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LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA
NEW ORLEANS, LOUISIANA

Basic Financial Statements
And Independent Auditor's Reports
As of and for the Year Ended December 31, 2003
With Supplemental Information Schedules

Audit of Financial Statements

December 31, 2003

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 7-7-04

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA
Annual Financial Statements
DECEMBER 31, 2003

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-7
BASIC FINANCIAL STATEMENTS	
Statement of Net Assets	6-8
Statement of Revenues, Expenses, and Changes in Fund Net Assets	10
Statement of Cash Flows	11-12
Notes to Financial Statements	13-24
SUPPLEMENTARY INFORMATION	
Schedule I - Schedule of Per Diem Paid Board Members	26
Schedule II - Reporting Packet - (Division of Administration, Office of Statewide Reporting and Accounting Policy - Annual Financial Report (CAFR))	28-73
OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS -	
Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Financial Statements Performed in accordance with Government Auditing Standards	75-76
Schedule of Findings and Questioned Costs	75-76
Management Letter	76-80
REPORTS BY MANAGEMENT	
Schedule of Prior Year Findings	81-82
Management's Corrective Action Plan	83-84



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Independent Auditor's Report

To the Board of Directors
Louisiana State Board of Medical Examiners
Department of Health and Hospitals
State of Louisiana

We have audited the accompanying basic financial statements of the Louisiana State Board of Medical Examiners, a component unit of the State of Louisiana, as of and for the year ended December 31, 2003, as listed in the table of contents. These financial statements are the responsibility of the Louisiana State Board of Medical Examiners' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. These standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above, present fairly, in all material respects, the financial position of the Louisiana State Board of Medical Examiners as of December 31, 2003 and its changes in net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2004 on our consideration of the Louisiana State Board of Medical Examiners internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying management's discussion and analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the State of Louisiana Board of Medical Examiners' basic financial statements. The accompanying supplementary information, such as the board members per diem and the Division of Administration Reporting packet, as listed in the table of contents are presented for purpose of additional analysis and are not a required part of the basic financial statements of the Louisiana State Board of Medical 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.

Adung & Macaluso, LLC
BIENZ & MACALUSO, LLC

May 13, 2004

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

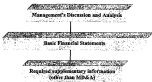
The management's discussion and analysis of the Louisiana State Board of Medical Examiners' financial performance presents a narrative overview and analysis of the Louisiana State Board of Medical Examiners' financial activities for the year ended December 31, 2009. This discussion focuses on the current year's activities, resulting changes, and currently known facts in comparison with prior year's information. Please read this document in conjunction with the information contained in the Louisiana State Board of Medical Examiners' financial statements, which begins on page 8.

Financial Highlights

- The Louisiana State Board of Medical Examiners continues to have no debt except for compensated absences for employees in the amount of \$128,326.
- The Louisiana State Board of Medical Examiners' assets exceeded its liabilities at the close of fiscal year 2009 by \$ 3,962,942, which represents a 26.68% decrease from last fiscal year.
- The Louisiana State Board of Medical Examiners' operating revenue increased by \$ 231,811 from the previous year – a 6.46% increase.
- Interest income on certificates of deposit decreased \$ 52,179 from the previous year – a 54.62% decrease.
- Capital acquisitions in the amount of \$ 138,242 were made during 2009 including \$ 28,441 of equipment and \$ 109,801 for improvements to our building.

Overview of the basic financial statements

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



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

Basic Financial Statements

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

The **Statement of Net Assets** (pages 8-9) 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 Louisiana State Board of Medical Examiners is improving or deteriorating.

The **Statement of Revenues, Expenses and Changes in Fund Net Assets** (page 10) presents information showing how the Louisiana State Board of Medical Examiners’ 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 fiscal periods.

The **Cash Flow Statement** (pages 11-12) presents information showing how the Louisiana State Board of Medical Examiners’ cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

Financial Analysis of the Entity

The following presents condensed financial information on the operations of the Entity:

	(in thousands)	
	2002	2003
Current and other assets	\$ 3,523	\$ 4,333
Capital assets	1,678	1,440
Total assets	4,800	5,773
Other liabilities	1,588	1,587
Long-term debt outstanding (compensated absences)	129	118
Total liabilities	1,817	1,705
Net assets		
Invested in capital assets, net of debt	1,478	1,440
Restricted	870	952
Unrestricted	652	1,676
Total net assets	\$ 2,983	\$ 4,068
Operating Revenues	\$ 3,821	\$ 3,589
Operating Expenses	(4,954)	(4,794)
Operating income (loss)	(1,133)	(1,205)
Non-operating revenues (expenses)	28	68
Income (loss) before transfers	(1,085)	(1,145)
Transfers in	-	-
Transfers out	-	-
Net increase (decrease) in net assets	\$ (1,085)	\$ (1,145)

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements. Conversely, unrestricted net assets are those that do not have any limitations on what these amounts may be used for. Total net assets of Louisiana State Board of Medical Examiners decreased by \$1,085,498 or 28.85%, from December 31, 2002 to December 31, 2003.

Although revenue increased during 2003, expenditures increased by \$ 139,889 from 2002. Personnel services, travel, professional services and supplies increased during 2003 while contract services and operating services decreased over 2003.

Capital Assets and Long-Term Debt Administration

Capital Assets

As of December 31, 2003, the Louisiana State Board of Medical Examiners had \$ 1,477,620 invested in a broad range of capital assets, including buildings, building improvements, equipment and an automobile. During the current year, the organization recorded \$ 138,242 of capital acquisitions, including \$ 28,441 for equipment and \$ 108,801 for building improvements.

Long-Term Debt

The Louisiana State Board of Medical Examiners did not have any bonds or notes outstanding at December 31, 2003.

The Louisiana State Board of Medical Examiners has claims and judgments of \$-0- outstanding at year-end compared with \$-0- last year. Other Obligations include accrued vacation pay and sick leave in the amount of \$ 129,326.

Variance between Original and Final Budget

There were no amendments made to the original budget. Revenues were approximately \$ 11,248 over budget and expenditures were approximately \$ 343,804 over budget due mainly to increases over budgeted amounts in contractual and professional services and personnel.

Economic Factors and New Year's Budgets and Rates

The Board staff continues to grow to meet increase demands. These expenses, the ever increasing costs to investigate and prosecute violations of the practice Acts, the increasing responsibilities of the Board to serve on committees to address joint issues of concern such as the limited prescribing authority of advanced practice registered nurses, new laws requiring the Board to provide information services such as alternative treatments on breast cancer and authorizing the Board to require continuing education for licensees as well as problems concerning managed health care in Louisiana will continue to add to the Board's expenses making it most important that the Board attain a financial position which it can meet its operational costs and establish a surplus fund for a new project to upgrade the Board's information systems, growth and training of personnel, upgrading building security and maintenance and unforeseen contingencies. In addition, as with prior years, the major financial issues faced by the Board have involved various practice acts administered by the Board, to include judicial appeals of Board decisions.

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

- Expected revenues
- Staffing and salaries
- Outside services

The Louisiana State Board of Medical Examiners expects that next year's results will improve based in the following:

- Implementation of Legislative approved increases in license and renewal fees.

Contacting the Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Louisiana State Board of Medical Examiners' finances and to show the Louisiana State Board of Medical Examiners accountability for the money it receives.

If you have any questions regarding this report or need additional financial information, contact:

John Bobear, M.D.
Executive Director
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New Orleans, LA 70130

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LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2000

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,024,244
Receivables (net of allowance for doubtful accounts)	297,166
Restricted assets - current	
Cash and cash equivalents	990,143
Receivables (net of allowance)	54,245
Accrued interest	340
Prepaid items	3,400
Accrued interest	<u>1,874</u>
Total Current Assets	<u>3,281,412</u>

NONCURRENT ASSETS

Property and equipment (net of depreciation)	1,477,620
Other assets	<u>41,000</u>
Total Noncurrent Assets	<u>1,518,620</u>

Total Assets \$ 4,800,032

The accompanying notes are an integral part of this Financial Statement.

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2000

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accruals	\$ 268,442
Deferred revenues	<u>1,419,342</u>
Total Current Liabilities	<u>1,687,784</u>

NONCURRENT LIABILITIES

Compensated absences payable	<u>129,326</u>
Total Noncurrent Liabilities	<u>129,326</u>
Total Liabilities	<u>1,817,110</u>

NET ASSETS

Invested in capital assets,	
Net of related debt	1,477,620
Restricted for:	
Capital projects	-
Debt service	-
Other purposes	855,849
Unrestricted	<u>655,473</u>
Total Net Assets	<u>\$ 2,982,942</u>

The accompanying notes are an integral part of this Financial Statement.

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2003

OPERATING REVENUES	
Licenses, permits and fees	\$ 3,793,283
Other	<u>117,948</u>
Total Operating Revenues	<u>3,911,231</u>
OPERATING EXPENSES	
Personnel Services	2,138,637
Contractual services	772,739
Travel	64,381
Operating services	504,485
Supplies	33,528
Professional services	1,298,213
Depreciation	<u>69,439</u>
Total Operating Expenses	4,933,942
Operating Income (Loss)	(1,122,712)
NON-OPERATING REVENUES (EXPENSES)	
Interest revenue	<u>27,244</u>
Total Non-operating Revenues (Expenses)	<u>27,244</u>
Decrease in Net Assets	(1,095,468)
Total Net Assets - beginning	<u>4,858,410</u>
Total Net Assets - ending	<u>\$ 3,762,942</u>

The accompanying notes are an integral part of this Financial Statement.

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2003

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 3,784,613
Cash payments to suppliers for goods and services	(2,522,942)
Cash payments to employees for services	<u>(2,351,348)</u>
Net cash provided (used) by operating activities	<u>(919,777)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Operating transfers in - from other funds	-
Operating transfers out - to other funds	<u>-</u>
Net cash provided (used) by non-capital financing activities	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition/construction of capital assets	<u>(138,242)</u>
Net cash provided (used) by capital and Related financing activities	<u>(138,242)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest earned on investments	<u>26,283</u>
Net cash provided (used) by investing activities	<u>26,283</u>
Net increase (decrease) in cash and cash equivalents	(1,031,736)
Cash and cash equivalents at beginning of year	<u>4,046,121</u>
Cash and cash equivalents at end of year	<u>\$ 3,014,387</u>

(Continued)

The accompanying notes are an integral part of this Financial Statement.

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2003

Reconciliation of operating income (loss) to net

Cash provided (used) by operating activities:

Operating income (loss)		\$ (1,112,712)
Depreciation	\$ 59,408	
Compensated absences	11,429	
Provision for uncollectible accounts	25,908	
Changes in assets and liabilities:		
(decrease) in accounts receivable	(49,551)	
Decrease in prepayments	-	
Decrease in other current assets	3,348	
Increase in accounts payable and accruals	87,969	
Increase in deferred revenues	<u>12,714</u>	
Total adjustments		<u>192,835</u>
Net cash provided (used) by operating activities		<u>\$ (919,777)</u>

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

Borrowing under capital lease	\$ -
Contributions of fixed assets	-
Purchase of equipment on account	<u>-</u>
Total noncash investing, capital, and financing activities	<u>\$ -</u>

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

INTRODUCTION

The Louisiana State Board of Medical 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 Statute 37:1260-1282.

The board is charged with the responsibility of administering practice acts providing for the licensure of Doctors of Medicine, Doctors of Osteopathy, Doctors of Podiatry, Physician Assistants, Acupuncturists, Acupuncturist Assistants, Occupational Therapists, Occupational Therapy Assistants, Respiratory Therapists, Respiratory Therapist Technicians, Midwives, Clinical Exercise Physiologists, Athletic Trainers, Radiological Technologists, Emergency Medical Technicians (Intermediate and Paramedic) and Clinical Laboratory Personnel. Operations of the Board are funded entirely through self-generated revenues.

As to all professions over which it has jurisdiction, the Board's principal functions are essentially the same: (a) **Licensing/Certification.** The Board examines applicants for licensure or certification to validate minimum competence for practice by verifying that they possess the educational and other credentials prescribed by statute and Board rules, investigation of the applicant's licensure status and history in other jurisdictions, and by examination. Licenses/certifications are generally renewed annually (some biennially) pursuant to re-verification of certain requirements and conditions. Renewals for some categories are on a calendar year basis, but the majority are based on a birth month schedule. (b) **Regulation.** Pursuant to its rulemaking authority under the practice acts it administers, and in accordance with the Administrative Procedures Act, the Board promulgates both procedural rules implementing its licensing/certification authority and substantive rules regulating practice. (c) **Enforcement.** The Board investigates consumer, patient and licensee complaints and alleged or indicated violations of the several practice acts and, upon a finding of probable cause initiates and conducts administrative disciplinary proceedings to adjudicate whether legal cause exists for the suspension, revocation or imposition of probationary terms and/or conditions on any license or certification. The Board's disciplinary authority includes limited authority to impose monetary fines and obtain reimbursement of costs and attorneys' fees incurred by the Board in the investigation and prosecution of licensees. The Board also possesses and employs authority to take action against unauthorized practitioners by means of civil injunctive proceedings. (d) **Advisory Findings.** The Board serves and informs the public and advisory role to the public, its constituent licensees and State government by providing declaratory findings, advisory opinions and Statements of Position on various medical/legal issues within its jurisdiction. (e) **Other Activities.** The Board participates in a Physicians Health Program, jointly organized and conducted with the Louisiana State Medical Society, to identify physically or mentally impaired (or potentially impaired) physicians toward securing timely treatment and rehabilitation for the protection of the public.

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

The Board is composed of seven members. Until January 1, 2000 the seven members were appointed by the governor from lists of names submitted by the Louisiana State Medical Society and the Louisiana Medical Association. Effective January 1, 2000 the board will consist of seven voting members appointed by the governor and subject to Senate confirmation as follows:

- a. Four members from lists of names submitted by the Louisiana State Medical Society. One of the members appointed shall practice in a parish or municipality with a population of less than twenty thousand.
- b. Two members from lists submitted by the Louisiana Medical Association.
- c. One member from a list submitted by the Louisiana Academy of Family Practice Physicians.

All voting members of the board shall be graduate physicians or surgeons and practitioners. Four of the members appointed for terms beginning January 1, 2000, shall be appointed the initial terms of four years and three of the members shall be appointed to initial terms of two years.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and financial reporting standards. The board applies all GASB pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1995, unless those pronouncements conflict with or contradict GASB pronouncements.

These financial statements were prepared in accordance with GASB Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. In addition, these financial statements include the implementation of GASB Statement Number 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This new standard was implemented by the Board in 2001 and provides for significant changes in terminology, recognition of contributions in the Statement of Revenues, Expenses and Changes in Net Assets, inclusion of a management discussion and analysis as supplementary information and other changes.

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1993**

Reporting Entity:

GASB Codification Section 2100 established criteria for determining governmental reporting entity and has defined the governmental reporting entity for the board to be 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 statements present only transactions of the Louisiana State Board of Medical Examiners, and therefore, are a part of the fund and account group structure of the State of Louisiana. Annually, the State of Louisiana issues basic financial statements, which include the activity contained in the accompanying financial statements.

Fund Accounting:

All activities of the board are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of Accounting:

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board 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 Medical Examiners present information only as to the transactions of the programs of the Louisiana State Board of Medical 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. The accounting and financial reporting treatment applied to the Board is determined by its measurement focus. The transactions of the Board are accounted for on a flow of economic resources measurement basis. With this measurement focus, all assets and all liabilities associated with operations are included in the Statement of Net Assets.

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

The accounts of the Louisiana State Board of Medical 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. Any revenues and expenses recorded between funds ("intra-fund" activity) have been eliminated in these financial statements. Operating revenues consist of all revenues except investment income.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable. Operating expenses consist of all expenses except investment expenses.

Budget Practices

Budgets are prepared and adopted by the Board annually. The budget for the fiscal year ending December 31, 2003 was adopted at the Board meeting of December 18, 2002. The Board adopts a budget annually for the various components. The Board is a state licensing agency subject to the Licensing Agency Budget Act established by Louisiana Revised Statutes 38:1331-1342 in accordance with R.S. 38:803.

All funds budgeted are immediately available, as the Board's operations are financed with self-generated revenue. Therefore, the budget is known as a nonappropriated budget.

The Board normally does not use encumbrance accounting, so the budget was not integrated in the accounting records. In addition, the budget was employed by the Board as a management control device, by comparing budgeted expenditures with actual expenditures.

The budget is prepared on the GAAP basis, using the modified accrual basis of accounting.

The Board monitors the budget and makes changes when deemed appropriate.

The Board has complied with the budgetary requirements of LSA-RS 38:43.

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003**

Cash and Investments

Cash includes petty cash, demand deposits, and certificates of deposit. Under state law, the Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other State in the Union, or the laws of the United States. Furthermore, the Board may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Board may invest in United States Treasury obligations, United States government agency obligations, and direct security repurchase agreements, or in eligible mutual funds that invest in these securities. All certificates of deposit have original maturities of six months or less. Certificates of deposit are stated at cost which equals their fair market value.

Prepaid Items

Payments to vendors for insurance include costs applicable to the next accounting period and are recorded as prepaid items.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Allowance for uncollectible accounts receivable include all receivables greater than ninety days old.

Inventory

The Board maintains an inventory of office supplies. These items are expensed as purchased.

Property and Equipment

Property and equipment are recorded at cost, if purchased or constructed. Assets acquired through contributions are capitalized at their estimated fair value or cost to construct at the date of the construction. Equipment includes all items valued above \$1,000. Assets are depreciated using the straight-line method over the useful lives of the assets as follows:

Automobiles	5 years
Data Processing Equipment	5 years
Furniture and Fixtures	10 years
Building and Improvements	40 years

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

Restricted Assets

Restricted assets, as presented in the financial statements, represented items that are dedicated for the use of various components of the Board.

Compensated Absence

Employees earn accumulated annual and sick leave at various rates, depending on their years of service. Annual and sick leave that may be accumulated by each employee is unlimited. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to employees at the employee's current rate of pay. Upon retirement, annual leave in excess of 300 hours and unused sick leave is credited as earned service in computing retirement benefits.

Long-Term Obligations

Long-term obligations are reported at face value.

Post-employment Health Care and Life Insurance Benefits

The Board provides certain continuing health care and life insurance benefits for its retired employees. The Board recognizes the cost of providing these retiree benefits as an expense when paid during the year.

Deferred Compensation Plan

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code 457. The plan is administered by the Board. The plan, available to all full-time employees of the Board, permits them to defer a portion of their salary until future years. All amounts of compensation deferred, all property and rights purchased, and all income, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust by the insurance company for the exclusive benefit of the participants and their beneficiaries.

Participants may contribute up to 15% of their salary, but total contributions may not exceed \$8,500 annually. All contributions are immediately vested.

Net Assets

Net assets are comprised of the various net earnings from operations, nonoperating revenues, expenses, and contributions of capital. Net assets are classified in the following three components:

Invested in capital assets, net of related debt - Consists of all capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds or

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of external constraints placed on net assets used by creditors, grantors, contributors, or laws or regulations of the government or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets – Consists of all other assets that are not included in the other categories previously mentioned.

NOTE 2: DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash and certificates of deposit

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

Deposits in bank accounts are stated at cost, which approximates market. Under state law federal deposit insurance or the pledge of securities owned by the fiscal bank agent must secure these deposits. 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 collateral bank in the form of safekeeping receipts held by the State Treasurer. The deposits at December 31, 2003, were secured as follows:

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003**

DEPOSITS IN BANK ACCOUNTS

	<u>CASH</u>	<u>CD's</u>	<u>TOTAL</u>
Deposits in bank accounts on Balance Sheet	\$ 554,744	\$ 2,039,643	\$ 2,594,387
Bank Balances:			
1. Insured (FDIC) or collateralized with securities held by the entity or its agent in the entity's name	100,000	-	100,000
2. Collateralized with securities held by pledging financial institution's trust department or agent in the entity's name	1,744,170	2,039,643	3,783,813
3. Uncollateralized, including any securities held for the entity but not in the entity's name	-	-	-
Total Bank Balances	<u>1,750,170</u>	<u>2,039,643</u>	<u>3,789,813</u>

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. Hibernia National Bank	Money Market	\$ 554,744
2. Hibernia National Bank	CD'S	2,039,643

NOTE 3: INVESTMENTS

The Board does not maintain investments accounts as authorized.

NOTE 4: RECEIVABLES

At December 31, 2003, the Board had net receivable balances, totaling \$ 363,645.

<u>Class of Receivable</u>	<u>General</u>	<u>Restricted</u>	<u>Total</u>
Assessments	\$ 338,890	\$ 54,245	\$ 393,135
Allowance for doubtful accounts	(139,441)	\$ (13,263)	(152,704)
Accrued Interest	1,874	340	2,214
	<u>\$ 221,323</u>	<u>\$ 41,322</u>	<u>\$ 262,645</u>

During 2003 the Board charged \$ 35,508 to Bad Debt Expense.

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003**

NOTE 5: DUE FROM TO AND TRANSFERS

At December 31, 2003, for purpose of these financial statements the due from/to and transfer accounts have been eliminated.

NOTE 6: PROPERTY AND EQUIPMENT

The Board follows the Louisiana Division of Administration's guidelines on capitalization of fixed assets. Depreciation has been provided on general fixed assets using the straight-line method. All fixed assets are valued at historical cost or estimated historical cost.

A summary of changes in property and equipment follows:

Fiscal Year Ending December 31, 2003	Ending Balance 2003	Prior Period Adjustment	Additions	Deletions	Ending Balance 2003
Building	\$ 882,879	-	-	-	\$ 882,879
Building Improvement	680,738	-	109,801	-	710,531
Land	160,000	-	-	-	160,000
Equipment	579,073	-	28,441	64,855	482,659
Auto	39,965	-	-	-	39,965
Total	1,122,677	-	138,242	64,855	1,185,864

ACCUMULATED DEPRECIATION

Fiscal Year Ending December 31, 2003	Ending Balance 2003	Prior Period Adjustment	Additions	Deletions	Ending Balance 2003
Building	154,489	-	22,067	-	176,536
Building Improvement	305,127	-	13,763	-	321,890
Land	-	-	-	-	-
Equipment	418,109	-	55,579	63,808	410,880
Auto	3,895	-	3,895	-	7,995
Total	682,534	-	89,498	63,808	718,144

NET BOOK VALUE	1,439,743	-	-	-	1,473,620
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Depreciation expense for the year ended December 31, 2003 was \$ 89,408.

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003**

NOTE 7: PAYABLES

At December 31, 2003, the Board had payables totaling \$ 268,462 as follows:

<u>CLASS OF PAYABLES</u>	<u>GENERAL</u>
Accounts Payable	\$ 175,253
Wages Payable	56,295
Taxes & Accruals Payable	<u>36,914</u>
Total Payables	<u>268,462</u>

NOTE 8: RETIREMENT SYSTEM

The employees of the Board are members of the Louisiana State Employees Retirement System ("System"), a multiple-employer, public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of the state employees, which is administered and controlled by a separate board of trustees.

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 contacting the Louisiana State Employee Retirement System at P.O. Box 64213, Baton Rouge, Louisiana 70804 or by calling (225) 922-0600.

All full-time Board employees, who began state employment prior to age 60, 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 2.5 per cent of their highest consecutive 36 month average salary multiplied by their years of credited service plus \$300 for employees hired before July 13, 1985. Vested age 55 with 25 years of service, or age 60 with 10 years of service. The system also provides death and disability benefits. Covered employees were required to contribute 7.5% of gross salary to the plan. The Board added an additional 14.1% contribution for the year.

Contribution requirements to the System are set by statute and differ from the contribution requirement determined using actuarial methods. Contributions to the retirement system for the years ended 2003, 2002 and 2001 were \$ 221,007, \$174,825 and \$122,091, respectively.

NOTE 9: POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Louisiana State Board of Medical Examiners provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the

Board employees become eligible for these benefits if they reach retirement age while working for the Board. These benefits for retirees and similar benefits for active

**LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003**

employees are provided through an insurance company whose monthly premiums are paid jointly by the retired employees and by the Board based on a vesting schedule. The Board'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 December 31, 2003, the Louisiana State Board of Medical Examiners provided retirement benefits for 9 retired employees and the costs of these retiree benefits totaled \$ 32,199.

NOTE 10: COMPENSATED ABSENCES

Accumulated annual leave is accrued in the accompanying financial statements. The Board's employees accumulated unlimited amounts of annual and sick leave at varying rates, as established by state regulations. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to employees at the employee's current rate of pay. Upon retirement, annual leave in excess of 300 hours and unused sick leave is credited as earned service in computing retirement benefits. The current portion is recorded as a liability in the financial statements and represents the amount unpaid at December 31, 2003, which would normally be liquidated with expendable financial resources.

Accumulated annual leave at December 31, 2003	<u>\$ 129,326</u>
---	-------------------

This amount is recorded in the financial statements.

NOTE 11: LEASES

At December 31, 2003, the Board did not have any operating or capital leases.

NOTE 12: GENERAL LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are accounted for in the liability section of the basic financial statements.

The following is a summary of the long-term obligation transactions for the year ended December 31, 2003.

	<u>Compensated Absences</u>
Long-term obligations at December 31, 2003	<u>\$ 129,326</u>

Long-term obligations at December 31, 2003 consisted of only compensated absences in the amount of \$ 117,837. Compensated absences increased in the amount of \$ 11,489 between 2002 and 2003.

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
DECEMBER 31, 2003

NOTE 13: RISK MANAGEMENT

The Board is exposed to various risks of loss related to general liability, automotive liability, and property insurance contracts and has purchased commercial insurance to provide coverage.

NOTE 14: NET ASSETS

Net assets represent the difference between assets and liabilities.

The composition of net assets was as follows:

Investment in Capital Assets, Net of Related Debt	\$ 1,477,620
Restricted	660,848
Unrestricted	<u>655,433</u>
Total Net Assets	<u>\$ 2,582,942</u>

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements. The composition of the restricted net assets is Clinical Lab - \$ 274,872, Continuing Medical Education - \$ 74,837, and Physicians Health Program - \$ 520,140.

NOTE 15: FEDERAL GRANTS

The Louisiana State Board of Medical Examiners did not receive any federal funds during the year ended December 31, 2003.

NOTE 16: SUBSEQUENT EVENT

During February of 2004 the Louisiana State Legislature approved amendments to various revised statutes enabling the Board to increase license and renewal fees by almost double for all categories of licenses, except clinical laboratory licenses. The direct impact of these amendments has not been determined, but the Board's revenue is expected to increase by approximately 25% for 2004.

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
DECEMBER 31, 2003

SUPPLEMENTARY INFORMATION

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA
DECEMBER 31, 2013

SCHEDULE OF PER DIEM PAID BOARD MEMBERS

<u>NAME</u>	<u>AMOUNT</u>
Dr. Melvin G. Bourgeois	\$ 2,800
Dr. Kevin J. Arross	2,700
Dr. Elmo J. Laboyde	7,500
Dr. Kim B. Leblanc	-
Dr. Keith C. Ferdinand	9,800
Dr. Linda Gage-White	4,800
Dr. Trenton James	<u>6,500</u>
TOTAL	<u>34,100</u>

The schedule of per diem paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members are paid \$100 for each day while engaged in Board meetings and official Board business, as authorized by Louisiana Revised Statute 37:1258.

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
DECEMBER 31, 2009

SCHEDULES REQUIRED BY THE DIVISION OF ADMINISTRATION, OFFICE OF
STATEWIDE REPORTING AND ACCOUNTING POLICY

Louisiana State Board of Medical Examiners
STATE OF LOUISIANA
Annual Financial Statements
December 31, 2003

CONTENTS

TRANSMITTAL LETTER
AFFIDAVIT

Statements

MSBA

Balance Sheet	A
Statement of Revenues, Expenses, and Changes in Fund Net Assets	B
Statement of Activities	C
Statement of Cash Flows	D

Notes to the Financial Statements

A.	Summary of Significant Accounting Policies
B.	Budgetary Accounting
C.	Deposits with Financial Institutions and Investments
D.	Capital Assets
E.	Inventories
F.	Restricted Assets
G.	Leases
H.	Retirement System
I.	Post Retirement Health Care and Life Insurance Benefits
J.	Leases
K.	Long-Term Liabilities
L.	Litigation
M.	Related Party Transactions
N.	Accounting Changes
O.	In-kind Contributions
P.	Deferred Taxes
Q.	Cooperative Endeavors
R.	Government-Mandated Nonexchange Transactions (Grants)
S.	Violations of Finance-Related Legal or Contractual Provisions
T.	Short-Term Debt
U.	Disaggregation of Receivable Balances
V.	Disaggregation of Payable Balances
W.	Subsequent Events
X.	Segment Information
Y.	Due-to/Due from and Transfers
Z.	Liabilities Payable from Restricted Assets
AA.	Prior-Year Restatement of Net Assets

Schedules

1	Schedule of Per Diem Paid Board Members
2	Schedule of State Funding
3	Schedules of Long-Term Debt
4	Schedules of Long-Term Debt Amortization
15	Schedule of Comparison Figures and Instructions

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending December 31, 2003

Louisiana State Board of Medical Examiners

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94065
Baton Rouge, Louisiana 70804-9065

Legislative Auditor
P. O. Box 94067
Baton Rouge, Louisiana 70804-9067

ATTENDANT

Personally came and appeared before the undersigned authority, Dr. John Bobear, MD, Executive Director of the Louisiana State Board of Medical Examiners who duly sworn, depose and says, that the financial statements herewith given present fairly the financial position of the Louisiana State Board of Medical Examiners at December 31, 2003 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 January, 2004.


Signature of Agency Official

NOTARY PUBLIC

OFFICE NO.


Bridget B. Sharpstone

Prepared by: Robert Hienz

Title: Partner (Hienz & Associates LLC)

Telephone No.: 504-837-5434

Date: 6/24/04

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (BTE)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2003

The Management's Discussion and Analysis of the Louisiana State Board of Medical Examiners (the Board) (BTE) financial performance presents a narrative overview and analysis of the Board's (BTE) financial activities for the year ended December 31, 2003. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the Board's (BTE) financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

- The Board's (BTE) assets exceeded its liabilities at the close of fiscal year 2003 by \$ 2,902,942, which represents a 28.68% decrease from last fiscal year.
- The Board's (BTE) revenue increased \$ 199,621 (or 5.47%).
- The Board continues to have no debt except for compensated absences for employees in the amount of \$ 129,328.
- Capital acquisitions in the amount of \$ 136,242 were made during 2003 including \$ 26,441 of equipment and \$ 109,801 for improvements to our building.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



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

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (BTE)
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF DECEMBER 31, 2003

Basic Financial Statements

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

The Balance Sheet (pages 8 - 9) 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 (BTE) is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (page 10) presents information showing how Board's (BTE) assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statement (pages 11 - 12) presents information showing how the Board's (BTE) cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
 as of December 31, 2003
 (in thousands)

	Total	
	2003	2002
Current and other assets	\$ 3,300	\$ 4,333
Capital assets	1,478	1,443
<u>Total assets</u>	<u>4,778</u>	<u>5,776</u>
Other liabilities	1,348	1,687
Long-term debt outstanding	178	118
<u>Total liabilities</u>	<u>1,526</u>	<u>1,805</u>
Net assets:		
Invested in capital assets, net of debt	1,478	1,440
Restricted	878	662
Unrestricted	822	1,523
<u>Total net assets</u>	<u>\$ 3,178</u>	<u>\$ 3,625</u>

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (BTA)
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF DECEMBER 31, 2003

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

Net assets of the Board (BTA) decreased by \$1,055,485, or 20.62%, from December 31, 2002 to December 31, 2003. One of the major causes of this decrease is the Board's expenses for legal representation and other outside service contracts.

Statement of Revenues, Expenses, and Changes in Fund Net Assets
 for the years ended December 31, 2003
 (in thousands)

	Total	
	2003	2002
Operating revenues	\$ 3,621	\$ 3,680
Operating expenses	(5,024)	(5,784)
Operating income/(loss)	1,153	(1,203)
Non-operating revenues/(expenses)	68	68
Income/(loss) before transfers	68	68
Transfers in		
Transfers out		
Net increase/(decrease) in net assets	\$ (1,266)	\$ (1,145)

The Board's (BTA) total revenues increased by \$ 69,621 or (5.47%). The total cost of all programs and services increased by \$ 128,808 or less than 3%.

STATEMENT OF CASH FLOWS

Another way to assess the financial health of the Board (BTA) is to look at the Statement of Cash Flows. The Statement of Cash Flows desires 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

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (BTE)
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF DECEMBER 31, 2003

Statement of Cash Flows
 (in thousands)

	2003	2002
Cash and cash equivalents provided used by:		
Operating activities	\$ (820)	\$ (818)
Capital Financial Activities	(100)	(100)
Non-capital financing activities		
Investing activities	20	60
Net increase in cash and cash equivalents	(7,000)	(850)
Cash and cash equivalents:		
Beginning of year	4,048	4,894
End of year	<u>\$ 1,014</u>	<u>\$ 4,048</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2003, the Board (BTE) had \$ 1,477,528 invested in a broad range of capital assets, including equipment, a building, building improvements and an automobile. (See Table below)
 This amount represents a net increase (including additions and deductions) of \$ 37,877, or 2.6%, over last year.

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

	2003	2002
Land	\$ 100	\$ 100
Buildings and improvements	1,294	1,234
Equipment	70	100
Auto	12	14
Infrastructure	-	-
TOTAL \$	<u>1,476</u>	<u>1,448</u>

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

- 110 for improvements to our building
- 28 for computer and other equipment

Debt

The Board (BTE) had \$ NONE bonds and notes outstanding at year-end, compared to \$ NONE last year, an increase of - as shown in the table below.

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (BTE)
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF DECEMBER 31, 2003

	Outstanding Debt at Year-end (in thousands)	
	2003	2002
General Obligation Bonds	\$ -	\$ -
Revenue Bonds and Notes	-	-
Total	\$ -	\$ -

The Board (BTE) has claims and judgments of \$ 0 outstanding at year-end compared with \$ 0 last year. Other obligations include accrued vacation pay and sick leave in the amount of \$ 129,320 compared with \$ 117,837 in the prior year.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$ 11,246 over budget and expenditures were \$ 243,834 more than budget due in part to contractual and professional services and personnel costs.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- Expected revenues
- Staffing and salaries
- Outside services

The Board (BTE) expects that next year's results will improve based on the following:

- Implementation of Legislature approved increases in license and renewal rates.

CONTACTING THE BOARD'S (BTE) MANAGEMENT

This financial report is designed provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Board's (BTE) finances and to show the Board's (BTE) accountability for the money it receives. If you have questions about this report or need additional financial information, contact John Bobear, M.D., Executive Director, P.O. Box 30250, New Orleans, LA 70130.

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MEDICAL EXAMINERS(BTAE)
 BALANCE SHEET
 AS OF DECEMBER 31, 2005

ASSETS

CURRENT ASSETS:

Cash and cash equivalents (Note C)	1	2,409,266
Investments (Note C)		
Receivables (net of allowance for doubtful accounts)(Note L)		207,028
Due from other funds (Note Y)		
Due from Federal government		
Investments		
Prepayments		
Notes receivable		
Other current assets		2,224
Total current assets		2,638,518

NONCURRENT ASSETS:

Restricted assets (Note F):		
Cash		290,144
Investments		
Receivables		4,000
Notes receivable		
Other - assets (net of depreciation)(Note G)		
Land		69,000
Buildings and improvements		1,021,000
Machinery and equipment		61,000
Leaseholdings		
Contributor in progress		
Other noncurrent assets		4,000
Total noncurrent assets	1	1,449,144
Total assets	1	4,087,662

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note H)	1	288,400
Due to other funds (Note Y)		
Due to Federal government		
Deferred revenues		1,029,000
Amounts held in custody for others		
Other current liabilities		
Contractor's of long-term liabilities:		
Contracts payable		
Performance contracts payable		
Compensated absences payable (Note K)		129,000
Capital asset obligations - Note J		
Notes payable		
Liabilities payable from restricted assets (Note I)		
Bonds payable		
Other long-term liabilities		
Total current liabilities		1,446,400

NONCURRENT LIABILITIES:

Contracts payable		
Performance contracts payable		
Compensated absences payable (Note K)		
Capital asset obligations (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note I)		
Bonds payable		
Other long-term liabilities		
Total non-current liabilities		0
Total liabilities		1,446,400

NET ASSETS

Invested in capital assets, net of related debt		1,477,662
Appropriated for:		
Capital projects		
Debt service		
Unemployment compensation		
Other special purposes		69,000
Unrestricted		69,000
Total net assets		1,546,662
Total liabilities and net assets	1	4,087,662

The accompanying notes are an integral part of the financial statements.

Statement 4

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (BTE)
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2003

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	3,700,380
Other	117,248
Total operating revenues	<u>3,817,628</u>
OPERATING EXPENSES	
Cost of sales and services	4,834,324
Administrative	_____
Depreciation	90,400
Amortization	_____
Total operating expenses	<u>4,924,724</u>
Operating income(loss)	<u>(1,107,096)</u>
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues (expenses)	_____
Taxes	_____
Use of money and property	27,244
Gain (loss) on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other	_____
Total nonoperating revenues(expenses)	<u>27,244</u>
Income(loss) before contributions and transfers	<u>(1,079,852)</u>
Capital contributions	_____
Transfers in	_____
Transfers out	_____
Change in net assets	<u>(1,052,400)</u>
Total net assets - beginning	<u>4,068,410</u>
Total net assets - ending	<u>\$ 3,016,010</u>

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

Statement B

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (BME)
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2003

Component Unit	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
LDSME	\$ 4,603,842	\$ 3,821,233	\$	\$ (1,112,732)
General revenues:				
Taxes				
State appropriations				
Grants and contributions not restricted to specific programs				
Interest				27,244
Miscellaneous				
Special items				
Transfers				
Total general revenues, special items, and transfers				27,244
Change in net assets				(1,085,488)
Net assets - beginning				4,088,712
Net assets - ending				\$ 2,993,242

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (LSBME)
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2003

Cash flows from operating activities		
Cash received from customers	\$ 3,184,413	
Cash payments to suppliers for goods and services	(2,852,862)	
Cash payments to employees for services	(2,181,248)	
Payments in lieu of taxes		
Intra-agency payments to other funds		
Claims paid to outsiders		
Other operating revenues/expenses		
Net cash provided(used) by operating activities		<u>(918,727)</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		
Net cash provided(used) by non-capital financing activities		<u>0</u>
Cash flows from capital and related financing		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(1,387,202)	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		<u>(1,387,202)</u>
Cash flows from investing activities		
Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities	26,288	
Net cash provided(used) by investing activities		<u>26,288</u>
Net increase(decrease) in cash and cash equivalents		<u>(1,001,739)</u>
Cash and cash equivalents at beginning of year		<u>4,048,121</u>
Cash and cash equivalents at end of year	\$	<u>3,046,382</u>

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (LSBME)
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER, 2000

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

Operating income(loss)	\$	(1,111,712)
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	89,408	
Compensated absences	25,908	
Provision for uncollectible accounts	(48,957)	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	(48,957)	
(Increase)decrease in due from other funds	_____	
(Increase)decrease in prepayments	_____	
(Increase)decrease in inventories	_____	
(Increase)decrease in other assets	3,243	
(Increase)decrease in accounts payable and accruals	_____	
(Increase)decrease in accrued payroll and related benefits	87,980	
(Increase)decrease in compensated absences payable	11,280	
(Increase)decrease in due to other funds	_____	
(Increase)decrease in deferred revenues	12,714	
(Increase)decrease in other liabilities	_____	
Net cash provided(used) by operating activities	\$	(818,071)

Schedule of noncash investing, capital, and financing activities:

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

(Continued)

The accompanying notes are an integral part of this statement.

Statement D

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (BTEA)
Notes to the Financial Statement
As of and for the year ended December 31, 2010

INTRODUCTION

The Louisiana State Board of Medical Examiners (the Board) (BTEA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:1261-1292. The following is a brief description of the operations of the Board (BTEA), which includes the participations in which the Board (BTEA) is tested.

The Board's offices are located in New Orleans, Louisiana in Orleans Parish.

The Louisiana State Board of Medical 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 Statute 37:1261-1292.

The board is charged with the responsibility of administering practice acts providing for the licensure of Doctors of Medicine, Doctors of Osteopathy, Doctors of Podiatry, Physician Assistants, Acupuncturists, Acupuncturist Assistants, Occupational Therapists, Occupational Therapy Assistants, Respiratory Therapists, Respiratory Therapist Technicians, Midwives, Clinical Exercise physiologists, Athletic Trainers, Radiological Technologists, Emergency Medical Technicians (Intermediate and Paramedic) and Clinical Laboratory Personnel. Operations of the Board are funded entirely through self-generated revenues.

As to all professions over which it has jurisdiction, the Board's principal functions are essentially the same: (a) Licensing/Certification. The Board examines applicants for licensure or certification to validate minimum competence for practice by verifying that they possess the educational and other credentials prescribed by statute and Board rules, investigation of the applicant's licensure status and history in other jurisdictions, and by examination. Licenses/certifications are generally renewed annually (some biannually) pursuant to re-verification of certain requirements and conditions. Renewals for some categories are on a calendar year basis, but the majority are based on a birth month schedule. (b) Regulations. Pursuant to its rulemaking authority under the practice acts it administers, and in accordance with the Administrative Procedures Act, the Board promulgates both procedural rules implementing its licensing/certification authority and substantive rules regulating practice. (c) Enforcement. The Board investigates consumer, patient and licensee complaints and alleged or indicated violations of the several practice acts and, upon a finding of probable cause initiates and conducts administrative disciplinary proceedings to adjudicate whether legal cause exists for the suspension, revocation or imposition of probationary terms and/or conditions on any licensee or certification. The Board's disciplinary authority includes limited authority to impose monetary fines and obtain reimbursement of costs and attorneys fees incurred by the Board in the investigation and prosecution of licensees. The Board also possesses and employs authority to take action against unauthorized practitioners by means of civil injunctive proceedings. (d) Advisory Rulings. The Board serves an informational and advisory role to the public, its constituent licensees and State government by providing declaratory rulings, advisory opinions and Statements of Position on various medical/legal issues within its jurisdiction. (e) Other Activities. The Board participates in a Physicians health Program, jointly organized and conducted with the Louisiana State Medical Society, to identify physically or mentally impaired (or potentially impaired) physicians toward securing timely treatment and rehabilitation for the protection of the public.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (BTE)

Notes to the Financial Statement

As of and for the year ended December 31, 2000

The Board is composed of seven members. Until January 1, 2000 the seven members were appointed by the governor from lists of names submitted by the Louisiana State Medical Society and the Louisiana Medical Association. Effective January 1, 2000 the board will consist of seven voting members appointed by the governor and subject to Senate confirmation as follows:

- a. Four members from lists of names submitted by the Louisiana State Medical Society. One of the members appointed shall practice in a parish or municipality with a population of less than twenty thousand.
- b. Two members from lists submitted by the Louisiana Medical Association.
- c. One member from a list submitted by the Louisiana Academy of Family Practice Physicians.

All voting members of the board shall be graduate physicians or surgeons and practitioners. Four of the members appointed for terms beginning January 1, 2000, shall be appointed the initial terms of four years and three of the members shall be appointed to initial terms of two years.

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 Board present information only as to the transactions of the programs of the Board as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement basis 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.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (BTE)
Notes to the Financial Statement
As of and for the year ended December 31, 2003

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 Board (BTE) are annual lapping appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from ever expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Budget Committee, a committee of the Louisiana Legislators. In some 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:

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

Final approved budget	\$ _____

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

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Board (BTE) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTE) 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, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

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

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (LSBME)

Notes to the Financial Statements

As of and for the year ended December 31, 2003

The market value of the pledged securities plus the federal deposit insurance trust 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 subleasing 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 any 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.

The deposits at December 31, 2003, consisted of the following:

	Cost	Carrying Amount	Other Assets	Total
Deposits in bank accounts per balance sheet	\$ 368,716	\$ 2,028,642	\$	\$ 2,397,358
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 by the pledging institution's trust department or agent (not in the entity's name)				
Total category 3 bank balances	\$	\$	\$	\$
Total bank balances (all categories including category 3 reported above)	\$ 368,716	\$ 2,028,642	\$	\$ 2,397,358

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

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

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (BTE)

Notes to the Financial Statements

As of and for the year ended December 31, 2003

Balance Inclusive	Change	Amount
1. Hibernia National Bank checking accounts		\$ 1,118,437
2. Hibernia National Bank Certificate of deposit		2,029,026
3. _____		_____
4. _____		_____
Total		\$ 3,147,463

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	\$ _____

1. INVESTMENTS

The _____ (BTE) does/does not maintain investment accounts as authorized by _____ from legal provisions authorizing investments by (BTE).

Investments can be classified according to the level of risk to the entity. Using the following categories, list each type of investment disclosing the carrying amount, market value, and applicable category of risk. Beginning with fiscal year ending June 30, 2004, only risk category 3 has to be broken out separately. However, the total reported amount and fair value columns still must be reported for total investments (including category 3).

Category 1 - Insured or registered in the entity's name, or securities held by the entity or its agent. (USGA 49103.0000, (separate disclosure no longer required))

Category 2 - Uninsured and unregistered with securities held by the counterparty's trust department or agent. in the entity's name. (separate disclosure no longer required)

Category 3 - Uninsured and unregistered with securities held by the counterparty, or by its trust department or agent. not in the entity's name. (separate disclosure still required)

NOTE: GASB Statement 49 requires investments to be listed by type, and whether any of these are category 3 investments. If so, those category 3 investments are reported in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name.

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (LSBE)
 Notes to the Financial Statement
 As of and for the year ended December 31, 2003

Description of Investment	Amount Reported in Risk		Total Reported Amount - All Categories (including Category 1)	Total Fair Value - All Categories (including Category 1)
	Category 3, if Any			
	Held by Cashiers/State	Held by Counterparty's Trust Dept. or Agent (Put in Bolio's Name)		
Repurchase agreements	\$ _____	\$ _____	\$ _____	\$ _____
U.S. Government securities	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Commercial paper	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Other (Identify)	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total investments	_____	_____	\$ _____	\$ _____

The institution does/does not (circle one) invest in derivatives as part of its investment policy. Accordingly, the exposure to risk from these investments is as follows:
 credit risk _____
 market risk _____
 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 date), to (pass) 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 _____

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (LSBME)

Notes to the Financial Statement

As of and for the year ended December 31, 2003

- 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 as of Year-End

- i. Credit risk related to the reverse repurchase agreements outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest _____
- j. Commitments on _____ (face dollar), to repurchase securities under yield maintenance agreements _____
- k. Market value on _____ (face dollar), 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 _____
- 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 _____

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (LSA)

Notes to the Financial Statements

As of and for the year ended December 31, 2003

- l. 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 _____
- _____
- _____
- m. 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

- n. Briefly describe the deposit and/or investment policies related to the outsourced 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.
- _____
- _____
- o. 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.
- _____
- _____
- p. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms of the investment (e.g. coupon matriculators, reset dates, etc.)
- _____
- _____
- q. 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).
- _____
- _____
- r. 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 using one of the following 3 methods that is used to identify and manage interest rate risk: a) segmented time distribution, b) specific identification, c) weighted average maturity, d) duration, or e) simulation model).
- _____
- _____
- _____
- sa. 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.
- _____
- _____

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (BTA)

Notes to the Financial Statement

As of and for the year ended December 31, 2003

D. CAPITAL ASSETS - INCLUDING CAPITAL LEASES 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 depreciable 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 December 31, 2003					Balance 12/31/03
	Balance 12/31/02	Net Period Adjustment	Adjusted Balance 12/31/03	Additions	Transfers ¹ Retirements	
Capital assets not being depreciated						
Land	100,000	--	100,000	--	--	100,000
Nondepreciable land improvements	--	--	--	--	--	--
Capitalized collections	--	--	--	--	--	--
Construction in progress	--	--	--	--	--	--
Total capital assets not being depreciated	100,000	--	100,000	--	--	100,000
Other capital assets						
Furniture, fixtures, and equipment	238,000	--	238,000	28,401	--	266,401
Less accumulated depreciation	(103,128)	--	(103,128)	(28,273)	--	(131,401)
Total furniture, fixtures, and equipment	134,872	--	134,872	2,128	--	134,872
Buildings and improvements	1,483,408	--	1,483,408	188,801	--	1,672,209
Less accumulated depreciation	(328,788)	--	(328,788)	(88,801)	--	(417,589)
Total buildings and improvements	1,154,620	--	1,154,620	100,000	--	1,254,620
Depreciable land improvements	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--
Total depreciable land improvements	--	--	--	--	--	--
Infrastructure	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--
Total infrastructure	--	--	--	--	--	--
Total other capital assets	1,283,743	--	1,283,743	28,829	--	1,312,572
Capital Asset Summary:						
Capital assets not being depreciated	100,000	--	100,000	--	--	100,000
Other capital assets, at cost	1,383,477	--	1,383,477	128,227	--	1,511,704
Total cost of capital assets	1,483,477	--	1,483,477	128,227	--	1,611,704
Less accumulated depreciation	(331,744)	--	(331,744)	(88,801)	--	(420,545)
Capital assets, net	1,151,733	--	1,151,733	39,426	--	1,191,159

¹ Should be usability for those completed projects coming out of construction-in-progress in fixed assets, not associated with transfer report measures in this period.

E. INVENTORIES

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 IS SHOWN AS A PREPAYMENT.**

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (BTE)

Notes to the Financial Statements

As of and for the year ended December 31, 2003

F. RESTRICTED ASSETS

Restricted assets in the Board (BTE) at December 31, 2003 (fiscal year end), reflected at \$ 1,844,728 in the non-current assets section on Statement A, consist of \$ 960,143 in cash with fiscal agent and \$ 884,585 receivables. State the purpose of the restrictions: These assets are restricted by Legislature and are for the Board's CME, CLAB and PHP programs.

G. LEAVE

1. COMPENSATED ABSENCES

The Board (BTE) has the following policy on annual and sick leave:

Accumulated annual leave is accrued in the accompanying financial statements. The Board's employees accumulated unlimited amounts of annual and sick leave at varying rates, as established by state regulations. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to employees at the employee's current rate of pay. Upon retirement, annual leave in excess of 300 hours and unused sick leave is credited as earned service in computing retirement benefits. The current portion is recorded as a liability in the financial statements and represents the amount unpaid at December 31, 2003, which would normally be liquidated with expendable financial resources.

An example disclosure follows:

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 December 31, 2003 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section 280.108 is estimated to be \$ 0. The leave payable is recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Board (BTE) 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 (BTE) 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

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (BTE)

Notes to the Financial Statement

As of and for the year ended December 31, 2003

Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 382-8080 or (800) 256-3000.

Members are required by state statute to contribute 7.5% of gross salary, and the (BTE) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended December 31, 2003 was 14.7% of annual covered payroll. The Board's (BTE) contributions to the System for the years ending December 31, 2003, 2002, and 2001, were \$221,007, \$174,800, and \$122,091, respectively, equal to the required contributions for each year.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

GAAP 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 these 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 Board (BTE) employees become eligible for post-employment health care, dental and life insurance benefits if they reach normal retirement age while working for the Board (BTE). These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the Board (BTE). For 2003, the cost of providing those benefits for the 6 retirees totaled \$ 22,100.

The _____ (BTE) provides certain continuing health care and life insurance benefits for its retired employees. Substantially all (BTE) employees become eligible for those benefits if they reach normal retirement age while working for the (BTE). 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 (BTE). (The (BTE) recognizes the cost of providing these benefits ((BTE's portion of premiums) as an expenditure when paid during the year, which was \$ _____ for the year ended _____, 20____. The cost of providing these benefits for _____ retirees is not separable from the cost of providing benefits for the _____ active employees.) (or: (The (BTE)'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 _____, 20____, the costs of _____ retiree benefits totaled \$ _____.)

I. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year _____ amounted to \$ _____. A schedule of payments for operating leases follows:

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (LSA)

Notes to the Financial Statements

As of and for the year ended December 31, 2003

Balance/Issue	FY2003	FY2002	FY2001	FY2000	FY1999	FY2004-2005	FY2005-2006
	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

2. CAPITAL LEASES

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. 8, 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

Balance/Issue	Gross Amount of Leased Asset (Historical Cost)	Remaining interest to end of lease	Remaining principal to end of lease
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 (and) day of your fiscal year and a breakdown of yearly principal and interest:

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (BTE)
 Notes to the Financial Statement
 As of and for the year ended December 31, 2003

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

SCHEDULE B – NON-AGENCY CAPITAL LEASES EXCEPT LEAS

Status of lease	Gross Amount of Leased Asset (Historical Cost)	Remaining Interest to end of lease	Remaining principal to end of lease
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:	Total
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total minimum lease payments	_____
Less: amounts representing excutory costs	_____
Net minimum lease payments	_____
Less: amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (LSBME)
 Notes to the Financial Statements
 As of and for the year ended December 31, 2003

SCHEDULE C – LEASE CAPITAL LEASES

Select of Lease	Gross Amount of Leased Asset (Historical Cost)	Remaining Interest to end of lease	Remaining principal to end of lease
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:	Total
2006	\$ _____
2008	_____
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	\$ _____

5. LESSOR DIRECT FINANCING LEASES

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

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

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (LSBME)

Notes to the Financial Statement

As of and for the year ended December 31, 2003

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

Composition of lease	Date of lease	Minimum lease payments receivable	Remaining interest (start of lease)	Remaining principal (start of lease)
a. Office space	_____	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____	_____
c. Land	_____	_____	_____	_____
Less amounts representing non-lease costs		_____		
Minimum lease payments receivable		_____		
Less allowance for doubtful accounts		_____		
Net minimum lease payments receivable		_____		
Less estimated residual value of leased property		_____		
Less unearned income		_____		
Net investment in direct financing lease		\$ _____		

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

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

Year ending _____	\$ _____
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 leases and lessor accounting), and both of the criteria for a lease (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 revenue as they become measurable and available.

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

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

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (LSBME)
 Notes to the Financial Statement
 As of and for the year ended December 31, 2003

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

Year Ended June 30,	Office space	Equipment	Land	Other	Total
2004	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2005	_____	_____	_____	_____	_____
2006	_____	_____	_____	_____	_____
2007	_____	_____	_____	_____	_____
2008	_____	_____	_____	_____	_____
2010-2014	_____	_____	_____	_____	_____
2015-2019	_____	_____	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

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

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

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended December 31, 2003:

	Year ended December 31, 2003				Balance 2002	Amounts due within one year
	Balance 31-Dec 2002	Additions	Reductions	Balance 31-Dec 2003		
Bonds and notes payable:						
Notes payable	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Reimbursement contracts payable	_____	_____	_____	_____	_____	_____
Bonds payable	_____	_____	_____	_____	_____	_____
Total notes and bonds	_____	_____	_____	_____	_____	_____
Other liabilities:						
Contracts payable	_____	_____	_____	_____	_____	_____
Compensated absences payable	117,837	11,489	_____	129,326	_____	_____
Capital lease obligations	_____	_____	_____	_____	_____	_____
Liabilities payable from restricted assets	_____	_____	_____	_____	_____	_____
Claims and litigation	_____	_____	_____	_____	_____	_____
Other long-term liabilities	_____	_____	_____	_____	_____	_____
Total other liabilities	117,837	11,489	_____	129,326	_____	_____
Total long-term liabilities	117,837	11,489	_____	129,326	_____	_____

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

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (BTE)
 Notes to the Financial Statement
 As of and for the year ended December 31, 2003

L. LITIGATION

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

Date of Action	Description of Litigation and Probable outcome (Possible, reasonably possible, or probable)	Primary Attorney	Damages Claimed	Insurance Coverage
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total			\$ _____	\$ _____

The _____ (BTE)'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.

III. RELATED PARTY TRANSACTIONS

(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): _____

IV. ACCOUNTING CHANGES

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

V. IN-KIND CONTRIBUTIONS

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

In-Kind Contributions	Cost/Estimated Cost/Fair Market Value/Delta Determined by the Donor
_____	\$ _____
_____	_____
_____	_____
_____	_____
Total	\$ _____

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (LSA)

Notes to the Financial Statement

As of and for the year ended December 31, 2003

P. DEFEASED ISSUES

In _____, 20____, the _____ (LSA), 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 (LSA) and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redempted premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$ _____ and gave the (LSA) an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$ _____.

Q. COOPERATIVE EMPLOYERS

LRS 35:9022 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 "COOP" 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 "COOP". Examples of contracts that are considered cooperative endeavors, but are not coded with a document type of "COOP" include contracts that fall under delegated authority, Facility Planning and Control "FCAP" contracts, certain federal government contracts, contracts that legislative staffers may have designated as such within your agency, work incentive programs, etc. In prior years, this information was requested as supplemental documentation after the AFRs were submitted, usually in October or November.

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

Funding Source	Balance June 30, 2004
State General Fund	\$ _____
Self-generated revenue	_____
Statutorily dedicated revenue	_____
General obligation bonds	_____
Federal funds	_____
Interagency transfers	_____
Other funds/combination	_____

NOTE: Amounts in excess of contract limits cannot be used to reduce the outstanding contract balance at June 30, 2004. For example, if a contract specifies a percentage of usage for each month (25%) and usage exceeds that percentage (75%), you cannot claim actual usage that exceeds contract requirements (50%).

NOTE: In order to compute your ending balances by funding source, you should begin with your balances at June 30, 2003. These amounts will be increased by amounts for new contracts and amendments and decreased for payments as well as for liquidations.

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (BTM)
 Notes to the Financial Statements
 As of and for the year ended December 31, 2003

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at December 31, 2003, were as follows:

Activity	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
LOM	\$ 282,126	\$ -	\$ -	\$ -	\$ 282,126
Accrued interest				2,214	2,214
Gross receivables	\$ 282,126	\$ -	\$ -	\$ 2,214	\$ 284,340
Less allowance for uncollectible accounts	121,704	-	-	-	121,704
Receivables, net	\$ 160,422	\$ -	\$ -	\$ 2,214	\$ 162,636
Amounts not scheduled for collection during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at December 31, 2003, were as follows:

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
LOM	\$ 175,253	\$ 26,295	\$ -	\$ 28,894	\$ 230,442
Total payables	\$ 175,253	\$ 26,295	\$ -	\$ 28,894	\$ 230,442

W. SUBSEQUENT EVENTS

During February of 2004 the Louisiana State Legislature approved amendments to various revised statutes enabling the Board to increase license and renewal fees by almost double for all categories of licensees, except clinical laboratory licensees. The direct impact of these amendments has not been determined, but the Board's revenue is expected to increase by approximately 25% for 2004.

X. SEGMENT INFORMATION

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 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 reverse 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 such segment should be met by identifying the types of goods and services provided and

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (BME)**

Notes to the Financial Statement

As of and for the year ended December 31, 2003

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 BMEs should be reported separately.
- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BMEs should be reported separately.
- (3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable (permanent), unrestricted, and amounts invested in capital assets, net of related debt.

Condensed Balance sheet:

	Segment #1	Segment #2
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.
- (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:

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (LSBME)

Notes to the Financial Statement

As of and for the year ended December 31, 2003

	Account #1	Account #2
Operating revenues	\$ _____	\$ _____
Operating expenses	_____	_____
Depreciation and amortization	_____	_____
Operating income (cost)	_____	_____
Nonoperating revenues (expenses)	_____	_____
Capital contributions/conditions to permanent and term endowments	_____	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	_____	_____
Beginning net assets	_____	_____
Ending net assets	_____	_____

G. 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:

	Account #1	Account #2
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	_____	_____

F. DUE TO/BE FROM AND TRANSFERS

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

Type of Fund	Name of Fund	\$
_____	_____	_____
_____	_____	_____
Total due from other funds		\$ _____

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

Type of Fund	Name of Fund	\$
_____	_____	_____
_____	_____	_____
Total due to other funds		\$ _____

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (BTA)

Notes to the Financial Statement

As of and for the year ended December 31, 2003

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

Type of Fund	Name of Fund	Amount
_____	_____	\$ _____
_____	_____	\$ _____
Total transfers from other funds		\$ _____

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

Type of Fund	Name of Fund	Amount
_____	_____	\$ _____
_____	_____	\$ _____
Total transfers to other funds		\$ _____

2. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets in the Board (BTA) at December 31, 2003, are \$ 0 in the current facilities section on Statement A.

Liabilities payable from restricted assets in the Board(BTA) at December 31, 2003 are \$0 in the non-current facilities section on Statement A.

AA. FISCAL-YEAR RESTATEMENT OF NET ASSETS

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

Ending net assets July 1, 2003, as initially reported	Adjustments (D.C.S.)	Beginning net assets, July 1, 2003, as restated
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

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

SCHEDULE 1

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (LSBME)
 SCHEDULE OF STATE FUNDING
 For the Year Ended December 31, 2003

	Description of Funding	Amount
1.		\$
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
	Total	\$

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (LSBME)
 SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
 For The Year Ended December 31, 2023

Fiscal Year Ending	Principal	Interest
2020	\$ _____	\$ _____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
2032	_____	_____
2033	_____	_____
2034	_____	_____
2035	_____	_____
2036	_____	_____
2037	_____	_____
2038	_____	_____
2039	_____	_____
Total	\$ _____	\$ _____

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (LSBME)
 SCHEDULE OF CAPITAL LEASE AMORTIZATION
 For The Year Ended December 31, 2023

Fiscal Year Ending	Expense	Interest	Expense	Balance
2023	\$ _____	\$ _____	\$ _____	\$ _____
2024	_____	_____	_____	_____
2025	_____	_____	_____	_____
2026	_____	_____	_____	_____
2027	_____	_____	_____	_____
2028	_____	_____	_____	_____
2029	_____	_____	_____	_____
2030-2034	_____	_____	_____	_____
2035-2039	_____	_____	_____	_____
2040-2024	_____	_____	_____	_____
2025-2029	_____	_____	_____	_____
Total	\$ _____	\$ _____	_____	_____

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (LSBME)
SCHEDULE OF NOTES PAYABLE AMORTIZATION**

Fiscal Year Ending	(Principal)	(Interest)
2005	\$ _____	\$ _____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010-2014	_____	_____
2015-2019	_____	_____
2020-2024	_____	_____
2025-2029	_____	_____
Total	\$ _____ --	\$ _____ --

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (B.T.A.)
SCHEDULE OF BONDS PAYABLE AMORTIZATION
 For The Year Ended December 31, 2003

Fiscal Year Ending:	Principal	Interest
2003	\$ _____	\$ _____
2004	_____	_____
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	\$ _____	\$ _____

STATE OF LOUISIANA

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS (BTE)

COMPARISON FIGURES

To assist OMBAS 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.

	2002	2002	Difference	Percentage Change
1) Revenues	\$ 3,848,074	\$ 3,848,842	\$ 768	0.02%
Expenses	4,833,842	4,764,204	139,638	2.89%
2) Capital assets	1,477,520	1,458,742	18,778	1.27%
Long-term debt	0	0	0	0
Net Assets	2,591,752	4,089,410	1,085,458	41.88%
Explanation for change:	Revenues from license fees not high enough to offset fees for contract legal and other outside services			

	2003 Original Budget	2003 Final Budget	Difference	Percentage Change
Revenues	\$ 3,708,750	\$ 3,708,750	\$ 0	0%
Expenditures	4,593,138	4,593,138	0	0

Explanation of change: _____

	2004 Final Budget	2004 Actual Budget	Difference	Percentage Change
Revenues	_____	_____	_____	_____
Expenditures	_____	_____	_____	_____

Explanation of change: _____

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS
STATE OF LOUISIANA
DECEMBER 31, 2003

OTHER REPORTS REQUIRED BY

GOVERNMENT ACCOUNTING STANDARDS

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



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MEMBER OF NATIONAL BOARD OF ACCOUNTANTS

**Independent Auditor's Report
on Compliance and on Internal Control over Financial Reporting
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards**

To the Board of Directors
Louisiana State Board of Medical Examiners
Department of Health and Hospitals
State of Louisiana

We have audited the basic financial statements of the Louisiana State Board of Medical Examiners, a component unit of the State of Louisiana, as of and for the year ended December 31, 2003, and have issued our report thereon dated May 15, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 the Louisiana State Board of Medical Examiners' financial statements are free of material misstatement, we 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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 2003-1.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Louisiana State Board of Medical Examiners' internal control over financial reporting in order 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 structure over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operations that we consider to be reportable conditions.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the basic financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 2003-1. We also noted other matters involving the internal control over financial reporting that we have reported to management of the Louisiana State Board of Medical Examiners in a separate letter dated May 13, 2004.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be a material weakness. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information of the Louisiana State Board of Medical Examiners and its management and Legislative Auditor's Office and is not intended to be, and should not be, anyone other than those specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Adrian J. Macaluso, III

BIENE & MACALUSO, LLC

May 13, 2004



HIENZ & MACALUSO, L.L.C.

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Louisiana Institute of Certified Public Accountants

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

We have audited the basic financial statements of Louisiana State Board of Medical Examiners as of and for the year ended December 31, 2003, and have issued our report thereon dated May 13, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained *Government Auditing Standards*, issued by the Comptroller General of the United States and the Louisiana Governmental Auditing Guide. Our audit of the basic financial statements as of December 31, 2003, resulted in an unqualified opinion.

Section I. Summary of Auditor's Reports

- a. Report on Internal Control and Compliance Material to the Financial Statements
- Internal Control
Material Weakness ___ Yes X, No Reportable Conditions X, Yes ___ No
- Compliance
Compliance Material to Financial Statements ___ Yes X, No
- b. Federal awards - the Board received no federal awards for the year ended December 31, 2003.

Section II. Financial Statement Findings

Finding #2003-1 Disaster Contingency Plan

(This is a repeat finding from December 31, 2001 - #2001-4 and December 31, 2002 - # 2002-2)

The Board uses the Peachtree Accounting Program to generate monthly financial statements and uses a custom program written by the LSU/MC computer department to process licensing data. The Peachtree program and data is backed up each night to off-site storage area and could be accessed if needed. If the LSU system is down, the Medical Board's only recourse is to wait until it is up and running in order to do the daily work of the Board. These delays can cause some licenses to be issued late and a delay in making financial information available to management.

We recommend that the Board have more control over its licensing data program so that the daily business of the Board can continue even when systems are down for extended periods of time. We also recommend that the licensing program and data be backed up to off-site storage sites nightly, so it can be accessed if necessary.

Section III. Federal Award Findings and Questioned Costs:

The Board received no federal awards for the year ended December 31, 2003.



HIENZ & MACALUSO, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS
Louisiana Institute of Certified Public Accountants
Institute of Certified Public Accountants

To the Board of Directors
Louisiana State Board of Medical Examiners
Department of Health and Hospitals
State of Louisiana

We have audited the basic financial statements of the Louisiana Board of Medical Examiners as of and for the year ended December 31, 2003, and have issued our report thereon dated May 13, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Governance Auditing Standards*, issued by the comptroller General of the United States.

As part of our examination, we have issued our report on the basic financial statements, dated May 13, 2004 and our report on internal control and compliance with laws, regulations, and contracts, dated May 13, 2004.

During the course of our examination, we became aware of the following matters, which represent suggestions for improved internal controls.

Comment R2003-2 Extensive Outside Services

During 2003 and 2002 over \$800,000 was expended on attorney fees and over \$ 900,000 was expended on various contracts for data processing, continuing education and building management. These expenses represent approximately 23% of total expenses for 2003. The Board has experienced a reduction in net assets in this fiscal year and in the previous fiscal year in excess of \$ 1,000,000. The Board can not continue to provide services at the same level with these significant deficits each year.

We recommend that the Board continue to review and evaluate contracts for outside services prior to renewal of these contracts. We also recommend the Board strongly consider the level of service it can continue to provide with the use of these contracts for outside services which should be in direct relation to the licensing and renewal fee revenue generated each year.

Comment #2003-3 Combining the Two Computer Systems

The Louisiana State Board of Medical Examiners uses two separate systems – one for licensing and one for accounting. The accounting system is generated in-house using Peachtree. The licensing system is a custom program provided through contract by LSU/MC. The information from the licensing system has to be put into the accounting system, some by download and others by hand, in order to integrate the licensing data into the accounting system.

We recommend that the Board consider one system that does both licensing and accounting or purchase an in-house licensing system that can be integrated with the accounting system easily.

Comment #2003-4 Clinical Laboratory CME

During the past three years, the Clinical Laboratory Fund paid in excess of \$90,000 to LSU to put on CME program for its members. The actual cost per attendee was more than any amount paid in dues by those attending that year. At this rate, Clinical Laboratory will not be able to pay their regular bills because the amount paid to LSU.

We recommend management address the foregoing issue as an improvement to operations and the administration of public programs.

The items listed above represent suggestions for improvements in the above areas.

Sincerely,

Henry & Macaluso, LLC

HENRY & MACALUSO, LLC
Metairie, Louisiana

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS

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Page _____

SCHEDULE OF PRIOR YEAR FINDINGS

Section I - Internal Control and Compliance Material to the Financial Statements:

Finding # 2002 - 1: It was recommended that the property and equipment subsidiary schedule be reconciled monthly with the general ledger.

Resolution: The property and equipment subsidiary schedule is being reconciled with the general ledger - Resolved.

Finding # 2002 - 2: It was recommended that a disaster contingency plan be put in place so the daily business of the Board can continue even when systems are down for extended periods of time.

Resolution: This finding has not been resolved - See Finding 2003 - 1 in the current year.

Section II - Internal Control and Compliance Material to Federal Awards:

There were no federal awards.

Section III - Management Letter:

Comment # 2002 - 3: It was noted that the Board had an extensive amount of fees paid for professional services. It was recommended that the Board hire additional staff to perform some of these duties.

Resolution: This matter was not resolved - See Comment # 2003 - 2 in the current year management letter.

Comment # 2002 - 4: It was recommended that the Board use one system to perform the licensing and accounting functions.

Resolution: This matter was not resolved - See Comment # 2002 - 3 in the current year management letter.

Comment # 2002 - 5: It was recommended that the Clinical Lab change the attendance for CME courses.

Resolution: This matter was not resolved - See Comment # 2002 - 4 in the current year management letter.

LOUISIANA STATE BOARD OF MEDICAL EXAMINERS

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MANAGEMENT'S CORRECTIVE ACTION PLAN ⁰⁰⁴ _____ FOR THE YEAR ENDED DECEMBER 31, 2003

June 21, 2004

To Whom It May Concern:

The following is our response to the audit findings for the year ended December 31, 2003 and the suggestions included in the management letter dated May 11, 2004.

Section I - Internal Control and Compliance Material to the Financial Statements:

Finding #2003 - 1 Disaster Contingency Plan:

We are in the process of purchasing an in-house computer program to process licensing data. We will backup the program and all licensing data nightly to offsite locations. We are working with the vendor to ensure a smooth integration with our accounting program.

Section II - Internal Control and Compliance Material to Federal Awards:

There were no federal awards.

Section III - Management Letter:

Comment # 2003 - 1 Review of Outside Services:

The Board continuously reviews outside services and consultant contracts prior to renewal. The Louisiana Legislature has enacted legislation that will reduce some costs of legal fees paid to attorneys, which the Board currently incurs. In addition legislation has been enacted which will increase licensing and renewal fees in the current year. The resulting increase in revenue will help the Board continue to provide services at the same level it has in the past.

Comment # 2003 - 1 Combining of Computer Systems:

The Board is purchasing a new licensing system that should generate accounting information that can be easily used by the accounting department.

Comment # 2603 - 4 Clinical Laboratory CML:

We are actively seeking ways to reduce CME costs, including changing licenses if we are legally able to do so.

I believe that the above responses address all findings and comments, but we will continue to review each area to ensure that additional problems do not develop.

Respectfully Submitted,



John Babson, M.D.
Executive Director