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

FINANCIAL REPORT

**As of and for the two years ended
June 30, 2004**

(With Accountant's Report Thereon)

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 9-22-04

**LOUISIANA STATE BOARD OF ELECTROLYSIS EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

For the two years ended June 30, 2004

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MICHAEL K. GLOVER

Certified Public Accountant

Member
American Institute of
Certified Public Accountants

9497 Brookline Ave.
Baton Rouge, Louisiana 70809

Member
Society of Louisiana
Certified Public Accountants

(225) 295-1860

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Louisiana State Board of Electrolysis
Examiners
Department of Health and Hospitals
State of Louisiana
DeRidder, Louisiana

I have audited the accompanying financial statements of the Louisiana State Board of Electrolysis Examiners, a component unit of the State of Louisiana, as of June 30, 2004, and for the two years ended June 30, 2004, as listed in the table of contents. These financial statements are the responsibility of the Louisiana State Board of Electrolysis Examiners management. My responsibility is to express an opinion on these financial statements based on my audit.

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

As discussed in Note A, the financial statements present only the Louisiana State Board of Electrolysis Examiners, a component unit of the State of Louisiana and do not purport to, and do not, present fairly the financial position of the State of Louisiana of the Office of the Governor, as of June 30, 2004 and the changes in financial position and cash flows, for the year ended in conformity with accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana State Board of Electrolysis Examiners a component unit of the State of Louisiana, as of June 30, 2004, and the changes in financial position and cash flows for the years ended June 30, 2004 and June 30, 2003, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Audit Standards*, I have also issued my report dated August 24, 2004, on my consideration of Louisiana State Board of Electrolysis Examiners internal control over financial reporting and my test of its compliance with certain provision 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 my audit.

Independent Auditor's Report

August 24, 2004

Page 2

The Management's Discussion and Analysis and other required supplementary information on Pages 5-8, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I 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, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Louisiana State Board of Electrolysis Examiners. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Michael H. Stone

Baton Rouge, LA

August 24, 2004

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Baton Rouge, Louisiana 70809

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Report on Compliance and on Internal Control over Financial Reporting Based Upon An Audit of the Financial Statements Performed in Accordance with Government Auditing Standards

Louisiana State Board of Electrolysis
Examiners
Department of Health and Hospitals
State of Louisiana
DeRidder, Louisiana

I have audited the financial statement of the Louisiana State Board of Electrolysis Examiners, a component unit of the State of Louisiana, as of June 30, 2004 and for the two years ended June 30, 2004, and have issued my report thereon dated August 24, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and 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 Electrolysis Examiners, a component unit of the Department of Health and Hospitals, State of Louisiana, financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on the compliance with those provisions was not an objective on my audit and, accordingly, I do not express such an opinion. The results of my test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Louisiana State Board of Electrolysis Examiners internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the basic financial statements and not to provide an opinion on the internal control over financial reporting. My 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 specific internal control structure elements 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

Louisiana State Board of Electrolysis

Examiners

DeRidder, Louisiana

Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit
of Financial Statements Performed in Accordance
with Government Auditing Standards

August 24, 2004

being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information of management and interested federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Michael H. Stone Spac

Baton Rouge, LA

August 24, 2004

LOUISIANA STATE BOARD OF ELECTROLYSIS EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004

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

FINANCIAL HIGHLIGHTS

The Board's assets were less than it's liabilities at the close of fiscal year 2004 by \$ 562 which represents a 81% improvement from last fiscal year. The net assets increased by \$2,441 (or 81%).

Total net assets are comprised of the following:

1. Capital assets of furniture and equipment are fully depreciated.
2. Unrestricted net assets of \$ (4,795) is negative due in part to operating losses in 2002 and 2003.

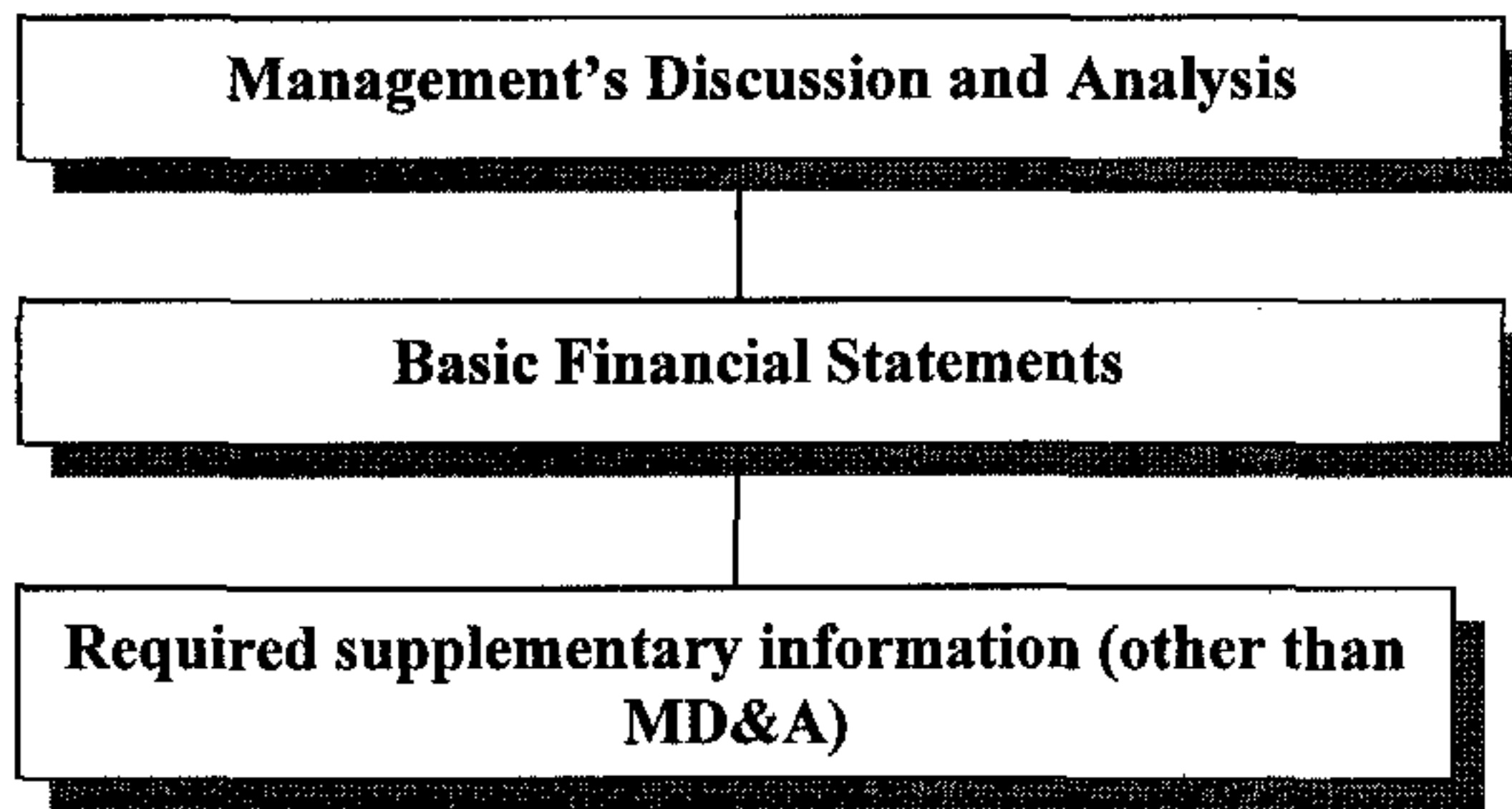
Total liabilities of the Board are \$ 6,765 of which all is considered current and consist mostly of unearned revenue for licenses collected in advance for future periods.

Prior to the compliance with GASB 34, license fees were recorded as revenues when collected. The compliance with GASB 34 defers these revenues as liabilities and therefore, contributes to the Board's assets being less than it's liabilities as well as contributing to the negative balance of net assets.

The Board's revenues increased by \$ 1,477 (or 8%) to \$ 18,940 and expenses decreased by \$ 9,007 (or 35%) to \$ 16,499 . The decrease in expenses from the prior year is attributed to inspections that were incurred in 2003 that were not incurred in 2004.

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 notes to the financial statements), and required supplementary information.

Basic Financial Statements

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

The first of these financial statements is the Statement of Net Assets. This statement 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 second financial statement is the Statement of Revenues, Expenses and Changes in Net Assets. This statement 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.

The final statement is the Statement of Cash Flows. This statement 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.

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 ENTITY

Statement of Net Assets as of June 30, 2004

	Total		
	2004	2003	2002
Current and other assets	\$ 6,203	\$ 3,411	\$ 10,249
Capital assets	-	172	520
Total assets	<u>6,203</u>	<u>3,583</u>	<u>10,769</u>
Other liabilities	<u>6,765</u>	<u>6,586</u>	<u>5,729</u>
Total liabilities	<u>6,765</u>	<u>6,586</u>	<u>5,729</u>
Net assets:			
Invested in capital assets, net of debt	4,233	4,233	4,233
Unrestricted	(4,795)	(7,236)	807
Total net assets	<u>\$ (562)</u>	<u>\$ (3,003)</u>	<u>\$ 5,040</u>

Net assets of the Board increased by \$ 2,441 or 81%, from June 30, 2003 to June 30, 2004. The cause of this increase is the current year income as illustrated in the schedule below.

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

	Total		
	2004	2003	2002
Operating revenues	\$ 18,940	\$ 17,463	\$ 18,193
Operating expenses	16,499	25,506	19,395
Operating income (loss)	<u>2,441</u>	<u>(8,043)</u>	<u>(1,202)</u>
Non-operating revenues (expenses)	-	-	-
Net increase (decrease) in net assets	<u>2,441</u>	<u>(8,043)</u>	<u>(1,202)</u>
Beginning net assets	(3,003)	5,040	6,242
Ending net assets	<u>\$ (562)</u>	<u>\$ (3,003)</u>	<u>\$ 5,040</u>

STATEMENT OF CASH FLOWS

Another way to assess the financial health of the Board is to look at the Statement of Cash Flows. The Statement of Cash Flows assists the 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

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Cash and cash equivalents provided (used) by:			
Operating activities	\$ 2,620	\$ (7,186)	\$ (1,786)
Capital financial activities	172	348	348
Net increase (decrease) in cash and cash equivalents	<u>2,792</u>	<u>(6,838)</u>	<u>(1,438)</u>
Cash and cash equivalents			
Beginning of year	<u>3,411</u>	<u>10,249</u>	<u>11,687</u>
End of year	<u>\$ 6,203</u>	<u>\$ 3,411</u>	<u>\$ 10,249</u>

CAPITAL ASSETS

The capital assets are fully depreciated as of year end.

Capital Assets at Year-end
(net of depreciation)

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Equipment	\$ -	\$ 172	\$ 520
Total Capital Assets	<u>\$ -</u>	<u>\$ 172</u>	<u>\$ 520</u>

BUDGETARY HIGHLIGHTS

Revenues were approximately \$7,200 under budget and expenditures were less than budget by approximately \$7,800 due in part to the Board not making adjustments on the Budget for unearned license fees not recorded as revenue (revenues) and inspections not incurred in 2004 (expenses).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Board does not anticipate any economic factors that will cause the Budget for June 30, 2005 to vary. The Board anticipated the budget to be consistent with the income and expenses reported on these financial statements.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the finances and demonstrate the commitment to public accountability. If you have any questions about this report, contact the office at P.O. Box 67, DeRidder, Louisiana 70634.

FINANCIAL STATEMENTS

LOUISIANA STATE BOARD OF ELECTROLYSIS EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2004

ASSETS

Current assets:

Cash and cash equivalents	\$	6,203
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Equipment:

Capital assets - net of accumulated depreciation (Note 3)		-0-
--	--	-----

Total assets	\$	<u>6,203</u>
--------------	----	--------------

LIABILITIES

Current liabilities:

Payroll taxes	\$	65
---------------	----	----

Deferred revenues		<u>6,700</u>
-------------------	--	--------------

Total current liabilities		<u>6,765</u>
---------------------------	--	--------------

NET ASSETS

Invested in capital assets, net of related debt		-0-
--	--	-----

Unrestricted		<u>(562)</u>
--------------	--	--------------

Total net assets	\$	<u><u>(562)</u></u>
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The notes are an integral part of this statement.

LOUISIANA STATE BOARD OF ELECTROLYSIS EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2004 and 2003

	2004	2003
OPERATING REVENUES		
Licenses and fees	\$ 18,940	\$ 17,463
OPERATING EXPENSES		
Personnel services and related benefits	2,868	6,081
Operating services	11,097	11,386
Travel	1,967	5,741
Professional services	395	1,950
Depreciation	172	348
Total operating expenses	16,499	25,506
Operating income (loss) and increase (decrease) in net assets	2,441	(8,043)
Total net assets-beginning	(3,003)	5,040
Total net assets-ending	\$ (\$562)	\$ (\$3,003)

The notes are an integral part of these financial statements.

LOUISIANA STATE BOARD OF ELECTROLYSIS EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004 and 2003

	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from licensees	\$ 19,240	\$ 18,321
Payments to supplies	(13,459)	(19,077)
Payments to employees	(2,989)	(6,082)
Net cash provided (used) by operating activities	2,792	(6,838)
Net increase (decrease) in cash and cash equivalents	2,792	(6,838)
Cash and cash equivalents, beginning of year	3,411	10,249
Cash and cash equivalents, end of year	\$ 6,203	\$ 3,411
 RECONCILIATION OF OPERATING INCOME (LOSS) AND NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 2,441	\$ (8,043)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	172	348
Change in assets and liabilities		
Payroll taxes payable	(121)	(1)
Deferred revenue	300	858
Net cash provided (used) by operating activities	\$ 2,792	\$ (6,838)

The notes are an integral part of these financial statements.

LOUISIANA STATE BOARD OF ELECTROLYSIS EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

The Louisiana State Board of Electrolysis Examiners (the Board) is a component unit of the State of Louisiana Created within the Louisiana Department of Health and Hospitals, as provided by Louisiana Revised Statutes (LSA-R.S) 37:3051 - 3077. LSA-R.S. 36:803 transferred the supervision and control of the Louisiana State Board of Electrolysis examiners to the Louisiana Department of Health and Hospitals. The Board is composed of five members, appointed by the Governor. The members serve terms of three years. The Board license and regulates all licensed electrolysis in the State of Louisiana. Operations of the Board are funded through examination and license fees. The Board has one part-time employee.

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 in the reporting entity. In conformance with GASB Codification Section 2100, this entity is a component unit of the State of Louisiana because the governor appoints the board members, the state exercises oversight responsibility, and public service is rendered within the state's boundaries. The accompanying basic financial statements present only the transactions of the Louisiana State Board of Electrolysis Examiners is, a component unit of the State of Louisiana.

Basis of Presentation

The financial statements of the Board are prepared in accordance with accounting principles generally accepted in the United States of America. The Board's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Board may also apply all FASB pronouncements or interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

Basis of Accounting

The accompanying financial statement have been prepared in conformity with general accepted accounting principles (GAAP) generally accepted in the United States of America using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred.

LOUISIANA STATE BOARD OF ELECTROLYSIS EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

Notes to Financial Statements

Use of Estimates

The preparation of financial statements inconformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of asses and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits that mature within 90 days after year end and other investments with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or under the laws of the United States.

Under state law, the districts may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days. However, if the original maturities are 90 days or less, they are classified as cash equivalents.

Capital Assets

Capital assets purchased in excess of \$1,000 are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Estimated useful live is management's estimate of how long the asset is estimated to meet service demands. A salvage value of ten percent of historical cost has been assigned to the buildings and vehicles. Straight line depreciation is used based on the following estimated useful lives:

Furniture	5-7 years
Equipment	5-10 years

Revenues and Expenses

Revenues and expense are recorded on the accrual basis of accounting. Operating income includes revenues and expenses related to the continuing operation of the license Board. Principal operating revenues are license renewal and continuing education fees charged to licensees for the renewal of their license. Principal operating expenses are the costs of providing services and includes administrative expenses. Other revenues and expenses are classified as non-operating in the financial statements. Licenses for electrologist are renewed on January 1, of each year, license for schools, apprentices and instructors are renewed July 1, of each year. Using the accrual method of accounting, the revenues for licenses are recorded in the Statement of Activities as earned and unearned revenues are recorded in the Statement of Net Assets as deferred revenues. Expenses are recorded as they are incurred.

LOUISIANA STATE BOARD OF ELECTROLYSIS EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

Notes to Financial Statements

Encumbrances

Encumbrance accounting is used to record purchase orders as they are incurred to reserve that portion of the application appropriation. This method of accounting is not employed.

Statement of Cash Flows

This statement is prepared using the direct method. For purposes of this statement, this entity considers all highly liquid investments with a maturity of three months or less when purchased as a cash equivalent.

2. BUDGET PRACTICES

The budget is legally adopted and amended, as necessary, by the Board. All expenditure appropriations lapse at year end. The budgeted amounts are not included in the financial statements.

3. CAPITAL ASSETS

A summary of changes capital assets and accumulated depreciation for the period are as follows:

	<u>Capital Assets</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Balance, July 1, 2002	\$ 4,233	\$ 3,713	
Additions		348	
Reductions			
Balance, June 30, 2003	4,233	4,061	\$ 172
Additions		172	172
Balance, June 30, 2004	\$ 4,233	\$ 4,233	\$ -0-
	=====	=====	=====

4. LITIGATION

There are no judgments, claims or similar contingencies pending against the Board at June 20, 2004.

5. BOARD MEMBERS' PER DIEM

The Board members are paid per diem of \$50 per day for each day in actual attendance of board meetings and for attending to official business of the Board.

6. RELATED PARTY TRANSACTIONS - NONE

LOUISIANA STATE BOARD OF ELECTROLYSIS EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

Notes to Financial Statements

7. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposits and are secured by the Federal Deposit Insurance Corporation insurance. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The bank account balances were secured as follows:

	Amount
Bank deposits in bank accounts per balance sheet	\$ 6,203
Bank balances (category 3 only, if any)	
Identify amounts reported as category 3 by the descriptions below:	
a. Uninsured and uncollateralized	\$ -0-
b. Uninsured and collateralized with securities held by the pledging institution.	
c. Uninsured and collateralized with securities held by the pledging institutions trust department or agent, but not in the entities name.	
Total Category 3 bank balances	\$ -0-
Total bank balances (All categories including category 3 reported above)	\$ 6,080

SUPPLEMENTAL INFORMATION

LOUISIANA STATE BOARD OF ELECTROLYSIS EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

Schedule of Board Members' Per Diem
Two Years Ended June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Cheri L Miller	150	300
Linda G Ritchie	200	300
Maureen Calloway	200	250
William Trent Massengale	200	200
Lucille Bennette	200	250
	<u>950</u>	<u>1,300</u>

LOUISIANA STATE BOARD OF ELECTROLYSIS EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

Summary of Findings and Questioned Costs
For the two years ended June 30, 2004

A. SUMMARY OF AUDIT RESULTS

Financial statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	_____	Yes	<u> X </u>	No
Reporting conditions identified that are considered material weaknesses?	_____	Yes	<u> X </u>	No
Noncompliance material to financial statements?	_____	Yes	<u> X </u>	No

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no findings to report.

LOUISIANA STATE BOARD OF ELECTROLYSIS EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

Summary of Prior year Findings and Questioned Costs
For the two years ended June 30, 2004

1. In the year ended June 30, 2002, finding 1 indicated a budget was not approved by the Board or sent to the Joint Legislative Committee for the fiscal years June 30, 2002 or June 30, 2001.

For the year ended June 30, 2004, the board had approved and sent the budget the respective authorities before the January 1, deadline.

2. In the year ended June 30, 2002, finding 2 identified that the "BC Data Collection Form" is to be completed and submitted to the legislative auditor annually.

For the year ended June 30, 2004, determined the BC Date Collection has been prepared and submitted timely the legislative auditor.

Louisiana State Board of Electrolysis Examiners
(Agency Name)
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2004

C O N T E N T S

TRANSMITTAL LETTER
AFFIDAVIT

Statements

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STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2004 _____

Louisiana State Board of Electrolysis Examiners
(Agency Name)

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, _____ (Name)
(Title) Louisiana State Board of Electrolysis Examiners who duly sworn, deposes and says, that the
financial statements herewith given present fairly the financial position of
(agency) at June 30, 2004 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 _____ day of _____, 2004 _____.

Signature of Agency Official

NOTARY PUBLIC

Prepared by: Michel K. Glover APAC _____

Title: CPA _____

Telephone No.: (225) 295-1860 _____

Date: August 24, 2004 _____

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2004 _____

Louisiana State Board of Electrolysis Examiners
(Agency Name)

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, _____(Name)
(Title) Louisiana State Board of Electrolysis Examiners who duly sworn, deposes and says, that the
financial statements herewith given present fairly the financial position of
(agency) at June 30, 2004 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 _____ day of _____, 2004 _____.

Signature of Agency Official

NOTARY PUBLIC

Prepared by: Michel K. Glover APAC _____

Title: CPA _____

Telephone No.: (225) 295-1860 _____

Date: August 24, 2004 _____

STATE OF LOUISIANA
Louisiana State Board of Electrolysis Examiners
BALANCE SHEET
AS OF JUNE 30, 2004

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents (Note C1)	\$ 6,203
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	6,203
NONCURRENT ASSETS:	
Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	
Buildings and improvements	
Machinery and equipment	
Infrastructure	
Construction in progress	
Other noncurrent assets	
Total noncurrent assets	
Total assets	\$ 6,203
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable and accruals (Note V)	\$ 65
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	6,700
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	6,765
NON-CURRENT 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 long-term liabilities	
Total liabilities	
NET ASSETS	
Invested in capital assets, net of related debt	
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	(562)
Total net assets	(562)
Total liabilities and net assets	\$ 6,203

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

STATE OF LOUISIANA
Louisiana State Board of Electrolysis Examiners)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	18,940
Other	_____
Total operating revenues	<u>18,940</u>
OPERATING EXPENSES	
Cost of sales and services	_____
Administrative	16,327
Depreciation	172
Amortization	_____
Total operating expenses	<u>16,499</u>
Operating income(loss)	<u>2,441</u>
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues (expenses)	_____
Taxes	_____
Use of money and property	_____
Gain (loss) on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other	_____
Total non-operating revenues(expenses)	<u>-</u>
Income(loss) before contributions and transfers	<u>2,441</u>
Capital contributions	_____
Transfers in	_____
Transfers out	_____
Change in net assets	<u>2,441</u>
Total net assets -- beginning as restated	<u>(3,003)</u>
Total net assets -- ending	<u>\$ (562)</u>

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

Statement B

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

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
BTA	\$ <u>16,499</u>	\$ <u>18,940</u>	\$ _____	\$ <u>2,441</u>
General revenues:				
Taxes				_____
State appropriations				_____
Grants and contributions not restricted to specific programs				_____
Interest				_____
Miscellaneous				_____
Special items				_____
Transfers				_____
Total general revenues, special items, and transfers				_____ -
Change in net assets				_____ 2,441
Net assets - beginning				_____ (3,003)
Net assets - ending				\$ _____ (562)

STATE OF LOUISIANA
Louisiana State Board of Electrolysis Examiners
STATEMENT OF CASH FLOWS

Cash flows from operating activities

Cash received from customers	\$ 19,240
Cash payments to suppliers for goods and services	(13,459)
Cash payments to employees for services	(2,989)
Payments in lieu of taxes	
Internal activity-payments to other funds	
Claims paid to outsiders	
Other operating revenues(expenses)	
Net cash provided(used) by operating activities	<u>2,792</u>

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	<u>-</u>

Cash flows from capital and related financing

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	
Proceeds from sale of capital assets	
Capital contributions	
Other	
Net cash provided(used) by capital and related financing activities	<u>-</u>

Cash flows from investing activities

Purchases of investment securities	
Proceeds from sale of investment securities	
Interest and dividends earned on investment securities	
Net cash provided(used) by investing activities	<u>-</u>

Net increase(decrease) in cash and cash equivalents	<u>2,792</u>
Cash and cash equivalents at beginning of year	<u>3,411</u>
Cash and cash equivalents at end of year	<u>\$ 6,203</u>

FOR THE YEAR ENDED JUNE 30, 2004___

The accompanying notes are an integral part of this statement.

Statement D

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

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

Operating income(loss)		\$ <u>2,441</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	172	172
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		
Increase(decrease) in accrued payroll and related benefits	(121)	
Increase(decrease) in compensated absences payable		
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues	300	
Increase(decrease) in other liabilities		
 Net cash provided(used) by operating activities		 \$ <u><u>2,792</u></u>

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:	<u><u> </u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

STATE OF LOUISIANA

Louisiana State Board of Electrolysis Examiners

Notes to the Financial Statement

As of and for the year ended June 30, 2004 _____

INTRODUCTION

The Louisiana State Board of Electrolysis Examiners was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:3051. The following is a brief description of the operations of Louisiana State Board of Electrolysis Examiners which includes the parish/parishes in which the (BTA) 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 Louisiana State Board of Electrolysis Examiners present information only as to the transactions of the programs of the Louisiana State Board of Electrolysis 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 Louisiana State Board of Electrolysis Examiners 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 Electrolysis 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 Electrolysis Examiners

Notes to the Financial Statement

As of and for the year ended June 30, 2004_____

APPROPRIATIONS

Original approved budget	\$	<u>26,150</u>
Amendments:		<u> </u>
		<u> </u>
		<u> </u>
Final approved budget	\$	<u>26,150</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 Louisiana State Board of Electrolysis Examiners may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) 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

STATE OF LOUISIANA

Louisiana State Board of Electrolysis Examiners

Notes to the Financial Statement

As of and for the year ended June 30, 2004 _____

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.

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

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ <u>6,203</u>	\$ _____	\$ _____	\$ <u>6,203</u>
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	_____	_____	_____	-
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	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Total bank balances (All categories including category 3 reported above)	\$ <u>6,080</u>	\$ _____	\$ _____	\$ <u>6,080</u>

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:

	<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1.	Hancock Bank	002-6090-2	\$ 6,080
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
Total			\$ <u>6,080</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 \$ _____
 Petty cash \$ _____

2. INVESTMENTS

The _____ (BTA) does (does not) maintain investment accounts as authorized by _____ (Note legal provisions authorizing investments by (BTA)).

STATE OF LOUISIANA

Louisiana State Board of Electrolysis Examiners

Notes to the Financial Statement

As of and for the year ended June 30, 2004 _____

legal risk _____

3. Other Disclosures Required for Investments

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

Legal or Contractual Provisions for Reverse Repurchase Agreements

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

Reverse Repurchase Agreements at Year-End

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

STATE OF LOUISIANA

Louisiana State Board of Electrolysis Examiners

Notes to the Financial Statement

As of and for the year ended June 30, 2004_____

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

Fair Value Disclosures

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices _____

- p. Basis for determining which investments, if any, are reported at amortized cost _____

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

- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares _____

- s. Any involuntary participation in an external investment pool _____

- t. Whether you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate _____

- u. Any income from investments associated with one fund that is assigned to another fund _____

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

- v. **Briefly describe the deposit and/or investment policies related to the custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.** _____

- w. **List, by amount and issuer (not including U.S. government securities, mutual funds, and investment pools), investments in any one issuer that represents 5% or more of total investments** _____

- x. **List the fair value and terms of any debt investments that re highly sensitive to changes in interest rates due to the terms of the investment (eg. coupon multipliers, reset dates, etc.)** _____

- y. **Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end. All debt investments regardless of type can be aggregated by credit quality rating (if any are unrated, disclose that amount).** _____

- z. **Disclose the interest rate risk of debt investments by listing the investment type and the method that is used to identify and manage the interest rate risk of those investments (by**

STATE OF LOUISIANA

Louisiana State Board of Electrolysis Examiners

Notes to the Financial Statement

As of and for the year ended June 30, 2004

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

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

D. CAPITAL ASSETS-INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity are charged as an expense against operations. Accumulated depreciation is reported on the 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, 2004						Balance 6/30/2004
	Balance 6/30/2003	Prior Period Adjustment	Adjusted Balance 6/30/2003	Additions	Transfers*	Retirements	
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	4,233	--	--	--	4,233	--	4,233
Less accumulated depreciation	(4,233)	--	--	--	(4,233)	--	(4,233)
Total furniture, fixtures, and equipment	--	--	--	--	--	--	--
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	--	--	--	--	--	--	--
Capital Asset Summary:							
Capital assets not being depreciated	--	--	--	--	--	--	--
Other capital assets, at cost	4,233	--	--	--	4,233	--	4,233
Total cost of capital assets	4,233	--	--	--	4,233	--	4,233
Less accumulated depreciation	(4,233)	--	--	--	(4,233)	--	(4,233)
Capital assets, net	--	--	--	--	--	--	--

* 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 report.

STATE OF LOUISIANA

Louisiana State Board of Electrolysis Examiners

Notes to the Financial Statement

As of and for the year ended June 30, 2004_____

E. INVENTORIES N/A

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

F. RESTRICTED ASSETS N/A

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

G. LEAVE N/A

1. COMPENSATED ABSENCES

The _____(BTA) has the following policy on annual and sick leave: (Describe leave policy.)

An example disclosure follows:

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

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

2. COMPENSATORY LEAVE

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

H. RETIREMENT SYSTEM N/A

Substantially all of the employees of the (BTA) are members of the _____ (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 (BTA) employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service.

STATE OF LOUISIANA

Louisiana State Board of Electrolysis Examiners

Notes to the Financial Statement

As of and for the year ended June 30, 2004_____

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 2004 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 (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2004__, decreased to ___% of annual covered payroll from the ___% and ___% required in fiscal years ended June 30, 200403 and 200402, respectively. The (BTA) contributions to the System for the years ending June 30, 200404, 200403, and 200402, were \$_____, \$_____, and \$_____, respectively, equal to the required contributions for each year.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS N/A

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

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

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

Substantially all (BTA) employees become eligible for post employment health care, dental and life insurance benefits if they reach normal retirement age while working for the (BTA). 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 (BTA). For 200404, the cost of providing those benefits for the _____ retirees totaled \$_____.

The _____(BTA) provides certain continuing health care and life insurance benefits for its retired employees. Substantially all (BTA) employees become eligible for those benefits if they reach normal retirement age while working for the (BTA). Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the (BTA). The (BTA) recognizes the cost of providing these benefits ((BTA)'s portion of premiums) as an expenditure when paid during the year, which was \$_____ for the year ended _____, 2004__. The cost of providing those benefits for _____ retirees is not separable from the cost of providing benefits for the _____ active employees. (or, The (BTA)'s cost of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended _____, 2004__ the costs of _____ retiree benefits totaled \$_____).

STATE OF LOUISIANA

Louisiana State Board of Electrolysis Examiners

Notes to the Financial Statement

As of and for the year ended June 30, 2004 _____

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year June 30, 2004, amounted to \$2,900. A schedule of payments for operating leases follows:

<u>Nature of lease</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010-2014</u>	<u>FY2015-2019</u>
	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
Total	\$ <u>_____ -</u>	\$ <u>_____ -</u>	\$ <u>_____ -</u>	\$ <u>_____ -</u>	\$ <u>_____ -</u>	\$ <u>_____ -</u>	\$ <u>_____ -</u>

2. CAPITAL LEASES N/A

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

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

SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

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

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As of and for the year ended June 30, 2004 _____

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

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

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

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

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

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Notes to the Financial Statement
As of and for the year ended June 30, 2004 _____

SCHEDULE C – LEAF CAPITAL LEASES

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

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

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

3. LESSOR DIRECT FINANCING LEASES

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

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

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As of and for the year ended June 30, 2004 _____

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

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

Minimum lease payments do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if for example the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 200404 were \$ _____ for office space, \$ _____ for equipment, and \$ _____ for land.

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

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

4. LESSOR – OPERATING LEASE

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

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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 _____ 2004:

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

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

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

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

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

K. LONG-TERM LIABILITIES N/A

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

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

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As of and for the year ended June 30, 2004 _____

A detailed summary, by issues, of all debt outstanding at June 30, 2004__, including outstanding interest of \$ _____ is shown on schedule 4. Schedule 5 is an amortization schedule of the outstanding debt. (Send OSRAP a copy of the amortization schedule for any new debt issued.)

L. LITIGATION N/A

1. The _____(BTA) is a defendant in litigation seeking damages as follows:

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

The _____(BTA)'s legal advisor estimates that potential claims not covered by insurance would affect the financial statement as follows (would not materially affect the financial statements or is unable to estimate the effect on the financial statement):

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

M. RELATED PARTY TRANSACTIONS N/A

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

N. ACCOUNTING CHANGES N/A

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

O. IN-KIND CONTRIBUTIONS N/A

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Notes to the Financial Statement

As of and for the year ended June 30, 2004 _____

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

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

P. DEFEASED ISSUES N/A

In _____, 2004_____, the _____(BTA), issued \$_____ of taxable bonds. The purpose of the issue was to provide monies to advance refund portions of _____ bonds. In order to refund the bonds, portions of the proceeds of the new issue \$_____, plus an additional \$_____ of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an escrow deposit agreement dated _____, _____ between the (BTA) and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$ _____ and gave the (BTA) an economic gain (difference between the present values of the debt service payments on the old and new debt of \$_____.

Q. COOPERATIVE ENDEAVORS N/A

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

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

The liability outstanding as of June 30, 200404, by funding source, is as follows:

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Louisiana State Board of Electrolysis Examiners
Notes to the Financial Statement
As of and for the year ended June 30, 2004 _____

Short-term debt activity for the year ended June 30, 2004 __, was as follows:

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

The _____(BTA) uses a revolving line of credit for the following purposes: _____ . Short-term debt activity for the year ended June 30, 2004 __, was as follows:

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

U. DISAGGREGATION OF RECEIVABLE BALANCES N/A

Receivables at June 30, 2004 __, were as follows:

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

V. DISAGGREGATION OF PAYABLE BALANCES N/A

Payables at June 30, 2004 __, were as follows:

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

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Notes to the Financial Statement
As of and for the year ended June 30, 2004 _____

W. SUBSEQUENT EVENTS N/A

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

X. SEGMENT INFORMATION N/A

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

Type of goods or services provided by the segment _____

A. Condensed Balance Sheet:

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

Condensed Balance Sheet:

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

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

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.

STATE OF LOUISIANA

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Notes to the Financial Statement

As of and for the year ended June 30, 2004_____

- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

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

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

C. Condensed statement of cash flows:

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

Condensed Statement of Cash Flows:

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

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Notes to the Financial Statement
As of and for the year ended June 30, 2004 _____

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

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

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

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

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

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

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

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

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

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS N/A

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

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

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

The following adjustments were made to restate beginning net assets for June 30, 2004 _____.

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As of and for the year ended June 30, 2004 _____

Fund balance July 1, 2003, <u>previously reported</u> (2,318)	Adjustments <u>+ or (-)</u> (4,918)	Beginning net assets, July 1, 2003, <u>As restated</u> (7,236)
\$ _____	\$ _____	\$ _____
_____	_____	--
_____	_____	--
_____	_____	--
_____	_____	--
_____	_____	--

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

(NOTE: Net Assets at July 1, 2004__, previously reported, must correspond to Net Assets at June 30, 2004__, per the information received from OSRAP.)

The adjustments above were to reclassify investment in capital assets of \$4,060 with a total investment in capital assets of \$4,233 and to increase unearned revenues by \$858.

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SCHEDULE OF STATE FUNDING
For the Year Ended _____
(Fiscal Close)

N/A

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

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SCHEDULE OF NOTES PAYABLE
_____, 2004____
(Fiscal close)
N/A

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> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>		\$ <u> </u>

*Send copies of new amortization schedules

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SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
For The Year Ended _____
(Fiscal Close)

N/A

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

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SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 2004__

N/A

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

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SCHEDULE OF NOTES PAYABLE AMORTIZATION
For The Year Ended June 30, 2004__

N/A

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

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SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2004__
N/A

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

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 SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
 BUDGETARY COMPARISON OF CURRENT APPROPRIATION

NON-GAAP BASIS
 JUNE 30, 2004

	Financial Statement	Adjustments	ISIS Appropriation Report-08/14/04	Revised Budget	Variance Positive/(Negative)
Operating Revenues:					
Intergovernmental Revenues	\$	\$	\$	\$	\$
Sales of Commodities and Services					
Other	18,940.00		18,940.00	26,150.00	(7,210.00)
Total Operating revenues	18,940.00	-	18,940.00	26,150.00	(7,210.00)
Operating Expenses:					
Personal services	2,868.00		2,868.00	9,065.00	6,197.00
Travel	1,967.00		1,967.00	4,500.00	2,533.00
Operating Services	11,097.00		11,097.00	9,774.00	(1,323.00)
Supplies					
Professional services	395.00		395.00	950.00	555.00
Capital outlay					
Interagency transfers					
Other charges	172.00		172.00		(172.00)
Total Operating Expenses	16,499.00	-	16,499.00	24,289.00	7,790.00
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	\$ 2,441.00	\$ -	\$ 2,441.00	\$ 1,861.00	\$ 580.00

Continued

Schedule 5

STATE OF LOUISIANA
Louisiana State Board of Electrolysis Examiners
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
JUNE 30, 2004

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

Concluded

STATE OF LOUISIANA

Louisiana State Board of Electrolysis 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>2004</u>	<u>2003</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 18,940	\$ 17,463	\$ 1,477	\$ 8%
Expenses	16,499	25,506	9,007	55%
2) Capital assets			-	
Long-term debt			-	
Net Assets	2,441	(8,043)	10,484	429%

Explanation for change:

3)	<u>2004 Original Budget</u>	<u>2004 Final Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$ 26,150	\$ 26,150	\$ -	\$ -
Expenditures	24,289	24,289	-	

Explanation of change:

	<u>2004 Final Budget</u>	<u>2004 Actual</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	26,150	18,940	7,210	38%
Expenditures	24,289	16,499	7,790	32%

Explanation of change: