

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

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

**As of and for the Year Ended June 30, 2005
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 9/07/05

Louisiana State Board of Practical Nurse Examiners
3421 North Cuaseway Blvd., Suite 505
Metairie. Louisiana 70002
(504) 838-5791

GOVERNING BOARD

As of June 30, 2005

<u>Board Member</u>	<u>Expiration of Term</u>
Ruby Chancellor, L.P.N.	July 1, 2009
R. Connelley, R.N.	July 1, 2009
Gwendolyn Dunn	July 1, 2008
Sharron K. Fore	July 1, 2008
Bobby G. Fulmer, M.D.	July 1, 2005
Patricia Juneau, R.N.	July 1, 2005
Ann Laws, R.N.	July 1, 2008
Rebecca Nelson, L.P.N.	July 1, 2009
Rose Passantino, L.P.N.	July 1, 2009
William Sonnier, Jr., M.D.	July 1, 2009
Eugene St. Martin, M.D.	July 1, 2009
I. C. Turnley, M.D.	July 1 2009
Carl McLamore	July 1, 2009

Claire Glaviano, Executive Director

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LEROY J. CHUSTZ AND BEVERLY A. RYALL

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

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

We have audited the accompanying basic financial statements of the **Louisiana State Board of Practical Nurse Examiners**, a component unit of the State of Louisiana, as of and for the year ended June 30, 2005, as listed in the Table of Contents. These basic financial statements are the responsibility of **Louisiana State Board of Practical Nurse Examiners** 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 Practical Nurse Examiners**, as of June 30, 2005, and the results of its operations and cash flows for the year 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 19, 2005, on our consideration of the **Louisiana State Board of Practical Nurse Examiners'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 Practical Nurse Examiners's** basic financial statements. The accompanying supplementary information, such as the Division of Administration Reporting packet, as listed in the table of contents are presented for purpose of additional analysis and are not a required part of the basic financial statements of the **Louisiana State Board of Practical Nurse Examiners**. 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 19, 2005

Beverly A. Ryall

Certified Public Accountant

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2005**

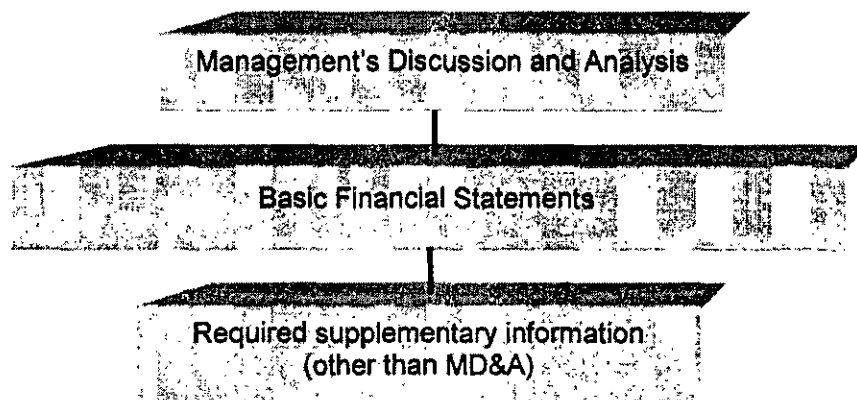
The Management's Discussion and Analysis of the Louisiana State Board of Practical Nurse Examiners' financial performance presents a narrative overview and analysis of the Louisiana State Board of Practical Nurse Examiners' financial activities for the year ended June 30, 2005. This document focuses 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 Board's financial statements, which begin at Statement A.

FINANCIAL HIGHLIGHTS

- ★ The Board's assets exceeded its liabilities at the close of fiscal year 2005 by \$1,166,067 which represents a 2.91% decrease from last fiscal year.
- ★ The Board's revenue increased \$72,474, or 7.59% and the net results from activities decreased by \$108,111, or (147.78%).

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



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

Basic Financial Statements

The basic financial statements present information for the Board of Practical Nurse Examiners as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Balance Sheet (Statement A) 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 Board is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (Statement B) presents information showing how the Board'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.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2005**

The Statement of Cash Flows (Statement D) presents information showing how the Board'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.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets as of June 30, 2005			
	Total		
	2005	2004	
Current and other assets	\$ 1226021	\$ 1248532	
Capital assets	31571	30349	
Total assets	1257592	1278881	
Other liabilities	27599	20034	
Long-term debt outstanding	63926	57824	
Total liabilities	91525	77858	
Net assets:			
Invested in capital assets, net of debt	31571	30349	
Restricted			
Unrestricted	1134496	1170674	
Total net assets	\$ 1166067	\$ 1201023	

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

Net assets of the Board decreased by \$34,956, or 2.91%, from June 30, 2004 to June 30, 2005. One of the major causes of this decrease is the increase in administrative expenses incurred during fiscal year 2005.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2005**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
for the years ended June 30, 2005 and 2004**

	Total	
	2005	2004
Operating revenues	\$ 1027471	\$ 954997
Operating expenses	1073557	891906
Operating income(loss)	-46086	63091
Non-operating revenues(expenses)	11130	10084
Income(loss) before transfers	-34956	73155
Transfers in		
Transfers out		
Net increase(decrease) in net assets	\$ -34956	\$ 73155

The Board's total revenues increased by \$73,540 or 7.62%. The total cost of all programs and services increased by \$181,651 or 20.37%.

STATEMENT OF CASH FLOWS

Another way to assess the financial health of the Louisiana State Board of Practical Nurse Examiners is to look at the Statement of Cash Flows. The Statement of Cash Flows assists readers of this statement to assess:

- The ability to generate future cash flows
- The ability to meet obligations as they come due
- A need for external financing

Statement of Cash Flows

	2005	2004
Cash and cash equivalents provided used by:		
Operating activities	\$ (13262)	\$ (74346)
Capital Financial Activities	(11844)	(11832)
Non-capital financing activities		
Investing activities		0
Net increase in cash and cash equivalents	(25106)	(86178)
Cash and cash equivalents		
Beginning of year as restated	1243807	1157629
End of year	\$ 1218701	\$ 1243807

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2005**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2005, the Board had \$31,571 invested in a broad range of capital assets, including furniture, fixtures and computer equipment. (See Table below)

This amount represents a net increase (including additions and deductions) of \$1,222, or 4.03%, over last year.

Capital Assets at Year-end

	<u>2005</u>	<u>2004</u>
Land	\$	\$
Buildings and improvements		
Equipment	31,571	30,349
Infrastructure		
	<u> </u>	<u> </u>
Totals \$	<u>\$ 31,571</u>	<u>\$ 30,349</u>

This year's major additions included:

- \$6,312 in computer equipment
- \$3,865 in office furniture
- \$1,667 in office equipment

Debt

The Board had no bonds or notes outstanding at year-end.

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

	<u>2005</u>	<u>2004</u>
General Obligation Bonds	\$ 0	\$ 0
Revenue Bonds and Notes	<u>0</u>	<u>0</u>
Totals \$	<u>\$ -</u>	<u>\$ -</u>

The Board has three claims outstanding at year-end for which counsel of the Board has determined that the possibility of damages being assessed is remote.

Other obligations include accrued vacation pay of \$63,926.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2005**

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$34,800 over budget and expenditures were less than budget due in part to a higher than expected student enrollment, a higher than expected number of applications for licensure by examination, and the resignation of one staff member which left a position vacant for several months.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- The continued increase in the number of disciplinary cases coming before the Board. This will increase expenses in terms of professional services (legal fees, court reporter), witness fees, and per diem and travel expenses to the board member(s) serving as hearing officer.
- The continued increase in the demand for Licensed Practical Nurses and therefore the need to increase educational opportunities for interested applicants by opening new programs where there is evidence that a school can provide the clinical resources needed to support a program and where there is evidence that there is sufficient financial resources needed to ensure that qualified faculty will be employed.

The Board expects that next year's results will decline based on the following:

- Salary and benefits increase each year while the fees collected by the Board will flat line or decline each year. (In 2000, legislation was passed which increased fees collected by the Board. Historically, in the first three years following a fee increase, the Board's revenue exceeds expenses and a positive fund balance is amassed. Typically, in the fourth year following a fee increase the Board begins to draw against the fund balance and for the next five years the board is able to maintain operations with out increasing fees. After that, the board prays that legislation will be passed to increase fees again.)
- Legal fees will increase partially because of the increase in the number of cases coming before the board and partially because more LPNs are hiring attorneys to represent them before the board. Although the Board believes that LPNs should be adequately represented and advised by their own legal counsel, it is more costly to prosecute these cases.
- Two years ago, the Board received an average of one complaint a day against an LPN. Today, the Board receives an average of 1.75 complaints a day. In addition, the number of students seeking admission into practical nursing programs with criminal histories has increased. On average 33% of applicants have past criminal records. This will increase board expenses.

CONTACTING THE BOARD OF PRACTICAL NURSE EXAMINERS' MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Claire Doody Glaviano, Executive Director, at (504) 838-5791.

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 PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF NET ASSETS
JUNE 30, 2005

ASSETS

Current Assets

Cash and cash equivalents	\$ 197,911.51
Certificates of Deposit	1,020,789.91
Receivable - interest	7,320.32
Total Current Assets	<u>1,226,021.74</u>

Noncurrent Assets

Equipment	123,822.77
Accumulated depreciation	(92,252.00)
Total noncurrent assets	<u>31,570.77</u>

TOTAL ASSETS	<u><u>1,257,592.51</u></u>
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LIABILITIES

Current Liabilities

Accounts payable	17,578.09
Payroll deductions and accruals	10,020.83
Total Current Liabilities	<u>27,598.92</u>

Noncurrent Liabilities

Compensated absences	63,925.95
Total Noncurrent Liabilities	<u>63,925.95</u>

TOTAL LIABILITIES	<u><u>91,524.87</u></u>
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NET ASSETS

Investment in capital assets	31,570.77
Unrestricted	1,134,496.87
TOTAL NET ASSETS	<u><u>\$ 1,166,067.64</u></u>

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2005

OPERATING REVENUES:

Charges for services -	
Licenses	\$ 968,128.82
Enforcement actions	57,399.00
Total Operating Revenues	<u>1,025,527.82</u>

OPERATING EXPENSES:

Personal services -	
Commissioners per diem	8,025.00
Salaries	531,629.73
Employee benefits	145,497.32
Travel	41,952.18
Operating services	187,867.43
Supplies	8,518.11
Professional services	138,625.57
Depreciation expense	10,622.00
Total Operating Expenses	<u>1,072,737.34</u>

Operating Income (Loss)	<u>(47,209.52)</u>
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NONOPERATING REVENUES:

Interest earnings	11,129.92
Other revenues	1,123.82
Total Nonoperating Revenues	<u>12,253.74</u>

Increase (Decrease) in net assets	(34,955.78)
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NET ASSETS AT JUNE 30, 2004	<u>1,201,023.42</u>
NET ASSETS AT JUNE 30, 2005	<u><u>\$ 1,166,067.64</u></u>

The accompanying notes are an integral part of this statement.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2005**

Cash flows from operating activities	
Cash received from customers	\$ 1,022,932.63
Cash payments to suppliers for goods and services	362,673.81
Cash payments to employees for services	<u>685,774.18</u>
Net cash provided (used) by operating activities	<u>(25,515.36)</u>
Cash flows from non-capital financing activities	
Other revenues	<u>1,123.82</u>
Net cash provided (used) by non-capital financing activities	<u>1,123.82</u>
Cash flows from capital and related financing	
Acquisition of capital assets	<u>(11,843.52)</u>
Cash flows from investing activities	
Interest earned on certificates of deposit	11,129.92
Purchase of certificates of deposit	(713,101.77)
Maturities of certificates of deposit	<u>684,315.44</u>
Net cash provided (used) by investing activities	<u>(17,656.41)</u>
Net increase (decrease) in cash and cash equivalents	(53,891.47)
Cash and cash equivalents at beginning of year	<u>251,802.98</u>
Cash and cash equivalents at the end of the year	<u><u>\$ 197,911.51</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (47,209.52)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation	10,622.00
Changes in assets and liabilities:	
(Increase) decrease in receivables	(2,595.19)
Increase (decrease) in accounts payable	14,289.48
Increase (decrease) in accrued payroll and related benefits	(6,724.36)
Increase (decrease) in compensated absences payable	<u>6,102.23</u>
Net cash provided (used) by operating activities	<u><u>\$ (25,515.36)</u></u>

The accompanying notes are an integral part of this statement.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.A. INTRODUCTION

The Louisiana State Board of Practical Nurse Examiners (the Board) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:962. 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 is composed of thirteen (13) members appointed by the Governor of Louisiana, for a term of six years. 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 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 practical nurses in the State of Louisiana. At June 30, 2005 approximately 21,642 practical nurses were licensed.

The Board's office is located in Metairie, Louisiana, and employs 11 classified and 2 unclassified employees. 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 Practical Nurse Examiners 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 Practical Nurse Examiners, 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.

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.

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.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005**

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
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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:

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005**

- 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 separate 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 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. 49:327 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 expenses.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005**

3.A. 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 Practical Nurse Examiners may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Louisiana State Board of Practical Nurse Examiners may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts or 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 custodial bank in the form of safekeeping receipts.

The deposits at June 30, 2005, consisted of the following:

	Cash	Certificates of Deposit	Total
Deposits in Bank Accounts Per Balance Sheet	\$ 197,887	\$ 1,020,790	\$ 1,218,677
Bank Balances of Deposits Exposed to Custodial Credit Risk			
a. Uninsured and uncollateralized			
b. Uninsured and collateralized with securities held by the pledging institute			
c. Uninsured and collateralized with securities held by the pledging institutions's trust department or agent but not in the entity's name	109,158	1,020,790	1,129,948
Total Bank Balances - All Deposits	<u>\$ 209,158</u>	<u>\$ 1,020,790</u>	<u>\$ 1,229,948</u>

Reconciliation to Statement of Net Assets:

Petty cash	\$ 25
Unrestricted cash	<u>197,887</u>
Total Cash	<u>\$ 197,912</u>

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005**

3.B. ACCOUNTS RECEIVABLE

Receivables detail at June 30, 2005, is as follows:

Accrued interest	\$ 7,320
Total receivable	<u>\$ 7,320</u>

3.C. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2005, was as follows:

	Balance at June 30, 2004	Additions	Disposals	Balance at June 30, 2005
Capital Assets, being depreciated:				
Equipment	\$ 133,311	\$ 11,844	\$ 21,332	\$ 123,823
Less accumulated depreciation	(102,962)	(10,622)	21,332	(92,252)
Total Capital Assets, being depreciated	<u>30,349</u>	<u>1,222</u>	<u>0</u>	<u>31,571</u>
Total Capital Assets, net	<u>\$ 30,349</u>	<u>\$ 1,222</u>	<u>\$ 0</u>	<u>\$ 31,571</u>

3.D. ACCOUNTS PAYABLE

Payables are composed of payables to vendors (64%) and accrued salaries and benefits (36%).

3.E. LONG-TERM DEBT

As of June 30, 2005, the long-term debt of the Board consists of the following:

Accrued Compensated Absences:

Current portion (not determinable)	
Noncurrent portion	\$ 63,926
Total Long -Term Debt	<u>\$ 63,926</u>

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005**

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2005:

Type of Debt	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
Accrued Compensated Absences	\$ 57,824	\$ 15,054	\$ 8,952	\$ 63,926
Total Long -Term Debt	<u>\$ 57,824</u>	<u>\$ 15,054</u>	<u>\$ 8,952</u>	<u>\$ 63,926</u>

3.F. OPERATING LEASE

The Board entered into a 5 year lease for office space. The terms of the lease require payments of \$7,046.75 for sixty months ending in January 2009.

Future minimum lease payments under capital lease are as follows:

Year Ending June 30	
2006	\$ 84,561
2007	84,561
2008	84,561
2009	49,327
Total minimum lease payments	<u>\$ 303,010</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

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005**

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, 2005 increased to 17.8% of annual covered payroll from the 15.8% and 14.1% in fiscal years ended June 30, 2004 and 2003 respectively. The board contributions to the System for the year ending June 30, 2005, 2004 and 2003 are \$63,215, \$71,207, and \$60,105 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 year ended June 30, 2005, the cost of providing those benefits for three retirees totaled \$30,885.

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:

Type of Loss	Method Managed	Risk Retained
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.

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005**

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.

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>Meetings</u>	<u>Amount</u>
Chancellor, Ruby	6	\$ 450
Dunn, Gwendolyn	8	600
Fore, Sharron	2	150
Fulmer, Bobby	6	450
Juneau, Patricia	65	4,875
Laws, Ann	5	375
Nelson, Rebecca	4	300
McLemore, Carl	1	75
Sonnier, William	4	300
St. Martin, Eugene	5	375
Tumley, I. C.	1	75
Total	<u>107</u>	<u>\$ 8,025</u>

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 AND BEVERLY A. RYALL

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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 Board of Practical Nurse Examiners
Department of Health and Hospitals
State of Louisiana
New Orleans, Louisiana**

We have audited the basic financial statements of the **Louisiana State Board of Practical Nurse Examiners**, a component unit of the State of Louisiana, as of and for the year ended June 30, 2005, and have issued our report thereon dated August 19, 2005. 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 Practical Nurse Examiners'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 Practical Nurse Examiners'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 Practical Nurse Examiners 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Leroy J. Chustz
Certified Public Accountant, APAC
August 19, 2005

Beverly A. Ryall
Certified Public Accountant

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2005**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Louisiana Board of Practical Nurse Examiners.
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 Board of Practical Nurse Examiners.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

None

**LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
RESOLUTION OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2005**

No findings for the year ended June 30, 2004.

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.

Louisiana State Board of Practical Nurse Examiners
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2005

C O N T E N T S

AFFIDAVIT

Statements

MD&A

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**STATE OF LOUISIANA
BOARD OF PRACTICAL NURSE EXAMINERS
BALANCE SHEET
AS OF JUNE 30, 2005**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents (Note C1)	\$	197,911
Investments (Note C2)		1,020,790
Receivables (net of allowance for doubtful accounts)(Note U)		7,320
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		
Notes receivable		
Other current assets		
Total current assets		1,226,021

NONCURRENT ASSETS:

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Notes receivable		
Investments		
Capital assets (net of depreciation)(Note D)		
Land		
Buildings and improvements		
Machinery and equipment		31,571
Infrastructure		
Construction in progress		
Other noncurrent assets		
Total noncurrent assets		31,571
Total assets	\$	1,257,592

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	27,599
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		
Amounts held in custody for others		
Other current liabilities		
Current portion of long-term liabilities:		
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		
Total current liabilities		27,599

NON-CURRENT LIABILITIES:

Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		63,926
Capital lease obligations (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total long-term liabilities		63,926
Total liabilities		91,525

NET ASSETS

Invested in capital assets, net of related debt		31,571
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		1,134,496
Total net assets		1,166,067
Total liabilities and net assets	\$	1,257,592

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

**STATE OF LOUISIANA
BOARD OF PRACTICAL NURSE EXAMINERS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2005**

OPERATING REVENUES

Sales of commodities and services	\$ 21,922
Assessments	56,819
Use of money and property	
Licenses, permits, and fees	947,255
Other	1,475
Total operating revenues	1,027,471

OPERATING EXPENSES

Cost of sales and services	
Administrative	1,062,935
Depreciation	10,622
Amortization	
Total operating expenses	1,073,557

Operating income(loss)	(46,086)
------------------------	----------

NON-OPERATING REVENUES(EXPENSES)

State appropriations	
Intergovernmental revenues (expenses)	
Taxes	
Use of money and property	11,130
Gain (loss) on disposal of fixed assets	
Federal grants	
Interest expense	
Other	
Total non-operating revenues(expenses)	11,130

Income(loss) before contributions and transfers	(34,956)
---	----------

Capital contributions

Transfers in

Transfers out

Change in net assets	(34,956)
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Total net assets – beginning	1,201,023
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Total net assets – ending	\$ 1,166,067
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The accompanying notes are an integral part of this financial statement.

Statement B

**STATE OF LOUISIANA
BOARD OF PRACTICAL NURSE EXAMINERS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005**

	Program Revenues			Net (Expense)
	Charges for	Operating	Capital	Revenue and
<u>Expenses</u>	<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
		<u>Contributions</u>	<u>Contributions</u>	<u>Net Assets</u>
LA St Bd of Practic \$	<u>1,073,557</u>	<u>\$ 1,025,996</u>	<u>\$</u>	<u>\$ (47,561)</u>
General revenues:				
Taxes				
State appropriations				
Grants and contributions not restricted to specific programs				
Interest				11,130
Miscellaneous				1,475
Special items				
Transfers				
Total general revenues, special items, and transfers				12,605
Change in net assets				(34,956)
Net assets - beginning				1,201,023
Net assets - ending				\$ 1,166,067

**STATE OF LOUISIANA
BOARD OF PRACTICAL NURSE EXAMINERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2005**

Net cash provided(used) by operating activities		\$ (13,262)
Cash flows from non-capital financing activities		
State appropriations		
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		
Operating grants received		
Other		
Transfers In		
Transfers Out		
Net cash provided(used) by non-capital financing		-
Cash flows from capital and related financing activities		
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	(11,844)	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		(11,844)
Cash flows from investing activities		
Purchases of investment securities	(1,372,981)	
Proceeds from sale of investment securities	1,344,195	
Interest and dividends earned on investment securities		
Net cash provided(used) by investing activities		(28,786.00)
Net increase(decrease) in cash and cash equivalents		(53,892.00)
Cash and cash equivalents at beginning of year		251,803.00
Cash and cash equivalents at end of year		\$ 197,911.00

The accompanying notes are an integral part of this statement.

Statement D (continued)

**STATE OF LOUISIANA
BOARD OF PRACTICAL NURSE EXAMINERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2005**

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

Operating income(loss)		\$	<u>(34,956)</u>
Adjustments to reconcile operating income(loss) to net cash			
Depreciation/amortization	10,622		
Provision for uncollectible accounts			
Changes in assets and liabilities:			
(Increase)decrease in accounts receivable, net	(2,595)		
(Increase)decrease in due from other funds			
(Increase)decrease in prepayments			
(Increase)decrease in inventories			
(Increase)decrease in other assets			
Increase(decrease) in accounts payable and accruals	14,289		
Increase(decrease) in accrued payroll and related benefits	(6,724)		
Increase(decrease) in compensated absences payable	6,102		
Increase(decrease) in due to other funds			
Increase(decrease) in deferred revenues			
Increase(decrease) in other liabilities			
Net cash provided(used) by operating activities		\$	<u>(13,262)</u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease	\$	<u> </u>
Contributions of fixed assets		<u> </u>
Purchases of equipment on account		<u> </u>
Asset trade-ins		<u> </u>
Other (specify)		<u> </u>
		<u> </u>
		<u> </u>
Total noncash investing, capital, and financing activities:	\$	<u><u> -</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA
BOARD OF PRACTICAL NURSE EXAMINERS
Appendix B
For the Year Ended June 30, 2005**

INTRODUCTION

The Louisiana State Board of Practical Nurse Examiners was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:962. The following is a brief description of the operations of the Board which includes the parish/parishes in which the Board 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 Louisiana State Board of Practical Nurse Examiners 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 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 Practical Nurse Examiners are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The Board is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, 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 includes the original appropriation plus subsequent amendments as follows:

STATE OF LOUISIANA
BOARD OF PRACTICAL NURSE EXAMINERS
Appendix B
For the Year Ended June 30, 2005

	<u>APPROPRIATIONS</u>
Original approved budget-October 10, 2003	\$ <u>(33,850)</u>
Amendments:	
29-Oct-04	<u>(77,139)</u>
11-Mar-05	<u>(15,850)</u>
24-Jun-05	<u>27,397</u>
Final approved budget	\$ <u>(99,442)</u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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 Board may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Board may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

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.

The deposits at June 30, 2005 consisted of the following:

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

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in Bank Accounts Per Balance Sheet	\$ <u>197,886</u>	\$ <u>1,020,790</u>	\$ <u> </u>	\$ <u>1,218,676.00</u>
Bank Balances of Deposits Exposed to Custodial Credit Risk				
a. Uninsured and uncollateralized	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
b. Uninsured and collateralized with securities held by the pledging institution	<u> </u>	<u> </u>	<u> </u>	<u> </u>
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	<u>108,158</u>	<u>1,020,790</u>	<u> </u>	<u>1,128,948.00</u>
Total Bank Balances - All Deposits	\$ <u>208,158</u>	\$ <u>1,020,790</u>	\$ <u> </u>	\$ <u>1,229,948.00</u>

**STATE OF LOUISIANA
BOARD OF PRACTICAL NURSE EXAMINERS
Appendix B
For the Year Ended June 30, 2005**

<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1. <u>Whitney National Bank-Operating</u>	<u>Licensing-#710-151-977</u>	\$ <u>7,508</u>
2. <u>Whitney National Bank-Savings</u>	<u>Licensing-#0000071050598</u>	<u>190,378</u>
3. <u>Whitney National Bank-Certificate of Deposit</u>	<u>Licensing-#2102287583</u>	<u>100,862</u>
4. <u>Whitney National Bank-Certificate of Deposit</u>	<u>Licensing-#2102249246</u>	<u>290,999</u>
5. <u>Whitney National Bank-Certificate of Deposit</u>	<u>Licensing-#2102355198</u>	<u>153,666</u>
6. <u>Whitney National Bank-Certificate of Deposit</u>	<u>Licensing-#2102269938</u>	<u>100,538</u>
7. <u>Whitney National Bank-Certificate of Deposit</u>	<u>Licensing-#2102252288</u>	<u>71,442</u>
8. <u>Whitney National Bank-Certificate of Deposit</u>	<u>Licensing-#2102265987</u>	<u>103,283</u>
9. <u>Whitney National Bank-Certificate of Deposit</u>	<u>Licensing-#2102308734</u>	<u>200,000</u>
Total		\$ <u>1,218,676</u>

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 balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$	<u> </u>
Petty cash	\$	<u>25</u>

2. INVESTMENTS

The Louisiana State Board of Practical Nurse Examiners maintains investment accounts as authorized by Louisiana Revised Statute 33:2955.

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent but not in the entity's name. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

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	<u>Investments Exposed to Custodial Credit Risk</u>		<u>All Investments Regardless of Custodial Credit Risk Exposure</u>	
<u>Type of Investment</u>	<u>Uninsured, *Unregistered, and Held by Counterparty</u>	<u>Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name</u>	<u>Reported Amount</u>	<u>Fair Value</u>
Repurchase agreements	\$ _____	\$ _____	\$ _____	\$ _____
U.S. Government securities	_____	_____	_____	_____
U. S. Agency Obligations	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Commercial paper	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total investments	\$ - \$	- \$	\$ - \$	- \$

* unregistered - not registered in the name of the government or entity

3. Derivatives

The Board does not invest in **derivatives** as part of its investment policy.

4. Credit Risk, Concentration of Credit Risk, Interest Rate Risk, and Foreign Currency Risk Disclosures

A. Credit Risk of Debt Investments

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 un-rated, disclose that amount). N/A

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<u>Rating</u>	<u>Fair Value</u>
	\$
Total	\$

B. Interest rate Risk

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type. N/A

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater Than 10</u>
U.S. Government obligations	\$	\$	\$	\$	\$
U.S. Agency obligations					
U.S. Treasury obligations					
Mortgage backed securities					
Collateralized mortgage obligations					
Corporate bonds					
Other bonds					
Mutual funds					
Other					
Total debt investments	\$	\$	\$	\$	\$

2. 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.): N/A

<u>Debt Investment</u>	<u>Fair Value</u>	<u>Terms</u>
	\$	
Total	\$	

C. Concentration of Credit Risk

List, by amount and issuer, investments in any one issuer that represents 5% or more of total investments. (not including U.S. government securities, mutual funds, and external investment pools) N/A

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<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
_____	\$ _____	_____
_____	_____	_____
_____	_____	_____
Total	\$ _____	_____

D. Foreign Currency Risk

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. N/A

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
Total	\$ _____	\$ _____

5. Policies

Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, 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. N/A

6. Other Disclosures Required for Investments

- a. Investments in pools managed by other governments or mutual funds N/A
- b. Securities underlying reverse repurchase agreements N/A
- c. Unrealized investment losses N/A
- d. Commitments as of June 30, 2005, to resell securities under yield maintenance repurchase agreements: N/A
 1. Carrying amount and market value at June 30 of securities to be resold _____

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2. Description of the terms of the agreement _____

e. Losses during the year due to default by counterparties to deposit or investment transactions
__N/A__

f. Amounts recovered from prior-period losses which are not shown separately on the balance
sheet __N/A__

Legal or Contractual Provisions for Reverse Repurchase Agreements

g. Source of legal or contractual authorization for use of reverse repurchase agreements __N/A__

h. Significant violations of legal or contractual provisions for reverse repurchase agreements that
occurred during the year __N/A__

Reverse Repurchase Agreements as of Year-End

i. Credit risk related to the reverse repurchase agreements (other than yield maintenance
agreements) outstanding at year end, 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 __N/A__

j. Commitments on June 30, 2005 to repurchase securities under yield maintenance agreements
__N/A__

k. Market value on June 30, 2005 of the securities to be repurchased __N/A__

l. Description of the terms of the agreements to repurchase __N/A__

m. Losses recognized during the year due to default by counterparties to reverse repurchase
agreements
__N/A__

n. Amounts recovered from prior-period losses which are not separately shown on the operating
statement __N/A__

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 __N/A__

p. Basis for determining which investments, if any, are reported at amortized cost __N/A__

q. For investments in external investment pools that are not SEC-registered, a brief description of
any regulatory oversight for the pool __N/A__

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- r. *Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares* ___ N/A ___
- s. Any involuntary participation in an external investment pool ___ N/A ___
- t. *If 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* ___ N/A ___
- u. Any income from investments associated with one fund that is assigned to another fund ___ N/A ___

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 balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

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	Year ended June 30, 2005						
	Balance 6/30/2004	Prior Period Adjustment	Adjusted Balance 7/1/2004	Additions	Transfers*	Retirements	Balance 6/30/2005
Capital assets not being depreciated							
Land	\$	\$	\$ --	\$	\$	\$	\$ --
Non-depreciable land improvements			--				--
Capitalized collections			--				--
Construction in progress			--				--
Total capital assets not being depreciated	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Other capital assets							
Furniture, fixtures, and equipment	\$ 133,311	\$	\$ 133,311	\$ 11,844	\$	\$ (21,332)	\$ 123,823
Less accumulated depreciation	102,962		102,962	10,622		(21,332)	92,252
Total furniture, fixtures, and equipment	30,349	--	30,349	1,222	--	--	31,571
Buildings and improvements			--				--
Less accumulated depreciation			--				--
Total buildings and improvements	--	--	--	--	--	--	--
Depreciable land improvements			--				--
Less accumulated depreciation			--				--
Total depreciable land improvements	--	--	--	--	--	--	--
Infrastructure			--				--
Less accumulated depreciation			--				--
Total infrastructure	--	--	--	--	--	--	--
Total other capital assets	\$ 30,349	\$ --	\$ 30,349	\$ 1,222	\$ --	\$ --	\$ 31,571
Capital Asset Summary:							
Capital assets not being depreciated	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Other capital assets, at cost	133,311	--	133,311	11,844	--	(21,332)	123,823
Total cost of capital assets	133,311	--	133,311	11,844	--	(21,332)	123,823
Less accumulated depreciation	102,962	--	102,962	10,622	--	(21,332)	92,252
Capital assets, net	\$ 30,349	\$ --	\$ 30,349	\$ 1,222	\$ --	\$ --	\$ 31,571

* 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.

E. INVENTORIES

The Louisiana State Board of Practical Nurse Examiners did not maintain inventories at June 30, 2005.

F. RESTRICTED ASSETS

The Louisiana State Board of Practical Nurse Examiners did not have any restricted assets at June 30, 2005.

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G. LEAVE

1. COMPENSATED ABSENCES

The Louisiana State Board of Practical Nurse Examiners 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 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, 2005 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 Practical Nurse Examiners are members of the Louisiana State Employees Retirement System (LASERS), 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 Board employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' 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 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 Louisiana 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 Board 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, 2005 increased to 17.8% of annual covered payroll from the 15.8% and 14.1% required in fiscal years ended June 30, 2004 and 2003 respectively. The Board's contributions to the System for the years ending June 30, 2005, 2004, and 2003, were \$63,215, \$64,016, and \$60,105, respectively, equal to the required contributions for each year.

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One employee of the Louisiana State Board of Practical Nurse Examiners is a member of the Teachers' Retirement System of Louisiana (TRSL), a cost sharing multiple-employer, defined benefit pension plan. The TRSL is a statewide public employee retirement system (PERS) which provides pension benefits to employees who meet the legal definition of a "teacher" and is administered and controlled by a separate board of trustees.

All full-time Board employees who qualify as teachers are eligible to participate in the System. Benefits vest with 5 years of service. At retirement age, employees are entitled to annual benefits equal to 2% or 2.5% of final average salary for each year of credited service. Final average salary is based upon the member's highest successive thirty-six months of salary.

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 TRSL also provides disability and survivor benefits. Benefits are established or amended by state statute. The TRSL issues an annual publicly available financial report that includes financial statements and required supplementary information for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, LA 70804-9123 or by calling (225) 925-6446.

Members are required by state statute to contribute 8% of gross salary, and the Board is required to contribute at an actuarially determined rate as required by Louisiana Revised Statute 11:885. The contribution rate for the fiscal year ended June 30, 2005 was 15.5% of annual covered payroll. The Board's contributions to the System for the year ended June 30, 2005 was 12,800, equal to the required contribution for the year.

I. POST RETIREMENT 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 an insurance company whose premiums are paid jointly by the employee and the Board. For 2005, the cost of providing those benefits for the 3 retirees totaled \$30,885.

LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year ended June 30, 2005 amounted to \$84,561.

A schedule of payments for operating leases follows:

<u>Nature of lease</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011- 2015</u>	<u>FY2016- 2020</u>
	\$	\$	\$	\$	\$	\$	\$
Office Space	84,561	84,561	84,561	43,690			
Total	\$ 84,561	\$ 84,561	\$ 84,561	\$ 43,690	\$ -	\$ -	\$ -

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2. CAPITAL LEASES

The Louisiana State Board of Practical Nurse Examiners does not have any capital leases.

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	_____	_____	_____
Total	\$ <u> - </u>	\$ <u> - </u>	\$ <u> - </u>

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: (Note: If lease payments extend past FY2025, please create additional rows and report these future minimum lease payments in five year increments.)

<u>Year ending June 30 :</u>	<u>Total</u>
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ <u> - </u>

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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 June 30, 2005 and a breakdown of yearly principal and interest:

<u>Year ending June 30:</u>	<u>Total</u>
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

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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	_____	_____	_____
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 June 30, 2005 and a breakdown of yearly principal and interest:

<u>Year ending June 30:</u>	<u>Total</u>
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	-
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

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3. LESSOR DIRECT FINANCING LEASES

The Louisiana State Board of Practical Nurse Examiners does not have any lessor direct financing leases.

<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		\$ _____		

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of June 30, 2005:

Year ending _____:	
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total	\$ _____ -

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4. LESSOR – OPERATING LEASE

The Louisiana State Board of Practical Nurse Examiners does not have any lessor-operating leases.

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 June 30, 2005:

	<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 receivable on non-cancelable operating lease(s) as of June 30, 2005.

<u>Year Ended June 30,</u>	<u>Office Space</u>	<u>Equipment</u>	<u>Land</u>	<u>Other</u>	<u>Total</u>
2006	\$ _____	\$ _____	\$ _____	\$ _____	\$ -
2007					-
2008					-
2009					-
2010					-
2011-2015					-
2016-2020					-
Total	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

Current year lease revenues received in fiscal year 2005 totaled \$0.

Contingent rentals received from operating leases received for your fiscal year was \$0 for office space, \$ 0 for equipment, and \$ 0 for land.

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K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2005:

	Balance June 30, 2004	Additions	Reductions	Balance June 30, 2005	Amounts due within one year
Bonds and notes payable:					
Notes payable	\$	\$	\$	\$ --	\$
Reimbursement contracts payable				--	
Bonds payable				--	
Total notes and bonds	--	--	--	--	--
Other liabilities:					
Contracts payable				--	
Compensated absences payable	57,824	15,054	8,952	63,926	
Capital lease obligations				--	
Liabilities payable from restricted assets				--	
Claims and litigation				--	
Other long-term liabilities				--	
Total other liabilities	57,824	15,054	8,952	63,926	--
Total long-term liabilities	\$ 57,824	\$ 15,054	\$ 8,952	\$ 63,926	\$ --

L. LITIGATION

- The Louisiana State Board of Practical Nurse Examiners is a defendant in litigation seeking damages as follows:

Date of Action	Description of Litigation and Probable outcome (Remote, reasonably possible, or probable)	Primary Attorney	Damages Claimed	Insurance Coverage
			\$	\$
Totals			\$ -	\$ -

The Board is a defendant in three claims seeking damages. The Board's legal advisor estimates that potential claims not covered by insurance would not materially affect the financial statements and that the possibility of damages being assessed against the Board is remote.

- Claims and litigation costs of \$120,378 were incurred in the current year and are reflected in the accompanying financial statements.

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M. RELATED PARTY TRANSACTIONS

The Louisiana State Board of Practical Nurse Examiners did not engage in any related party transactions during the year ended June 30, 2005,

N. ACCOUNTING CHANGES

There were no accounting changes made during the year ended June 30, 2005.

O. IN-KIND CONTRIBUTIONS

The Board did not have any in-kind contributions during the year ended June 30, 2005.

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

P. DEFEASED ISSUES

The Louisiana State Board of Practical Nurse Examiners did not have any defeased issues of taxable bonds during the year ended June 30, 2005

Q. COOPERATIVE ENDEAVORS

The Louisiana State Board of Practical Nurse Examiners did not engage in any cooperative endeavors during the year ended June 30, 2005.

The liability outstanding for fiscal year ending June 30, 2005, by funding source, is as follows:

<u>Funding Source</u>	<u>Balance June 30, 2005</u>
State General Fund	\$ _____
Self-generated revenue	_____
Statutorily dedicated revenue	_____
General obligation bonds	_____
Federal funds	_____
Interagency transfers	_____
Other funds/combination	_____

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

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The Louisiana State Board of Practical Nurse Examiners did not engage in any government-mandated nonexchange transactions (grants) during fiscal year 2004-2005:

<u>CFDA Number</u>	<u>Program Name</u>	<u>State Match Percentage</u>	<u>Total Amount of Grant</u>
			\$
Total government-mandated nonexchange transactions (grants)			\$ -

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At June 30, 2005, the Louisiana State Board of Practical Nurse Examiners was not in violation of any of the Bond Reserve Covenants.

T. SHORT-TERM DEBT

The Louisiana State Board of Practical Nurse Examiners has no issues of short-term debt for the year ended June 30, 2005.

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

The Louisiana State Board of Practical Nurse Examiners does not use a revolving line of credit for the

	<u>Beginning Balance</u>	<u>Draws</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Line of credit	\$	\$	\$	\$ -

following to finance the issuance of related bonds.

U. DISAGGREGATION OF RECEIVABLE BALANCES

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Receivables at June 30, 2005 were as follows:

Activity	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Licensing	\$	\$	\$	\$ 7,320.00	\$ 7,320.00
					-
Gross receivables	\$ -	\$ -	\$ -	\$ 7,320.00	\$ 7,320.00
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ -	\$ -	\$ -	\$ 7,320.00	\$ 7,320.00
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2005 were as follows:

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Licensing	\$ 17,578	\$ 10,021	\$	\$	\$ 27,599
					-
Total payables	\$ 17,578	\$ 10,021	\$ -	\$ -	\$ 27,599

W. SUBSEQUENT EVENTS

There were no material events affecting the Louisiana State Board of Practical Nurse Examiners occurring between the close of the fiscal period and issuance of the financial statements.

**STATE OF LOUISIANA
BOARD OF PRACTICAL NURSE EXAMINERS
Appendix B
For the Year Ended June 30, 2005**

X. SEGMENT INFORMATION

The Louisiana State Board of Practical Nurse Examiners does not have any activities which would qualify for segment reporting.

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:

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:

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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	_____	_____

Y. DUE TO/DUE FROM AND TRANSFERS

1. The Board did not have any amounts due from other funds at June 30, 2005.

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

2. The Board did not have any amounts due to other funds at June 30, 2005.

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

3. The Board did not have any transfers from other funds for the year ended June 30, 2005.

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

4. The Board did not have any transfers to other funds for the year ended June 30, 2005.

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

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

The Louisiana State Board of Practical Nurse Examiners did not have any liabilities payable from restricted assets at June 30, 2005.

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For the Year Ended June 30, 2005

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

There were no adjustments made to restate beginning net assets for June 30, 2005.

<i>Ending net assets</i> July 1, 2004, <u>previously reported</u>		<i>Adjustments</i> <u>+ or (-)</u>		<i>Beginning net</i> assets, July 1, 2004, <u>As restated</u>
	\$		\$	--
				--
				--
				--
				--
				--

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BOARD OF PRACTICAL NURSE EXAMINERS
Appendix B
For the Year Ended June 30, 2005**

**STATE OF LOUISIANA
BOARD OF PRACTICAL NURSE EXAMINERS
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the Year Ended June 30, 2005**

<u>Name</u>	<u>Amount</u>
	\$
Chancellor, Ruby R.	450
Dunn, Gwendolyn	600
Fore, Sharon K.	150
Fulmer, Bobby G.	450
Juneau, Patricia G.	4,875
Laws, Ann	375
Nelson, Rebecca	300
McLemore, Carl	75
Sonnier, Jr., William	300
St. Martin, Eugene C.	375
Turnley, I. C.	75
	\$ 8,025

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For the Year Ended June 30, 2005**

SCHEDULE 1

STATE OF LOUISIANA

BOARD OF PRACTICAL NURSE EXAMINERS

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2005</u>	<u>2004</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>1038601</u>	\$ <u>965061</u>	\$ <u>73540</u>	\$ <u>7.62%</u>
Expenses	<u>1073557</u>	<u>891906</u>	<u>181651</u>	<u>20.37%</u>
2) Capital assets	<u>31571</u>	<u>30349</u>	<u>1222</u>	<u>4.03%</u>
Long-term debt	<u>63926</u>	<u>57824</u>	<u>6102</u>	<u>10.55%</u>
Net Assets	<u>1166067</u>	<u>1201023</u>	<u>-34956</u>	<u>-2.91%</u>
Explanation for change:	<div></div> <div></div> <div></div>			