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LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY
AND CORRECTIONS
STATE OF LOUISIANA

BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2005

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 9/14/05

LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATE OF LOUISIANA

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DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

ERIC J. VICKNAIR, CPA (APC)

GLYNN R. DYER, CPA (APC), (RETIRED)

INDEPENDENT AUDITORS' REPORT

Louisiana State Board of Private Security Examiners
Department of Public Safety and Corrections
State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying basic financial statements of

LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA

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 Private Security 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 Louisiana State Board of Private Security 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.

(SEND ALL CORRESPONDENCE TO THE BATON ROUGE ADDRESS)

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DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

In accordance with *Government Auditing Standards*, we have also issued a report dated August 23, 2005, on our consideration of Louisiana State Board of Private Security Examiners' internal control over financial reporting and our tests of its compliance with laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with the report in considering the results of our audit.

Management's discussion and analysis, on pages 3 through 6, is not a required part of the basic financial statements but is supplemental 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 supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the accompanying basic financial statements taken as a whole. The accompanying supplemental information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of Louisiana State Board of Security 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.

Baton Rouge, Louisiana
August 23, 2005

Dyer & Vicknair

REQUIRED SUPPLEMENTAL INFORMATION

LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Louisiana State Board of Private Security Examiners' financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2005. Read it in conjunction with the Board's financial statements.

FINANCIAL HIGHLIGHTS

The Board's assets exceeded its liabilities by \$ 325,765 (net assets), which represents a 11% decrease from June 30, 2004.

Total net assets are comprised of the following:

1. Capital assets, net of related debt, of \$236,648 include land, building, automobile and office equipment, net of accumulated depreciation and reduced for outstanding debt related to the purchase or construction of capital assets.
2. Unrestricted net assets of \$ 89,117 represent the portion available to maintain the Board's continuing obligations.

Total liabilities of \$ 227,203 are comprised of the following:

1. Current liabilities of \$ 54,730
2. Long term debt outstanding of \$ 147,998
3. Other non-current liabilities of \$ 24,475

During the year, operating revenues increased by \$ 27,944 or 5% to \$ 556,516 and operating expenses increased by \$ 73,069 or 14% to \$ 594,820.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Board is engaged only in business-type activities. The basic financial statements include enterprise fund financial statements, notes to the financial statements and additional information to supplement the basic financial statements.

Enterprise Fund Financial Statements

The Board's annual report includes three financial statements. These statements are prepared on the accrual basis of accounting which is similar to the accounting used by most private-sector companies.

LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
 (continued)

The first of these financial statements is the Statement of Net Assets. This is the statement of position presenting information that includes all of the Board's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator if the Board's financial health is improving or deteriorating.

The second financial statement is the Statement of Revenues, Expenses and Changes in Net Assets which reports how the Board's assets changed as a result of current year operations. All current year revenues and expenses are included regardless of when cash is received or paid.

The third financial statement is the Statement of Cash Flows which reports how cash changed as a result of current year operations.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the basic financial statements.

Financial Analysis of the Board as a Whole

The following provides a summary of the Board's net assets:

	June 30,	
	<u>2005</u>	<u>2004</u>
Current and other assets	\$ 147,857	\$ 198,987
Capital assets	<u>405,111</u>	<u>417,720</u>
<u>Total assets</u>	<u>552,968</u>	<u>616,707</u>
Long term debt outstanding	168,463	190,056
Other liabilities	<u>58,740</u>	<u>62,582</u>
<u>Total liabilities</u>	<u>227,203</u>	<u>252,638</u>
Net assets		
Invested in capital assets	236,648	227,664
Unrestricted	<u>89,117</u>	<u>136,405</u>
<u>Total net assets</u>	<u>325,765</u>	<u>364,069</u>

LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)

The following provides a summary of the Board's changes in net assets.

	Year Ended June 30,	
	<u>2005</u>	<u>2004</u>
<u>Revenues</u>		
Operating revenues	\$ 555,163	\$ 526,966
Non-operating revenues	<u>1,353</u>	<u>1,606</u>
<u>Total revenues</u>	<u>556,516</u>	<u>528,572</u>
<u>Expenses</u>		
Operating expenses	578,770	500,687
Non-operating expenses	<u>16,050</u>	<u>21,064</u>
<u>Total expenses</u>	<u>594,820</u>	<u>521,751</u>
Increase (decrease) in net assets	(38,304)	6,821
Beginning net assets	<u>364,069</u>	<u>357,248</u>
Ending net assets	<u>325,765</u>	<u>364,069</u>

BUDGETARY HIGHLIGHTS

The original budget was revised once during the year.

Revenues exceeded budgetary estimates by \$ 18,076 and expenses exceeded budgetary estimates by \$ 66,449.

CAPITAL ASSETS

At June 30, 2005, the Board had \$ 405,111 invested in capital assets, net of accumulated depreciation. The Board's capital assets are comprised of land, building, automobile and office equipment.

DEBT

At June 30, 2005, the Board had \$ 168,463 in notes outstanding versus \$ 190,056 last year, a decrease of 11%.

LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Management anticipates spending \$30,000 on computer software for the year ending June 30, 2006.

For the year ending June 30, 2006, the Board approved a total budget of \$ 517,416, a decrease of 4% over the June 30, 2005 budget. Budgeted expenditures are expected to decrease 16% to \$ 501,126 from \$ 594,820 in the year ending June 30, 2006.

CONTACTING THE BOARD'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Board's finances and demonstrate the Board's commitment to public accountability. If you have any questions about this report, contact the Board's office at 15703 Old Hammond Highway, Baton Rouge, Louisiana 70816.

LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2005

ASSETSCurrent assets

Cash and cash equivalents	\$ <u>147,857</u>
---------------------------	-------------------

Non-current assetsCapital assets

Land	90,000
------	--------

Building	356,270
----------	---------

Automobile	30,641
------------	--------

Equipment	28,506
-----------	--------

Accumulated depreciation	(100,306)
--------------------------	-----------

<u>Net capital assets</u>	<u>405,111</u>
---------------------------	----------------

<u>Total assets</u>	<u>552,968</u>
---------------------	----------------

LIABILITIESCurrent liabilities

Accounts payable	\$ 25,265
------------------	-----------

Accrued expenses	9,000
------------------	-------

Notes payable - current	<u>20,465</u>
-------------------------	---------------

<u>Total current liabilities</u>	<u>54,730</u>
----------------------------------	---------------

Non-current liabilities

Compensated absences payable	24,475
------------------------------	--------

Notes payable - non-current	<u>147,998</u>
-----------------------------	----------------

<u>Total non-current liabilities</u>	<u>172,473</u>
--------------------------------------	----------------

<u>Total liabilities</u>	<u>227,203</u>
--------------------------	----------------

NET ASSETS

Invested in capital assets, net of related debt	236,648
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Unrestricted	<u>89,117</u>
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<u>Total net assets</u>	<u>325,765</u>
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The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2005

OPERATING REVENUES

Licenses and fees \$ 555,163

Total operating revenues 555,163

OPERATING EXPENSES

Personal services and related benefits 384,565

Operating services 89,428

Professional services 54,646

Materials and supplies 7,947

Travel 11,182

Depreciation 12,609

Capital outlay 18,393

Total operating expenses 578,770

Operating income (loss) (23,607)

NON-OPERATING REVENUES (EXPENSES)

Investment earnings 1,353

Interest expense (16,050)

Total non-operating revenues (expenses) (14,697)

Change in net assets (38,304)

TOTAL NET ASSETS, beginning of the year 364,069

TOTAL NET ASSETS, end of the year 325,765

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2005

CASH FLOWS FROM OPERATING EXPENSES

Cash received from customers	\$ 555,163
Cash payments to suppliers and employees for goods and services	<u>(570,003)</u>
<u>Net cash provided (used) by operating activities</u>	<u>(14,840)</u>

CAPITAL FLOWS FROM CAPITAL AND RELATED FINANCING

Principal paid on note	(21,593)
Interest paid on note	<u>(16,050)</u>
<u>Net cash provided (used) by capital and related financing activities</u>	<u>(37,643)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received on cash and cash equivalents	<u>1,353</u>
--	--------------

NET INCREASE IN CASH AND CASH EQUIVALENTS (51,130)

CASH AND CASH EQUIVALENTS, beginning of year 198,997

CASH AND CASH EQUIVALENTS, end of year 147,857

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income (loss)	\$ (23,607)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	12,609
Changes in assets and liabilities:	
Increase (decrease) in accounts payable	(8,196)
Increase (decrease) in accrued expenses	4,300
Increase (decrease) in compensated absences	<u>54</u>
<u>Net cash used by operating activities</u>	<u>(14,840)</u>

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2005

INTRODUCTION

The Louisiana State Board of Private Security Examiners (the Board) is a component unit of the State of Louisiana created as provided by Louisiana Revised Statutes (R.S.) 37:3270-3298 within the Louisiana Department of Public Safety and Corrections. The Board is composed of nine members appointed by the governor, who serve for five years. The Board is charged with reviewing credentials of applicants for licensure, licensing those candidates who meet qualifications, and investigating complaints. Operations of the Board are funded entirely through self-generated revenues.

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of Louisiana State Board of Private Security Examiners have been prepared in conformity with accounting principles generally accepted in the United States. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. In conformance with GASB Codification Section 2100, the Board is a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the Board members and public service is rendered within the state's boundaries. The accompanying basic financial statements present only the transactions of Louisiana State Board of Private Security Examiners, a component unit of the State of Louisiana.

LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2005
(continued)

C. Method of Accounting

Statement No. 34 ("*Statement 34*") of the Government Accounting Standards Board "*Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*," established standards for external financial reporting for all state and local government entities which includes a statement of net assets, a statement of activities and changes in net assets and a statement of cash flows. It requires the classification of net assets into three components - invested in capital assets, net of related debt; restricted; and, unrestricted. These classifications are defined as follows:

Invested in capital assets, net of related debt - This component of net 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. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

Restricted - This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets - This component of net asset consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The financial statements of the Board are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. Under Governmental Accounting Standards Board (GASB) Statement No. 20, the Board has elected not to apply Financial Accounting Standards Board provisions issued after November 30, 1989.

LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2005
(continued)

D. Capital Assets

Capital assets, which includes land, building, automobile and equipment are valued at historical cost. Repairs and maintenance are recorded as expenses.

Assets capitalized have an original cost of \$ 5,000 or more. Depreciation has been calculated on each class of depreciable property using the straight line method. Estimated useful lives are follows:

Building	25 years
Automobile	5 years
Equipment	5 years

E. Encumbrances

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the application, is not employed.

F. Cash and Investments

Cash includes cash and demand deposits. Under state law, the Board may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law, national banks having their principal offices in 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.

Under state law, the Board may invest in United States bonds, treasury notes, or certificates.

The Board considers time deposits and investments with an original maturity of ninety days or less to be cash equivalents. If the original maturities exceed ninety days, they are classified as investments.

G. Compensated Absences Payable

The Board accrues its liabilities for earned but unpaid vacation costs.

LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2005
(continued)

H. Revenues and Expenses

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Board. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions or ancillary activities.

I. Statement of Cash Flows

For purposes of the statements of cash flows, the Board considers all currency, demand deposits and money market accounts with banks or other financial institutions to be cash equivalents.

NOTE #2: LEGAL COMPLIANCE - BUDGET

The Board adopts a budget for the year. Formal budget integration is employed as a management control device during the year. Although appropriations lapse at the end of the year, the Board returns its unexpended fund balance to fund expenditures of the succeeding year. Budgetary amendments require the approval of the Board. The budgeted amounts are not reflected in the financial statements.

NOTE #3: CASH AND CASH EQUIVALENTS

At June 30, 2005, the Board has cash (book balances) totaling \$ 147,857 invested in interest and non-interest bearing demand deposits.

The deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the federal government.

At June 30, 2005, the Board has \$158,711 in deposits (collected bank balances).

Custodial risk is the risk that in the event of a bank failure, the Board's deposits may not be returned to it. The Board does not have a deposit policy for custodial credit risk. At June 30, 2005, \$ 58,711 of the bank balances were exposed to custodial credit risk.

LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2005

(continued)

NOTE #4: CAPITAL ASSETS

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

	Balance June 30, <u>2004</u>	<u>Additions</u>	Balance June 30, <u>2005</u>
Capital assets not being depreciated			
Land	\$ <u>90,000</u>	\$ <u>0</u>	\$ <u>90,000</u>
Capital assets being depreciated			
Building	\$ 356,270		\$ 356,270
Automobile	28,506		28,506
Equipment & furniture	<u>30,641</u>	<u> </u>	<u>30,641</u>
<u>Total</u>	<u>415,417</u>	<u>0</u>	<u>415,417</u>
Less: accumulated depreciated			
Building	35,628	8,907	44,535
Automobile	21,428	3,702	25,130
Equipment & furniture	<u>30,641</u>	<u> </u>	<u>30,641</u>
<u>Total</u>	<u>87,697</u>	<u>12,609</u>	<u>100,306</u>
<u>Total capital assets being depreciated, net</u>	<u>327,720</u>	<u>(12,609)</u>	<u>315,111</u>
<u>Total capital assets</u>	<u>417,720</u>	<u>(12,609)</u>	<u>405,111</u>

LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2005
 (continued)

NOTE #5: NOTES PAYABLE

Note payable at June 30, 2005 is an installment note dated June 7, 2001, in the original amount of \$ 241,000 and a current balance of \$ 168,463. An office building secures the note. The note is payable in 120 monthly installments of \$3,137 at 9.5% interest. The note matures on July 7, 2011.

The following is a summary of note payable transactions for the year ended June 30, 2005:

Balance June 30, <u>2004</u>	<u>Reduction</u>	Balance June 30, <u>2005</u>
<u>\$ 190,056</u>	<u>\$ 21,593</u>	<u>\$ 168,463</u>

The annual aggregate maturities for the years subsequent to June 30, 2005, are as follows:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 20,465	\$ 17,177	\$ 37,642
2007	22,495	15,147	37,642
2008	24,729	12,913	37,642
2009	29,565	8,077	37,642
2010	32,916	4,726	37,642
Thereafter	<u>38,293</u>	<u>2,950</u>	<u>41,243</u>
Totals	<u>168,463</u>	<u>60,990</u>	<u>229,453</u>

NOTE #6: COMPENSATED ABSENCES PAYABLE

The following is a summary of the compensated absences transactions for the year ended June 30, 2005:

Balance, June 30, 2004	\$ 24,421
Increase in liability	<u>54</u>

LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2005
(continued)

Balance, June 30, 2005

\$ 24,475

NOTE # 7 RETIREMENT SYSTEM

Substantially all eligible full-time employees of the Board are members of the Louisiana State Employees Retirement System ("System"), a multiple-employer (cost-sharing) public employee retirement system (PERS) controlled and administered by a separate Board of Trustees. Contributions of participating agencies are pooled within the System to fund accrued benefits, with contribution rates approved by Louisiana.

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 months average salary multiplied by their years of credited service. Vested employees may retire at a.) any age with thirty years of service; b.) age 55 with twenty five years of service; or, c.) at age 60 with ten years of service. The System also provides death and disability benefits. Benefits are established by state statute. The System issues stand-alone financial statements that may be obtained at Post Office Box 44213, Baton Rouge, LA 70804.

In addition to the employee contributions of 7.5 percent of gross salary, the Board contributes an additional 17.8 percent of gross salary to the System. Employer contributions to the System were \$ 54,744, \$ 40,119, and \$ 32,665 respectively, for the years ended June 30, 2005, 2004, and 2003. Under present statutes, the Board does not guarantee any of the benefits of the System.

NOTE #8: DEFERRED COMPENSATION PLAN

Eleven employees of the Board participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the plan are included in the separately issued audit report for the plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804.

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PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2005
(continued)

NOTE #9: LITIGATION

There were no judgments, claims or similar contingencies pending against the Board at June 30, 2005.

NOTE #10: POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board has no retired employees receiving post-retirement health care and life insurance benefits.

NOTE #11: PER DIEM

Board members are not paid per diem for attendance at board meetings.

DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

ERIC J. VICKNAIR, CPA (APC)

GLYNN R. DYER, CPA (APC), (RETIRED)

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

Louisiana State Board of Private Security Examiners
Department of Public Safety and Corrections
State of Louisiana
Baton Rouge, Louisiana

We have audited the basic financial statements of

LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS STATE OF LOUISIANA BATON ROUGE, LOUISIANA

as of and for the year ended June 30, 2005, and have issued our report thereon dated August 16, 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.

Compliance

As part of obtaining reasonable assurance about whether Louisiana State Board of Private Security Examiners' basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of current year's findings.

(SEND ALL CORRESPONDENCE TO THE BATON ROUGE ADDRESS)

2933 BRAKLEY DRIVE, SUITE B
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DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Louisiana State Board of Private Security Examiner'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 on 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 solely for the information and use of management and State of Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. By provision of state law, this report is a public document and it has been distributed to appropriate public officials.

There were no comments concerning compliance or internal control noted in the audit for the two years ended June 30, 2004.

Baton Rouge, Louisiana
August 16, 2005

Dyer & Vicknair

LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATE OF LOUISIANA
SUMMARY OF AUDIT FINDINGS
YEAR ENDED JUNE 30, 2005

SUMMARY OF AUDITORS' REPORT

An unqualified opinion was issued on the basic financial statements for the year ended June 30, 2005.

REPORT ON INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS

No reportable conditions were disclosed by our audit.

One material noncompliance was disclosed by our audit. See schedule of current year's finding.

No material findings were disclosed by our audit.

MANAGEMENT LETTER

A management letter was not issued as part of this audit.

LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATE OF LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS
YEAR ENDED JUNE 30, 2005

CONDITION:	Actual expenditures for the year ended June 30, 2005 exceeded budgeted expenditures by more than 5% in total.
CAUSE:	The budget was not amended during the year.
CRITERIA:	The Board violated the provisions of the Licensing Agency Budget Act (LSA-RS 39:1331.42).
RECOMMENDATION:	The Board should establish a procedure to compare actual expenditures to budgeted expenditures on a regular basis and amend the budget when necessary.
MANAGEMENT'S CORRECTIVE PLAN:	See letter next page.



Louisiana
State Board of Private Security Examiners

MANAGEMENT'S CORRECTIVE PLAN:

Management will review the financial statements on a monthly basis and amend the budget if required by the Licensing Agency Budget Act.

Wayne R. Rogillio
Wayne Rogillio
Executive Director

SUPPLEMENTAL INFORMATION

LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
STATE OF LOUISIANA

ANNUAL FISCAL REPORT TO THE OFFICE OF THE GOVERNOR,
DIVISION OF ADMINISTRATION OFFICE OF STATEWIDE REPORTING
AND ACCOUNTING POLICY AS OF AND FOR
THE YEAR ENDED JUNE 30, 2005

The following supplemental information presents the financial position of Louisiana State Board of Private Security Examiners as of June 30, 2005, and the results of its operations for the year then ended. The information is presented in the format requested by the Office of Statewide Reporting and Accounting Policy for consolidation into the Louisiana Comprehensive Annual Fiscal Report.

LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2005

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STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2005


LOUISIANA STATE BOARD OF
PRIVATE SECURITY EXAMINERS

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Wayne Rogillio, Executive Secretary of Louisiana State Board of Private Security Examiners who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Louisiana State Board of Private Security Examiners at June 30, 2005 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 25th day of AUGUST, 2005.



Signature of Agency Official
WAYNE R. ROGILLIO



NOTARY PUBLIC

Prepared by: Eric J. Vicknair

Title: CPA

Telephone No.: 225-292-1040

Date: August 17, 2005

PENNY PITTMAN
NOTARY PUBLIC
NOTARY ID NO. 010089
PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
BALANCE SHEET
AS OF JUNE 30, 2005

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents (Note C1)	\$ 147,857
Investments (Note C2)	
Receivables (net of allowance for doubtful accounts)(Note U)	
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Other current assets	
Total current assets	147,857
NONCURRENT ASSETS:	
Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	90,000
Automobile	3,376
Buildings and improvements	311,735
Machinery and equipment	
Infrastructure	
Construction in progress	
Other noncurrent assets	
Total noncurrent assets	405,111
Total assets	\$ 552,968
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable and accruals (Note V)	\$ 34,265
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	20,465
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total current liabilities	54,730
NON-CURRENT LIABILITIES:	
Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	24,475
Capital lease obligations (Note J)	
Notes payable	147,998
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total long-term liabilities	172,473
Total liabilities	227,203
NET ASSETS	
Invested in capital assets, net of related debt	236,648
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	89,117
Total net assets	325,765
Total liabilities and net assets	\$ 552,968

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

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRIVATE SECURITY EXMAINERS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2005**

OPERATING REVENUES

Sales of commodities and services	\$	
Assessments		
Use of money and property		
Licenses, permits, and fees		555,163
Other		
Total operating revenues		555,163

OPERATING EXPENSES

Cost of sales and services		
Administrative		566,161
Depreciation		12,609
Amortization		
Total operating expenses		578,770

Operating income(loss)		(23,607)
------------------------	--	----------

NON-OPERATING REVENUES(EXPENSES)

State appropriations		
Intergovernmental revenues (expenses)		
Taxes		
Use of money and property		1,353
Gain (loss) on disposal of fixed assets		
Federal grants		
Interest expense		(16,050)
Other		
Total non-operating revenues(expenses)		(14,697)

Income(loss) before contributions and transfers		(38,304)
---	--	----------

Capital contributions

Transfers in

Transfers out

Change in net assets		(38,304)
----------------------	--	----------

Total net assets – beginning as restated		364,069
--	--	---------

Total net assets – ending	\$	325,765
---------------------------	----	---------

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

Statement B

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRIVATE SECURITY EXMAINERS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

		Program Revenues		
		Operating	Capital	Net (Expense)
		Grants and	Grants and	Revenue and
		Contributions	Contributions	Changes in
	Expenses	Charges for		Net Assets
		Services		
Operating	\$ 594,820	\$ 555,163	\$	\$ (39,657)
General revenues:				
Taxes				
State appropriations				
Grants and contributions not restricted to specific programs				
Interest				1,353
Miscellaneous				
Special items				
Transfers				
Total general revenues, special items, and transfers				1,353
Change in net assets				(38,304)
Net assets - beginning				364,069
Net assets - ending				\$ 325,765

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

Cash flows from operating activities

Cash received from customers	\$	555,163	
Cash payments to suppliers for goods and services		(324,144)	
Cash payments to employees for services		(245,859)	
Payments in lieu of taxes			
Internal activity-payments to other funds			
Claims paid to outsiders			
Other operating revenues(expenses)			
Net cash used by operating activities			(14,840)

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 activities			-

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		(21,593)	
Interest paid on notes payable		(16,050)	
Acquisition/construction of capital assets			
Proceeds from sale of capital assets			
Capital contributions			
Other			
Net cash used by capital and related financing activities			(37,643)

Cash flows from investing activities

Purchases of investment securities			
Proceeds from sale of investment securities			
Interest and dividends earned on investment securities		1,353	
Net cash provided(used) by investing activities			1,353

Net increase(decrease) in cash and cash equivalents (51,130)

Cash and cash equivalents at beginning of year 198,987

Cash and cash equivalents at end of year \$ 147,857

The accompanying notes are an integral part of this statement.

Statement D

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRIVATE SECURITY 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)		\$ (23,607)
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	12,609	
Provision for uncollectible accounts		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net		
(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	(8,196)	
Increase(decrease) in accrued payroll and related benefits		
Increase(decrease) in compensated absences payable	54	
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in other liabilities	4,300	
Net cash provided(used) by operating activities		\$ (14,840)

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease	
Contributions of fixed assets	
Purchases of equipment on account	
Asset trade-ins	
Other (specify)	
Total noncash investing, capital, and financing activities:	0

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2005

INTRODUCTION

The Louisiana State Board of Private Security Examiners (the Board) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:3270-3298. The following is a brief description of the operations of the Board, which includes the 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 Private Security Examiners present information only as to the transactions of the programs of the Louisiana State Board of Private Security Examiners 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 Private Security Examiners 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 PRIVATE SECURITY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2005

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>478,371</u>
Amendments:	<u>40,000</u>
Capital Outlay	<u>10,000</u>
Investigation	<u> </u>
	<u> </u>
Final approved budget	\$ <u><u>528,371</u></u>

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 Board of Private Security Examiners may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Board of Private Security Examiners 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, or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2005

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

	Cash	Certificates of Deposit	Other (Describe)	Total
Deposits in bank accounts per balance sheet	\$ 147,857	\$	\$	\$ 147,857
Bank balances (category 3 only, if any) Identify amounts reported as category 3 by the descriptions below:				
a. Uninsured and uncollateralized				-
b. Uninsured and collateralized with securities held by the pledging institution	58,711			58,711
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>				-
Total Category 3 bank balances	\$ 58,711	\$ -	\$ -	\$ 58,711
Total bank balances (All categories including category 3 reported above)	\$ 158,711	\$	\$	\$ 158,711

NOTE: The "Total Bank Balances" will not necessarily equal the "Deposits in Bank Account per Balance Sheet".

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

Banking institution	Program	Amount
1. Hancock Bank	Checking	\$ 2,000
2. Hancock Bank	Checking	156,711
3.		
4.		
Total		\$ 158,711

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	\$ 0
Petty cash	\$ 0

2. INVESTMENTS N/A
3. DERIVATIVES N/A
4. CREDIT RISK N/A
5. POLICIES

The Board does not have a custodial credit risk policy.

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS N/A

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2005

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

	Year ended June 30, 2005					
	Balance 6/30/2004	Prior Period Adjustment	Adjusted Balance 6/30/2004	Additions	Transfers*	Balance 6/30/2005
Capital assets not being depreciated						
Land	90,000		90,000			90,000
Non-depreciable land improvements			--			--
Capitalized collections			--			--
Construction in progress			--			--
Total capital assets not being depreciated	90,000	--	90,000	--	--	90,000
Other capital assets						
Furniture, fixtures, and equipment	30,641		30,641			30,641
Less accumulated depreciation	(30,641)		(30,641)			(30,641)
Total furniture, fixtures, and equipment	--	--	--	--	--	--
Buildings and improvements	356,270		356,270			356,270
Less accumulated depreciation	(35,628)		(35,628)	(8,907)		(44,535)
Total buildings and improvements	320,642	--	320,642	(8,907)	--	311,735
Depreciable land improvements			--			--
Less accumulated depreciation			--			--
Total depreciable land improvements	--	--	--	--	--	--
Automobile	28,506		28,506			28,506
Less accumulated depreciation	(21,428)		(21,428)	(3,702)		(25,130)
Total Automobile	7,078	--	7,078	(3,702)	--	3,376
Total other capital assets	327,720	--	327,720	(12,609)	--	315,111
Capital Asset Summary:						
Capital assets not being depreciated	90,000	--	90,000	--	--	90,000
Other capital assets, at cost	415,417	--	415,417	(12,609)	--	415,417
Total cost of capital assets	505,417	--	505,417	(12,609)	--	505,417
Less accumulated depreciation	(87,697)	--	(87,697)	(12,609)	--	(100,306)
Capital assets, net	417,720	--	417,720	(25,218)	--	405,111

* 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 N/A

F. RESTRICTED ASSETS N/A

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2005**

G. LEAVE

1. COMPENSATED ABSENCES

The Board of Private Security 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 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 N/A

H. RETIREMENT SYSTEM

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 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 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 contributions to the System for the years ending June 30, 2005, 2004, and 2003, were \$54,744, \$40,119, and \$32,665, respectively, equal to the required contributions for each year.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

N/A

J. LEASES N/A

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2005

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	Year ended June 30, 2005		Balance June 30, 2005	Amounts due within one year
		Additions	Reductions		
Bonds and notes payable:					
Notes payable	\$ 190,056	\$	\$ 21,593	\$ 168,463	\$ 20,465
Reimbursement contracts payable				--	
Bonds payable				--	
Total notes and bonds	<u>190,056</u>	<u>--</u>	<u>21,593</u>	<u>168,463</u>	<u>20,465</u>
Other liabilities:					
Contracts payable				--	
Compensated absences payable	24,421	54		24,475	
Capital lease obligations				--	
Liabilities payable from restricted assets				--	
Claims and litigation				--	
Other long-term liabilities				--	
Total other liabilities	<u>24,421</u>	<u>54</u>	<u>--</u>	<u>24,475</u>	<u>--</u>
Total long-term liabilities	<u>214,477</u>	<u>54</u>	<u>21,593</u>	<u>192,938</u>	<u>20,465</u>

L. LITIGATION N/A

M. RELATED PARTY TRANSACTIONS N/A

N. ACCOUNTING CHANGES N/A

O. IN-KIND CONTRIBUTIONS N/A

P. DEFEASED ISSUES N/A

Q. COOPERATIVE ENDEAVORS N/A

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) N/A

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS N/A

T. SHORT-TERM DEBT N/A

U. DISAGGREGATION OF RECEIVABLE BALANCES N/A

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2005

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2005, were as follows:

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Operating	\$ 14,767	\$ 19,498	\$	\$	\$ 34,265
					-
Total payables	\$ 14,767	\$ 19,498	\$ -	\$ -	\$ 34,265

W. SUBSEQUENT EVENTS N/A

X. SEGMENT INFORMATION N/A

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

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS N/A

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

**STATE OF LOUISIANA
STATE BOARD OF PRIVATE SECURITY EXAMINERS
LIST OF PER DIEM PAID TO BOARD MEMBERS
For the Year Ended June 30, 2005**

[illegible]

SCHEDULE 1

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
SCHEDULE OF STATE FUNDING
For the Year Ended June 30, 2005

Description of Funding	Amount
1. _____	\$ _____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
Total	\$ <u>0</u>

SCHEDULE 2

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
June 30, 2005

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
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>		<u>\$ 0</u>

*Send copies of new amortization schedules

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
SCHEDULE OF NOTES PAYABLE
JUNE 30, 2005

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
#1	06-01-01	\$241,000	\$190,056	\$21,593	\$ 168,463	9.5%	\$ 0
Total		<u>\$241,000</u>	<u>\$190,056</u>	<u>\$ 21,593</u>	<u>\$ 168,463</u>		<u>\$ 0</u>

*Send copies of new amortization schedules

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
SCHEDULE OF BONDS PAYABLE
June 30, 2005

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
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>		<u>\$ 0</u>

*Send copies of new amortization schedules

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
For The Year Ended June 30, 2005

Fiscal Year Ending:	Principal	Interest
2006	\$ _____	\$ _____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
Total	\$ 0	\$ 0

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 2005**

Fiscal Year Ending:	Payment	Interest	Principal	Balance
2006	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u> --
2007	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
2008	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
2009	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
2010	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
2011-2015	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
2016-2020	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
2021-2025	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
2026-2030	<u> </u>	<u> </u>	<u> </u>	<u> </u> --
Total	\$ 0 <u> </u>	\$ 0 <u> </u>	\$ 0 <u> </u>	\$ 0 <u> </u>

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For The Year Ended June 30, 2005

<u>Fiscal Year</u> <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ <u>20,465</u>	\$ <u>17,177</u>
2007	<u>22,495</u>	<u>15,147</u>
2008	<u>24,729</u>	<u>12,913</u>
2009	<u>29,565</u>	<u>8,077</u>
2010	<u>32,916</u>	<u>4,726</u>
2011-2015	<u>38,293</u>	<u>2,950</u>
2016-2020	<u> </u>	<u> </u>
2021-2025	<u> </u>	<u> </u>
2026-2030	<u> </u>	<u> </u>
Total	\$ <u><u>168,463</u></u>	\$ <u><u>60,990</u></u>

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2005

Fiscal Year Ending:	Principal	Interest
2006	\$ _____	\$ _____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
Total	\$ 0 _____	\$ 0 _____

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
JUNE 30, 2005

	Financial Statement	Adjustments	ISIS Appropriation Report-08/14/05	Revised Budget	Variance Positive/(Negative)
Operating Revenues:					
Intergovernmental Revenues	\$	\$	\$	\$	-
Sales of Commodities and Services					-
Other					-
Total Operating revenues		-	-	-	-
Operating Expenses:					
Personal services	\$	\$	\$	\$	-
Travel					-
Operating Services					-
Supplies					-
Professional services					-
Capital outlay					-
Interagency transfers					-
Other charges					-
Total Operating Expenses		-	-	-	-
Nonoperating Expenses:					
Use of Money and Property					-
Gain (Loss) on Disposal of Fixed Assets					-
Federal Grants					-
Interest Expense					-
Other					-
Total Nonoperating Expenses		-	-		-
Capital Contributions					-
Operating Transfers In					-
Operating Transfers Out					-
Change in Net Assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
JUNE 30, 2005

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	\$ <u>0</u>

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRIVATE SECURITY EXAMINERS
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>2005</u>	<u>2004</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>555,165</u>	\$ <u>528,572</u>	\$ <u>26,591</u>	<u>5</u>
Expenses	<u>594,820</u>	<u>521,751</u>	<u>73,069</u>	<u>14</u>
2) Capital assets	<u>405,111</u>	<u>417,720</u>	<u>(12,609)</u>	<u>(3)</u>
Long-term debt	<u>170,338</u>	<u>196,422</u>	<u>(26,084)</u>	<u>(13)</u>
Net Assets	<u>325,765</u>	<u>364,069</u>	<u>(38,304)</u>	<u>(11)</u>
Explanation for change:	<div></div> <div></div> <div></div>			