\_\_
- s. Any involuntary participation in an external investment pool \_\_\_\_\_
- t. Whether you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate \_\_\_\_\_
- u. Any income from investments associated with one fund that is assigned to another fund \_\_\_\_\_

**Credit Risk, Concentration of Credit Risk, Interest Rate Risk, and Foreign Currency Risk Disclosures**

- v. Briefly describe the deposit and/or investment policies related to the custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact. \_\_\_\_\_
- w. List, by amount and issuer (not including U.S. government securities, mutual funds, and investment pools), investments in any one issuer that represents 5% or more of total investments \_\_\_\_\_
- x. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms of the investment (eg. coupon multipliers, reset dates, etc.) \_\_\_\_\_
- y. Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end. All debt investments regardless of type can be aggregated by credit quality rating (if any are unrated, disclose that amount). \_\_\_\_\_
- z. Disclose the interest rate risk of debt investments by listing the investment type and the method that is used to identify and manage the interest rate risk of those investments (by \_\_\_\_\_

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

one of the following 5 methods: a) segmented time distribution, b) specific identification, c) weighted average maturity, d) duration, or e) simulation model.)

aa. Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies). List by currency denomination and investment type, if applicable.

**D. CAPITAL ASSETS-INCLUDING CAPITAL LEASE ASSETS**

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the Statement of Net Assets of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity are charged as an expense against operations. Accumulated depreciation is reported on the Statement of Net Assets. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

	Year ended June 30, 2004						Balance 6/30/2004
	Balance 6/30/2003	Prior Period Adjustment	Adjusted Balance 6/30/2003	Additions	Transfers*	Retirements	
<b>Capital assets not being depreciated</b>							
Land		--	--	--	--	--	--
Non-depreciable land improvements	--	--	--	--	--	--	--
Capitalized collections	--	--	--	--	--	--	--
Construction in progress	--	--	--	--	--	--	--
<b>Total capital assets not being depreciated</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Other capital assets</b>							
Furniture, fixtures, and equipment	352,268	--	--	10,394	--	(13,643)	349,019
Less accumulated depreciation	(329,179)	--	--	(14,349)	--	13,643	(329,885)
<b>Total furniture, fixtures, and equipment</b>	<b>23,089</b>	<b>--</b>	<b>--</b>	<b>(3,955)</b>	<b>--</b>	<b>--</b>	<b>19,134</b>
Buildings and improvements	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
<b>Total buildings and improvements</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Depreciable land improvements	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
<b>Total depreciable land improvements</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Infrastructure	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
<b>Total infrastructure</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total other capital assets</b>	<b>23,089</b>	<b>--</b>	<b>--</b>	<b>(3,955)</b>	<b>--</b>	<b>--</b>	<b>19,134</b>
<b>Capital Asset Summary:</b>							
Capital assets not being depreciated	--	--	--	--	--	--	--
Other capital assets, at cost	352,268	--	--	10,394	--	(13,643)	349,019
<b>Total cost of capital assets</b>	<b>352,268</b>	<b>--</b>	<b>--</b>	<b>10,394</b>	<b>--</b>	<b>(13,643)</b>	<b>349,019</b>
Less accumulated depreciation	(329,179)	--	--	(14,349)	--	13,643	(329,885)
<b>Capital assets, net</b>	<b>23,089</b>	<b>--</b>	<b>--</b>	<b>(3,955)</b>	<b>--</b>	<b>--</b>	<b>19,134</b>

\* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

**E. INVENTORIES N/A**

The unit's inventories are valued at \_\_\_\_\_ (method of valuation). These are perpetual inventories and are expensed when used. **NOTE: Do not include postage. This must be shown as a prepayment.**

**F. RESTRICTED ASSETS N/A**

Restricted assets in the \_\_\_\_\_ Louisiana State Board of Nursing at \_\_\_\_\_ (fiscal year end), reflected at \$ \_\_\_\_\_ in the non-current assets section on Statement A, consist of \$ \_\_\_\_\_ in cash with fiscal agent, \$ \_\_\_\_\_ in receivables, and \$ \_\_\_\_\_ investment in \_\_\_\_\_ (identify the type investments held.) State the purpose of the restriction: \_\_\_\_\_

**G. LEAVE**

**1. COMPENSATED ABSENCES**

The Louisiana State Board of Nursing has the following policy on annual and sick leave

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

**2. COMPENSATORY LEAVE**

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2004 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$ 0.

**H. RETIREMENT SYSTEM**

Substantially all of the employees of the Louisiana State Board of Nursing are members of the Louisiana State Retirement System, a cost sharing multiple-employer, defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Louisiana State Board of Nursing 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% of their highest consecutive 36 months' average salary multiplied by their years of credited service.

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

Vested employees are entitled to a retirement benefit, payable monthly for life 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. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. 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 writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members are required by state statute to contribute 7.5% of gross salary, and the Louisiana State Board of Nursing is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2004, increased to 15.8% of annual covered payroll from the 14.1% and 13.0% required in fiscal years ended June 30, 2003 and 2002, respectively. The Louisiana State Board of Nursing contributions to the System for the years ending June 30, 2004, 2003, and 2002, were \$233,793, \$193,500, and \$157,137, respectively, equal to the required contributions for each year.

**I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

GASB 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits:

1. A description of the benefits provided and the employee group covered.
2. A description of the accounting and funding policies followed for those benefits.
3. The cost of those benefits recognized for the period, unless the costs are not readily determinable.\*\*
4. The effect of significant matters affecting the comparability of the costs recognized for all periods presented.

\*\*If the cost of any post retirement health care or life insurance benefits cannot readily be separated from the cost of providing such benefits for active employees or otherwise be reasonably approximated, the total cost of providing those benefits to active employees and retirees, as well as the number of active employees and the number of retirees covered by the plan must be disclosed.

Substantially all Louisiana State Board of Nursing employees become eligible for post employment health care, dental and life insurance benefits if they reach normal retirement age while working for the Louisiana State Board of Nursing. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the Louisiana State Board of Nursing. For 2004, the cost of providing those benefits for the 5 retirees totaled \$16,567.

The Louisiana State Board of Nursing provides certain continuing health care and life insurance benefits for its retired employees. Substantially all Louisiana State Board of Nursing employees become eligible for those benefits if they reach normal retirement age while working for the Louisiana State Board of Nursing. 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 Louisiana State Board of Nursing. The Louisiana State Board of Nursing recognizes the cost of providing these benefits (Louisiana State Board of Nursing's portion of premiums) as an expenditure when paid during the year, which was \$16,567 for the year ended June 30, 2004. The cost of providing those benefits for 5 retirees is separable from the cost of providing benefits for the 35 active employees.

**J. LEASES**

**1. OPERATING LEASES**

The total payments for operating leases during fiscal year July 1, 2003 – June 30, 2004 amounted to \$.165,085

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

A schedule of payments for operating leases follows:

<u>Nature of lease</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010-2014</u>	<u>FY2015-2019</u>
Office Occupancy	\$ 191,621	\$ 182,572	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 191,621</b>	<b>\$ 182,572</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

2. CAPITAL LEASES N/A

Capital leases are (are not) recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

Year ending June 30:	<u>Total</u>
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

**SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF**

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining Interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

Year ending June 30:	<u>Total</u>
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

**SCHEDULE C – LEAF CAPITAL LEASES**

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
<b>Total</b>	<b>\$ _____ -</b>	<b>\$ _____ -</b>	<b>\$ _____ -</b>

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest:

<u>Year ending June 30:</u>	<u>Total</u>
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

**3. LESSOR DIRECT FINANCING LEASES**

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectibility of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

Provide a general description of the direct financing agreement, and complete the chart below:

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>	<u>Remaining Interest to end of lease</u>	<u>Remaining Principal to end of lease</u>
a. Office space	_____	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____	_____
c. Land	_____	_____	_____	_____
Less amounts representing executory costs		_____		
Minimum lease payment receivable		-		
Less allowance for doubtful accounts		_____		
Net minimum lease payments receivable		-		
Less: Estimated Residual Value of Leased Property		_____		
Less unearned income		_____		
Net investment in direct financing lease		\$ _____		

Minimum lease payments do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if for example the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2004 were \$ \_\_\_\_\_ for office space, \$ \_\_\_\_\_ for equipment, and \$ \_\_\_\_\_ for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of \_\_\_\_\_ (the last day of your fiscal year):

Year ending _____:	
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total	\$ _____

**4. LESSOR – OPERATING LEASE**

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of \_\_\_\_\_ 20\_\_:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of minimum future rentals on non-cancelable operating lease(s) as of \_\_\_\_\_ (the last day of your fiscal year):

Year Ended June 30,	<u>Office Space</u>	<u>Equipment</u>	<u>Land</u>	<u>Other</u>	<u>Total</u>
2005	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2006					-
2007					-
2008					-
2009					-
2010-2014					-
2015-2019					-
2020-2024					-
Total	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

Current year lease revenues received in fiscal year \_\_\_\_\_ totaled \$ \_\_\_\_\_.

Contingent rentals received from operating leases received for your fiscal year was \$ \_\_\_\_\_ for office space, \$ \_\_\_\_\_ for equipment, and \$ \_\_\_\_\_ for land.

**K. LONG-TERM LIABILITIES**

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 20\_\_:

	Balance June 30, 2003	<u>Year ended June 30, 2004</u>		Balance June 30, 2004	Amounts due within one year
		<u>Additions</u>	<u>Reductions</u>		
<b>Bonds and notes payable:</b>					
Notes payable	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Reimbursement contracts payable					--
Bonds payable					--
Total notes and bonds	--	--	--	--	--
<b>Other liabilities:</b>					
Contracts payable					--
Compensated absences payable	146,300	34,409	5,401	175,308	
Capital lease obligations					--
Liabilities payable from restricted assets					--
Claims and litigation					--
Other long-term liabilities					--
Total other liabilities	146,300	34,409	5,401	175,308	--
Total long-term liabilities	146,300	34,409	5,401	175,308	--

**STATE OF LOUISIANA  
Louisiana State Board of Nursing  
Notes to the Financial Statement  
As of and for the year ended June 30, 2004**

A detailed summary, by issues, of all debt outstanding at June 30, 20\_\_, including outstanding interest of \$\_\_\_\_\_ is shown on schedule 4. Schedule 5 is an amortization schedule of the outstanding debt. (Send OSRAP a copy of the amortization schedule for any new debt issued.)

**L. LITIGATION N/A**

1. The \_\_\_\_\_ Louisiana State Board of Nursing is a defendant in litigation seeking damages as follows:

<u>Date of Action</u>	<u>Description of Litigation and Probable outcome (remote, reasonably possible or probable)</u>	<u>Primary Attorney</u>	<u>Damages Claimed</u>	<u>Insurance Coverage</u>
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>Totals</b>			\$ _____	\$ _____

The \_\_\_\_\_ Louisiana State Board of Nursing's legal advisor estimates that potential claims not covered by insurance would affect the financial statement as follows (would not materially affect the financial statements or is unable to estimate the effect on the financial statement):

2. Claims and litigation costs of \$ \_\_\_\_\_ were incurred in the current year and are reflected in the accompanying financial statement.

**M. RELATED PARTY TRANSACTIONS N/A**

(FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from which result from related party transactions. List all related party transactions). \_\_\_\_\_

**N. ACCOUNTING CHANGES N/A**

Accounting changes made during the year involved a change in accounting \_\_\_\_\_ (principle, estimate, error or entity). The effect of the change is being shown in \_\_\_\_\_.

**O. IN-KIND CONTRIBUTIONS N/A**

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

(List all in-kind contributions that are not included in the accompanying financial statements.)

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
Total	\$ _____

**P. DEFEASED ISSUES      N/A**

In \_\_\_\_\_, 20\_\_\_\_, the \_\_\_\_\_ Louisiana State Board of Nursing, issued \$ \_\_\_\_\_ of taxable bonds. The purpose of the issue was to provide monies to advance refund portions of \_\_\_\_\_ bonds. In order to refund the bonds, portions of the proceeds of the new issue \$ \_\_\_\_\_, plus an additional \$ \_\_\_\_\_ of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an escrow deposit agreement dated \_\_\_\_\_ between the Louisiana State Board of Nursing and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$ \_\_\_\_\_ and gave the Louisiana State Board of Nursing an economic gain (difference between the present values of the debt service payments on the old and new debt of \$ \_\_\_\_\_).

**Q. COOPERATIVE ENDEAVORS      N/A**

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state.

Some cooperative endeavor contracts are not coded with a document type of "COP" on the Contract Financial Management Subsystem (CFMS), but are considered cooperative endeavors. Include these below with your cooperative endeavor contracts coded with a document type of "COP". Examples of contracts that are considered cooperative endeavors, but are not coded with a document type of "COP" include contracts that fall under delegated authority, Facility Planning and Control "CEA" contracts, certain federal government contracts, contracts that legislative auditors may have designated as such within your agency, work incumbent programs, etc. In prior years, this information was requested as supplemental documentation after the AFRs were submitted, usually in October or November.

The liability outstanding as of June 30, 2004, by funding source, is as follows:



**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

Short-term debt activity for the year ended June 30, 20\_\_, was as follows:

List the type of S-T debt (e.g., tax anticipation notes):	Beginning Balance	Issued	Redeemed	Ending Balance
_____	\$ _____	\$ _____	\$ _____	\$ _____ -

The \_\_\_\_\_ Louisiana State Board of Nursing uses a revolving line of credit for the following purposes: \_\_\_\_\_ . Short-term debt activity for the year ended June 30, 20\_\_, was as follows:

Line of credit	Beginning Balance	Draws	Redeemed	Ending Balance
_____	\$ _____	\$ _____	\$ _____	\$ _____ -

**U. DISAGGREGATION OF RECEIVABLE BALANCES S/A**

Receivables at June 30, 20\_\_, were as follows:

Activity	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ -
_____	_____	_____	_____	_____	_____ -
Gross receivables	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Less allowance for uncollectible accounts	_____ -	_____ -	_____ -	_____ -	_____ -
Receivables, net	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Amounts not scheduled for collection during the subsequent year	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ -

**V. DISAGGREGATION OF PAYABLE BALANCES N/A**

Payables at June 30, 20\_\_, were as follows:

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ -
_____	_____	_____	_____	_____	_____ -
Total payables	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

**W. SUBSEQUENT EVENTS N/A**

[Disclose any material event(s) affecting the Louisiana State Board of Nursing occurring between the close of the fiscal period and issuance of the financial statement.]

---



---

**X. SEGMENT INFORMATION N/A**

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For the purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or an other stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by the segment \_\_\_\_\_

**A. Condensed Balance Sheet:**

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTA's should be reported separately.
- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTA's should be reported separately.
- (3) Total net assets – distinguishing among restricted; unrestricted; and amounts invested in capital assets, net of related debt.

**Condensed Balance Sheet:**

	<u>Segment #1</u>	<u>Segment #2</u>
Current assets	\$ _____	\$ _____
Due from other funds	_____	_____
Capital assets	_____	_____
Other assets	_____	_____
Current liabilities	_____	_____
Due to other funds	_____	_____
Long-term liabilities	_____	_____
Restricted net assets	_____	_____
Unrestricted net assets	_____	_____
Invested in capital assets, net of related debt	_____	_____

**B. Condensed statement of revenues, expenses, and changes in net assets:**

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

**Condensed Statement of Revenues, Expenses, and Changes in Net Assets:**

	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ _____	\$ _____
Operating expenses	_____	_____
Depreciation and amortization	_____	_____
Operating income (loss)	-	-
Nonoperating revenues (expenses)	_____	_____
Capital contributions/additions to permanent and term endowments	_____	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	-	-
Beginning net assets	_____	_____
Ending net assets	-	-

**C. Condensed statement of cash flows:**

- (1) Net cash provided (used) by:
  - (a) Operating activities
  - (b) Noncapital financing activities
  - (c) Capital and related financing activities
  - (d) Investing activities
- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

**Condensed Statement of Cash Flows:**

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ _____	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	_____	_____
Net cash provided (used) by investing activities	_____	_____
Beginning cash and cash equivalent balances	_____	_____
Ending cash and cash equivalent balances	-	-

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

**Y. DUE TO/DUE FROM AND TRANSFERS N/A**

1. List by fund type the amounts due from other funds detailed by individual fund at your fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
<b>Total due from other funds</b>		<b>\$ _____</b>

2. List by fund type the amounts due to other funds detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
<b>Total due to other funds</b>		<b>\$ _____</b>

3. List by fund type all transfers from other funds for the fiscal year:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
<b>Total transfers from other funds</b>		<b>\$ _____</b>

4. List by fund type all transfers to other funds for the fiscal year:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
<b>Total transfers to other funds</b>		<b>\$ _____</b>

**Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS N/A**

Liabilities payable from restricted assets in the \_\_\_\_\_ Louisiana State Board of Nursing at \_\_\_\_\_ (fiscal year end), reflected at \$ \_\_\_\_\_ in the current liabilities section on Statement A, consist of \$ \_\_\_\_\_ in accounts payable, \$ \_\_\_\_\_ in notes payable, and \$ \_\_\_\_\_ in \_\_\_\_\_.

Liabilities payable from restricted assets in the \_\_\_\_\_ Louisiana State Board of Nursing at \_\_\_\_\_ (fiscal year end), reflected at \$ \_\_\_\_\_ in the non-current liabilities section on Statement A, consist of \$ \_\_\_\_\_ in accounts payable, \$ \_\_\_\_\_ in notes payable, and \$ \_\_\_\_\_ in \_\_\_\_\_.

**AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS N/A**

The following adjustments were made to restate beginning net assets for June 30, 20\_\_.

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2004**

Fund balance July 1, 2003, <u>previously reported</u>	Adjustments <u>+ or (-)</u>	Beginning net assets, July 1, 2003, <u>As restated</u>
\$ _____	\$ _____	--
_____	_____	--
_____	_____	--
_____	_____	--
_____	_____	--
_____	_____	--

Each adjustment must be explained in detail on a separate sheet.

(NOTE: Net Assets at July 1, 20\_\_, previously reported, must correspond to Net Assets at June 30, 20\_\_, per the information received from OSRAP.)

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS**  
**For the Year Ended**  
**June 30, 2004**

<u>Name</u>	<u>Amount</u>
<u>TOMMIE JEAN ASHBY</u>	<u>\$ 1,500</u>
<u>PATSY BOURGEOIS</u>	<u>1,725</u>
<u>ELISE CRAPAZANO</u>	<u>1,950</u>
<u>DEBORAH FORD</u>	<u>1,350</u>
<u>PATSY MCCLANAHAN</u>	<u>1,725</u>
<u>KAREN MOODY</u>	<u>1,650</u>
<u>DEBBIE OLDS</u>	<u>1,350</u>
<u>ALAN OSTROWE</u>	<u>75</u>
<u>FRANKIE ROSENTHAL</u>	<u>2,100</u>
<u>ELI SORKOW</u>	<u>225</u>
<u>WILLIAM ST. JOHN LACORTE</u>	<u>75</u>
	<u>\$ 13,725</u>

SCHEDULE 1

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**SCHEDULE OF STATE FUNDING**  
For the Year Ended \_\_\_\_\_  
(Fiscal Close)

<u>Description of Funding</u>	<u>Amount</u>
1. _____	\$ _____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
<b>Total</b>	\$ <u>_____</u>

SCHEDULE 2

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE**  
\_\_\_\_\_, 20\_\_\_\_  
**(Fiscal Close)**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
<b>Total</b>		<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>		<b>\$ _____</b>

\*Send copies of new amortization schedules





**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION**  
**For The Year Ended \_\_\_\_\_**  
**(Fiscal Close)**

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2005	\$ _____	\$ _____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
<b>Total</b>	<b>\$ _____ --</b>	<b>\$ _____ --</b>

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**SCHEDULE OF CAPITAL LEASE AMORTIZATION**  
**For The Year Ended June 30, 20\_\_**

<u>Fiscal Year</u> <u>Ending:</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2005	\$ _____	\$ _____	\$ _____	\$ _____ --
2006	_____	_____	_____	_____ --
2007	_____	_____	_____	_____ --
2008	_____	_____	_____	_____ --
2009	_____	_____	_____	_____ --
2010-2014	_____	_____	_____	_____ --
2015-2019	_____	_____	_____	_____ --
2020-2024	_____	_____	_____	_____ --
2025-2029	_____	_____	_____	_____ --
 Total	 \$ _____ --	 \$ _____ --	 _____ --	 _____ --

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**SCHEDULE OF NOTES PAYABLE AMORTIZATION**  
**For The Year Ended June 30, 20\_\_**

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2005	\$ _____	\$ _____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010-2014	_____	_____
2015-2019	_____	_____
2020-2024	_____	_____
2025-2029	_____	_____
<b>Total</b>	\$ _____	\$ _____

**STATE OF LOUISIANA**  
**Louisiana State Board of Nursing**  
**SCHEDULE OF BONDS PAYABLE AMORTIZATION**  
**For The Year Ended June 30, 20\_\_**

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2005	\$ _____	\$ _____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
 Total	 \$ _____ --	 \$ _____ --

SCHEDULE 4-D

STATE OF LOUISIANA

(BTA)

**SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES  
BUDGETARY COMPARISON OF CURRENT APPROPRIATION  
NON-GAAP BASIS  
JUNE 30, 2004**

Budgeted Income (Loss)	\$ _____
Reconciling items:	
Cash carryover	_____
Depreciation	_____
Payroll accrual	_____
Compensated absences adjustment	_____
Capital outlay	_____
Change in inventory	_____
Bad debts expense	_____
Prepaid expenses	_____
Principal payment	_____
Loan Principal Repayments included in Revenue	_____
Loan Disbursements included in Expenses	_____
Accounts receivable adjustment	_____
Accounts payable/estimated liabilities adjustment	_____
Other	_____
Change in Net Assets	\$ _____
Concluded	

Schedule 5

STATE OF LOUISIANA  
LOUISIANA STATE BOARD OF NURSING  
COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the state and reason for the changes in the budget, please complete the schedule below. If the change is greater than 10%, explain the reason for the change.

	<u>2004</u>		<u>2003</u>	<u>Difference</u>	<u>Percent Change</u>
1) Revenues	\$ 2,757,977	\$	2,682,766	\$ 75,211	\$ 2.81%
Expenses	2,917,738		2,552,331	365,407	14.30%
2) Capital assets	19,134		23,089	(3,955)	-17.13%
Long-term debt	175,308		146,229	29,079	19.89%
Net Assets	2,771,315		2,931,076	(159,761)	-5.45%

Explanation for change: Expenses increased approximately 14% due to an increase in payroll positions during the fiscal year. Capital assets decreased approximately 17% due to the retirement of old outdated computer equipment. Long-term debt increased approximately 20% due to the increase in compensated absences which are directly related to the increase in additional payroll positions referenced in the increase in expenses for FYE June 30, 2004.

3)	<u>2004 Original Budget</u>		<u>2004 Final Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$ 2,767,569	\$	2,800,072	\$ 32,503	1.18%
Expenditures	2,933,033		2,964,411	31,378	1.07%

Explanation of change:

---



---

	<u>2004 Final Budget</u>		<u>2004 Actual</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$ 2,800,072	\$	2,757,977	\$ (42,095)	-1.51%
Expenditures	2,964,411		2,917,738	(46,673)	-1.58%

Explanation of change:

---



---

SCHEDULE 15