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LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
Department of Health and Hospitals
State of Louisiana
Baton Rouge, Louisiana

Audited Financial Statements
As of and For the Year Ended June 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9-8-04

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
Department of Health and Hospitals
State of Louisiana
Baton Rouge, Louisiana

Audited Financial Statements
As of and For the Year Ended June 30, 2004

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State of Louisiana

BOARD OF CHIROPRACTIC EXAMINERS

8621 SUMMA AVENUE
BATON ROUGE, LOUISIANA 70809
Telephone: (225) 765-2322
Fax: (225) 765-2640
Email: lsbce@eatel.net
Website: www.lachiropracticboard.com

Mark B. Kruse, D.C.
President
4416 Trenton Street
Metairie, LA 70006

Patricia A. Oliver
Executive Director

August 27, 2004

Kelly B. Faircloth, D.C.
Vice President
5501 Coliseum Boulevard
Alexandria, LA 71301

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

R. Buckley VanBreemen, D.C.
Secretary-Treasurer
2107 S. Burnside Ave., Ste. 1
Gonzales, LA 70737

Dear Sir:

Dwayne L. Burch, D.C.
1959 Hwy. 3125, Ste. 3
Lutcher LA 70071

Enclosed is the financial report for the year ending June 30, 2004. If any further information is required, please feel free to contact me.

Patrick S. Clawson, D.C.
727 West Main Street
Homer, LA 71040

John L. Murphy, D.C.
1010 North Fourth Street
Monroe, LA 71201

Sincerely,

A handwritten signature in black ink, appearing to read "Patricia A. Oliver".

Patricia A. Oliver

Joseph A. Stagni, D.C.
3227 Williams Blvd.
Kenner, LA 70065

Attachment

Roy Chenevert

CERTIFIED PUBLIC ACCOUNTANT

12805 S. HARRELLS FERRY ROAD, SUITE 5
BATON ROUGE, LA 70816-2563

PHONE: (225) 292-1190
FAX: (225) 292-1195
EMAIL: ROYPC@BELLSOUTH.NET

MEMBER OF:

AMERICAN INSTITUTE OF CPAs
AICPA PRIVATE COMPANIES PRACTICE SECTION
SOCIETY OF LOUISIANA CPAs

INDEPENDENT AUDITOR'S REPORT

Louisiana Board of Chiropractic Examiners
Department of Health and Hospitals
State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying basic financial statements of the Louisiana Board of Chiropractic Examiners, a component unit of the State of Louisiana, as of and for the year ended June 30, 2004, as listed in the table of contents. These basic financial statements are the responsibility of the management of the Louisiana Board of Chiropractic Examiners. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Board of Chiropractic Examiners as of June 30, 2004, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2004, on our consideration of the Louisiana Board of Chiropractic Examiners' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the Louisiana Board of Chiropractic Examiners' basic financial statements taken as a whole. The accompanying supplemental information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the Louisiana Board of Chiropractic Examiners. Such information has been subjected to the audit 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.

Roy Chenevert, CPA

Baton Rouge, Louisiana
August 5, 2004

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
Department of Health and Hospitals
State of Louisiana
Management's Discussion and Analysis

The management's discussion and analysis of the Louisiana Board of Chiropractic Examiners' financial performance presents a narrative overview and analysis of the board's financial activities for the year ended June 30, 2004. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the transmittal letter and the board's financial statements.

FINANCIAL HIGHLIGHTS

The board's assets exceeded its liabilities at the close of fiscal year 2004 by \$136,077. The net assets decreased by \$7,344 or 5.1%.

The board's revenue increased by \$772 or 0.5%, while the expenses increased by \$14,408 or 9.4%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Louisiana Board of Chiropractic Examiners' financial statements are comprised of the basic financial statements and the notes to the financial statements. In addition to the basic financial statements and the accompanying notes, other information in this report presents certain supplementary information required by legislative resolution. The basic financial statements are designed to provide readers with a broad overview of the board's finances in a manner similar to a private sector business.

Basic Financial Statements

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

The Statement of Net Assets (page 9) presents the current and long-term portion of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the board is improving or deteriorating.

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

The Statement of Cash Flows (pages 11) presents information showing how the board's cash changed as a result of current year operations. The cash flow statement is

prepared using the direct method and includes the reconciliation of operating income to net cash provided by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE BOARD

Summary Statement of Net Assets as of June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Current and other assets	\$155,999	\$160,023
Capital assets	1,423	1,971
Total assets	<u>157,422</u>	<u>161,994</u>
Liabilities	21,345	18,573
Total net assets	<u>\$136,077</u>	<u>\$143,421</u>

The board's equity interest in its capital assets is reported within the investment in capital assets. Restricted net assets represent those assets that are not available for spending as a result of legislative requirements. The unrestricted net assets are those that do not have any limitations for what these amounts may be used. The Louisiana Board of Chiropractic Examiners has no restricted net assets at June 30, 2004.

Net assets of the board decreased by \$7,344 or 5.1%, from June 30, 2003, to June 30, 2004. A major cause of this decrease is an increase in expenses greater than an increase in revenues.

Summary Statement of Revenues, Expenses, and Changes in Net Assets for the year ended June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Operating revenues	\$145,675	\$133,643
Operating expenses	168,408	154,000
Operating (loss)	<u>(22,733)</u>	<u>(20,357)</u>
Non-operating revenues/expenses	15,389	26,649
Change in net assets	<u>\$ (7,344)</u>	<u>\$ 6,292</u>

The board's total revenues increased by \$772 or 0.5%. The total cost of all programs and services increased by \$14,408 or 9.4%.

CAPITAL ASSETS

At the end of 2004, the board had \$1,423 invested in capital assets, including computer equipment, and furniture and equipment. There were no major additions to capital assets during fiscal year 2003-04.

BUDGET

The annual budget was approved by the board at the December 12, 2002 meeting.

**CONTACTING THE LOUISIANA BOARD OF
CHIROPRACTIC EXAMINERS' MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and customers with a general overview of the Louisiana Board of Chiropractic Examiners' finances and to show the board's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Executive Director, Louisiana Board of Chiropractic Examiners, 8621 Summa Ave., Baton Rouge, Louisiana 70809.

Louisiana Board of Chiropractic Examiners
Department of Health and Hospitals
State of Louisiana
Statement of Net Assets
June 30, 2004

Assets	
Current assets	
Cash (note 2)	\$155,999
Total current assets	<u>155,999</u>
Non-current assets	
Capital assets, net of depreciation (note 3)	1,423
Total assets	<u>157,422</u>
Liabilities	
Current liabilities	
Accounts payable (note 6)	5,765
Current portion of long-term liability	
Accrued compensated absences (note 7)	353
Total current liabilities	<u>6,118</u>
Non-current liabilities:	
Accrued compensated absences (note 7)	15,227
Total liabilities	<u>21,345</u>
Net assets	
Invested in capital assets	1,423
Unrestricted net assets	134,654
Total net assets	<u>\$136,077</u>

See accompanying notes to the financial statements.

Louisiana Board of Chiropractic Examiners
Department of Health and Hospitals
State of Louisiana
Statement of Revenues, Expenses,
and Changes in Net Assets
Year Ended June 30, 2004

Operating revenues	
Licenses, permits, and fees	<u>\$145,675</u>
Operating expenses	
Personal services	84,075
Travel	20,763
Operating services	41,026
Supplies	3,398
Professional services	14,819
Capital outlay	3,779
Depreciation	548
Total operating expenses	<u>168,408</u>
Operating (loss)	<u>(22,733)</u>
Non-operating revenues/expenses	
Use of money and property	3,002
Other revenue	12,387
Total non-operating revenues/expenses	<u>15,389</u>
Change in net assets	(7,344)
Net assets, beginning of year	<u>143,421</u>
Net assets, end of year	<u><u>\$136,077</u></u>

See accompanying notes to the financial statements.

**Louisiana Board of Chiropractic Examiners
Department of Health and Hospitals
State of Louisiana
Statement of Cash Flows
Year Ended June 30, 2004**

Cash flows from operating activities	
Cash received from customers	\$145,675
Cash paid to suppliers for goods and services	(81,077)
Cash paid to employees for services	(84,011)
Net cash (used) by operating activities	<u>(19,413)</u>
Cash flows from non-capital financing activities	
Other non-operating revenue	<u>12,387</u>
Net cash provided by non-capital financing activities	<u>12,387</u>
Cash flows from capital and related financing activities	<u>-</u>
Cash flows from investing activities	
Interest earned	<u>3,002</u>
Net cash provided by investing activities	<u>3,002</u>
Net (decrease) in cash	(4,024)
Cash, beginning of year	<u>160,023</u>
Cash, end of year	<u><u>\$155,999</u></u>
Reconciliation of operating (loss) to net cash (used) by operating activities	
Operating (loss)	\$(22,733)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities	
Depreciation	548
Increase in accounts payable	2,708
Increase in accrued compensated absences	<u>64</u>
Net cash (used) by operating activities	<u><u>\$(19,413)</u></u>

See accompanying notes to the financial statements.

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
Department of Health and Hospitals
State of Louisiana
Notes to the Financial Statements
June 30, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Louisiana Board of Chiropractic Examiners is a component unit of the State of Louisiana created under the provisions of Louisiana Revised Statute 36:259, within the Department of Health and Hospitals, and is domiciled in East Baton Rouge Parish. The board consists of seven members appointed by the governor. The members may receive a per diem not to exceed \$50 per meeting or day spent on business of the board, plus travel expenses. The board is charged with the responsibility of regulating the practice of chiropractic activities within the State of Louisiana. Operations of the board are funded through self-generated revenues.

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.

Reporting Entity

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The board is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members and public service is rendered within the state's boundaries. The accompanying financial statements present only transactions of the Louisiana Board of Chiropractic Examiners. 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

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 focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statement of Net Assets. Net Assets are segregated into invested in capital assets, restricted net assets, and unrestricted net assets.

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
Department of Health and Hospitals
State of Louisiana
Notes to the Financial Statements
June 30, 2004

Budget Practices

Annually, the board adopts a budget as prescribed by Revised Statute 39:1331-1342. The budget for fiscal year ended June 30, 2004, was adopted on December 12, 2002, and is prepared on the modified accrual basis of accounting. Although budget amounts lapse at year-end, the board retains its unexpended net assets to fund expenditures of the succeeding year.

Cash and Investments

Cash includes petty cash, demand deposits and certificates of deposit. Under state law, the board may deposit funds in 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. Investments are stated at fair value.

Capital Assets

Capital assets are recorded at cost, if purchased or constructed. Assets acquired through contributions are capitalized at their estimated fair value, if available, or at estimated fair value or cost to construct at the date of the contribution. Furniture and equipment includes all items valued over \$5,000. Assets are depreciated using the straight-line method over the useful lives of the assets as follows:

	Years
Automobiles	5
Data processing equipment	5
Furniture and equipment	10

Compensated Absences

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits. Compensated absences are computed in accordance with GASB Codification Section C60, and are recognized as an expense and liability in the financial statements when incurred.

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. 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 employee's hourly rate of pay at termination or transfer. Compensatory leave is computed in accordance

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
Department of Health and Hospitals
State of Louisiana
Notes to the Financial Statements
June 30, 2004

with GASB Codification Section C60.105, and is recognized as an expense and liability in the financial statements when incurred.

Net Assets

Net assets comprise the various net earnings from operation, non-operating revenues, expenses, and contributions of capital. Net assets are classified in the following three components:

Invested in capital assets – Consists of all capital assets, net of accumulated depreciation.

Restricted net assets – Consists of external constraints placed on net assets use imposed by law through enabling legislation.

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

NOTE 2 – CASH

At June 30, 2004, the board has cash (book balances) totaling \$155,999.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by Federal deposit insurance or similar Federal security or the pledge of securities owned by the fiscal agent banks. The fair value of the pledged securities plus the Federal security must at all times equal the amount on deposit with the fiscal agents. At June 30, 2004, the board has \$156,004 in deposits (collected bank balances) that were 100% insured or collateralized with securities held by the board or its agent in the board's name.

NOTE 3 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
Capital Asset Summary:				
Furniture & Equipment	\$ 14,818	\$ -	\$(2,598)	\$ 12,220
Less accumulated depreciation	(12,846)	(549)	2,598	(10,797)
Capital Assets, net	\$ 1,972	\$(549)	\$ -	\$ 1,423

NOTE 4 – RETIREMENT SYSTEM

The board has one employee who belongs to the Louisiana State Employees Retirement System, a single employer defined benefit pension plan. The System is a statewide public employee retirement system and is available to all eligible employees. The System publishes annual financial reports that include detailed historical, financial, and actuarial information.

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
Department of Health and Hospitals
State of Louisiana
Notes to the Financial Statements
June 30, 2004

All full time board employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months average salary multiplied by their years of credited service. Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of services, 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. The report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members are required by state statute to contribute 7.5% of gross salary, and the board is required to contribute at an actuarially determined rate as required by Revised Statute 11:102. The board's contribution rate for fiscal years ended June 30, 2004, 2003, and 2002 were 15.8%, 14.1%, and 13%, respectively, of annual covered payroll. The board's contributions to the System for the years ending June 30, 2004, 2003, and 2002 were \$8,636, \$8,259, and \$6,891, respectively, which are the required contributions for each year.

NOTE 5 – LEASE AND RENTAL COMMITMENTS

The board has continuing obligations for operating leases at June 30, 2004 as follows:

<u>Fiscal Year Ending</u>	<u>Office Space</u>
June 30, 2005	\$ 25,800
June 30, 2006	25,800
June 30, 2007	25,800
June 30, 2008	25,800
June 30, 2009	6,450
	<hr/>
Future Lease Payments	<u>\$109,650</u>

Lease and rental expenses for the year ended June 30, 2004 totaled \$25,200. The board has no capital leases.

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
Department of Health and Hospitals
State of Louisiana
Notes to the Financial Statements
June 30, 2004

NOTE 6 – PAYABLES

At June 30, 2004, the board had payables totaling \$5,765 as follows:

Accounts payable	\$2,230
Accrued wages payable	2,112
Payroll liabilities	1,423
Total payables	\$5,765

NOTE 7 – COMPENSATED ABSENCES

The following is a summary of changes in compensated absences for the year ended June 30, 2004:

	July 1, 2003	Additions	June 30, 2004
Compensated Absences	\$15,516	\$64	\$15,580

The additions to compensated absences during the 2003-04 fiscal year represent the net change during the year because the additions and deductions could not readily be determined.

**Other Report Required By
Government Auditing Standards**

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

Roy Chenevert

CERTIFIED PUBLIC ACCOUNTANT

12605 S. HARRELLS FERRY ROAD, SUITE 5
BATON ROUGE, LA 70816-2563

PHONE: (225) 292-1190
FAX: (225) 292-1195
EMAIL: ROYPC@BELLSOUTH.NET

MEMBER OF:

AMERICAN INSTITUTE OF CPAs
AICPA PRIVATE COMPANIES PRACTICE SECTION
SOCIETY OF LOUISIANA CPAs

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS

Louisiana Board of Chiropractic Examiners
Department of Health and Hospitals
State of Louisiana
Baton Rouge, Louisiana

We have audited the basic financial statements of the Louisiana Board of Chiropractic Examiners, a component unit of the State of Louisiana, as of and for the year ended June 30, 2004, and have issued our report thereon dated August 5, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Louisiana Board of Chiropractic Examiners' basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Louisiana Board of Chiropractic Examiners' internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that we have reported to management of the Louisiana Board of Chiropractic Examiners in a separate letter dated August 5, 2004.

This report is intended solely for the information and use of the board and its management and is not intended to be, and should not be, used by anyone other than these specified parties.

Roy Chenevert, CPA

Baton Rouge, Louisiana
August 5, 2004

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
Department of Health and Hospitals
State of Louisiana
Schedule of Findings
For the Year Ended June 30, 2004

Type of auditor's report issued: Unqualified.

Internal control over financial reporting: No findings identified.

Compliance: No instances of noncompliance identified.

LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS
Department of Health and Hospitals
State of Louisiana
Summary Schedule of Prior Audit Findings

For the Year Ended June 30, 2003

There were no prior audit findings.

SUPPLEMENTAL INFORMATION SCHEDULES

PER DIEM PAID BOARD MEMBERS

The schedule of per diem paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Per diem payments are authorized by Louisiana Revised Statute 37:2802. Board members are paid \$50 per day for board meetings and official business.

DIVISION OF ADMINISTRATION – OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY – REPORTING PACKAGE

The reporting package of the Division of Administration – Office of Statewide Reporting and Accounting Policy (OSRAP) was completed in order to provide information to OSRAP to be used in the preparation of the State of Louisiana's Comprehensive Annual Financial Report (CAFR).

**Louisiana Board of Chiropractic Examiners
Department of Health and Hospitals
State of Louisiana
Schedule of Per Diem Paid Board Members
For the Year Ended June 30, 2004**

	<u>Number</u>	<u>Amount</u>
Patrick S. Clawson	6	\$ 300
Kelly Faircloth	7	350
William P. Fey	8	400
Mark B. Kruse	8	400
Glenn D. Manceaux	7	350
John L. Murphy	8	400
R. Buckley Van Breemen	8	<u>400</u>
Total		<u>\$2,600</u>

Louisiana Board of Chiropractic Examiners
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2004

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TRANSMITTAL LETTER
AFFIDAVIT

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15	Schedule of Comparison Figures



State of Louisiana

BOARD OF CHIROPRACTIC EXAMINERS

8621 SUMMA AVENUE
BATON ROUGE, LOUISIANA 70809
Telephone: (225) 765-2322;
Fax: (225) 765-2640
Email: lsbce@eateL.net
Website: www.lachiropracticboard.com

Mark B. Kruse, D.C.
President
4416 Trenton Street
Metairie, LA 70006

Patricia A. Oliver
Executive Director

August 27, 2004

Kelly B. Faircloth, D.C.
Vice President
5501 Coliseum Boulevard
Alexandria, LA 71301

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

R. Buckley VanBremen, D.C.
Secretary-Treasurer
2107 S. Burnside Ave., Ste. 1
Gonzales, LA 70737

Dwayne L. Burch, D.C.
1959 Hwy. 3125, Ste. 3
Lutcher LA 70071

Dear Sir:

Enclosed is the financial report for the year ending June 30, 2004. If any further information is required, please feel free to contact me.

Patrick S. Clawson, D.C.
727 West Main Street
Homer, LA 71040

John L. Murphy, D.C.
1010 North Fourth Street
Monroe, LA 71201

Joseph A. Stagni, D.C.
3227 Williams Blvd.
Kenner, LA 70065

Sincerely,


Patricia A. Oliver

Attachment

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

LA Board of Chiropractic Examiners
(Agency Name)

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

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

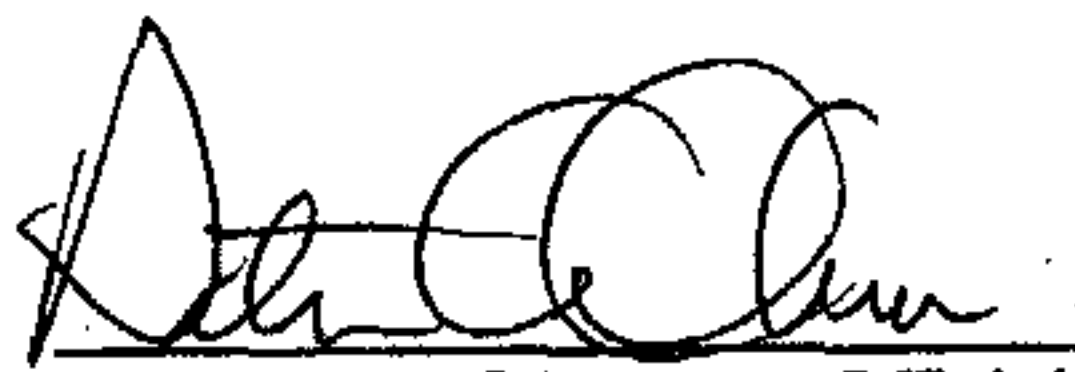
AFFIDAVIT

Personally came and appeared before the undersigned authority, Patricia A. Oliver (Name)
Executive Director


(Title) of LA Board of Chiropractic Examiners (Agency) who duly sworn, deposes and says, that the

financial statements herewith given present fairly the financial position of
(agency) at June 30, 2004 and the results of operations for the year then ended in accordance with
policies and practices established by the Division of Administration or in accordance with Generally
Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board.

Sworn and subscribed before me, this 26th day of Aug, 2004.



Signature of Agency Official



NOTARY PUBLIC

Prepared by: Patricia A. Oliver

Title: Executive Director

Telephone No.: 225-765-2322

Date: 8/26/04

**STATE OF LOUISIANA
LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS (BTA)
BALANCE SHEET
AS OF JUNE 30, 2004**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents (Note C1)	\$	155,999
Investments (Note C2)		
Receivables (net of allowance for doubtful accounts)(Note U)		
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		
Notes receivable		
Other current assets		
Total current assets		155,999

NONCURRENT ASSETS:

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Notes receivable		
Capital assets (net of depreciation)(Note D)		
Land		
Buildings and improvements		
Machinery and equipment		1,423
Infrastructure		
Construction in progress		
Other noncurrent assets		
Total noncurrent assets		1,423
Total assets	\$	157,422

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	5,765
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		
Amounts held in custody for others		
Other current liabilities		
Current portion of long-term liabilities:		
Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		353
Capital lease obligations - (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total current liabilities		6,118

NON-CURRENT LIABILITIES:

Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		15,227
Capital lease obligations (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total long-term liabilities		15,227
Total liabilities		21,345

NET ASSETS

Invested in capital assets, net of related debt		1,423
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		134,654
Total net assets		136,077
Total liabilities and net assets	\$	157,422

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

**STATE OF LOUISIANA
 LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS (BTA)
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2004**

OPERATING REVENUES		
Sales of commodities and services	\$	
Assessments		
Use of money and property		
Licenses, permits, and fees		145,675
Other		
Total operating revenues		145,675
OPERATING EXPENSES		
Cost of sales and services		
Administrative		167,860
Depreciation		548
Amortization		
Total operating expenses		168,408
Operating income(loss)		(22,733)
NON-OPERATING REVENUES(EXPENSES)		
State appropriations		
Intergovernmental revenues (expenses)		
Taxes		
Use of money and property		3,002
Gain (loss) on disposal of fixed assets		
Federal grants		
Interest expense		
Other		12,387
Total non-operating revenues(expenses)		15,389
Income(loss) before contributions and transfers		(7,344)
Capital contributions		
Transfers in		
Transfers out		
Change in net assets		(7,344)
Total net assets – beginning as restated		143,421
Total net assets – ending	\$	136,077

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

Statement B

STATE OF LOUISIANA
 LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS (BTA)
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2004

		Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
Expenses		Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Assets
BTA	\$ 168,408	\$ 145,675	\$	\$	\$ (22,733)
General revenues:					
	Taxes				
	State appropriations				
Grants and contributions not restricted to specific programs					
	Interest				3,002
	Miscellaneous				12,387
Special items					
	Transfers				
	Total general revenues, special items, and transfers				15,389
	Change in net assets				(7,344)
	Net assets - beginning				143,421
	Net assets - ending			\$	136,077

**STATE OF LOUISIANA
LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004**

Cash flows from operating activities			
Cash received from customers	\$	145,675	
Cash payments to suppliers for goods and services		(81,077)	
Cash payments to employees for services		(84,011)	
Payments in lieu of taxes			
Internal activity-payments to other funds			
Claims paid to outsiders			
Other operating revenues(expenses)			
Net cash provided(used) by operating activities			(19,413)
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		12,387	
Transfers In			
Transfers Out			
Net cash provided(used) by non-capital financing activities			12,387
Cash flows from capital and related financing			
Proceeds from sale of bonds			
Principal paid on bonds			
Interest paid on bond maturities			
Proceeds from issuance of notes payable			
Principal paid on notes payable			
Interest paid on notes payable			
Acquisition/construction of capital assets			
Proceeds from sale of capital assets			
Capital contributions			
Other			
Net cash provided(used) by capital and related financing activities			-
Cash flows from investing activities			
Purchases of investment securities			
Proceeds from sale of investment securities			
Interest and dividends earned on investment securities		3,002	
Net cash provided(used) by investing activities			3,002
Net increase(decrease) in cash and cash equivalents			(4,024)
Cash and cash equivalents at beginning of year			160,023
Cash and cash equivalents at end of year	\$		155,999

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA
 LOUISIANA BOARD OF CHIROPRACTIC EXAMINERS (BTA)
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2004**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:			
Operating income(loss)		\$	(22,733)
Adjustments to reconcile operating income(loss) to net cash			
Depreciation/amortization	548		
Provision for uncollectible accounts			
Changes in assets and liabilities:			
(Increase)decrease in accounts receivable, net			
(Increase)decrease in due from other funds			
(Increase)decrease in prepayments			
(Increase)decrease in inventories			
(Increase)decrease in other assets			
Increase(decrease) in accounts payable and accruals	2,708		
Increase(decrease) in accrued payroll and related benefits			
Increase(decrease) in compensated absences payable	64		
Increase(decrease) in due to other funds			
Increase(decrease) in deferred revenues			
Increase(decrease) in other liabilities			
Net cash provided(used) by operating activities		\$	(19,413)

Schedule of noncash investing, capital, and financing activities:

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

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

STATE OF LOUISIANA
Louisiana Board of Chiropractic Examiners (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

INTRODUCTION

The Louisiana Board of Chiropractic Examiners (BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 36:259. The following is a brief description of the operations of the Board (BTA) which includes the parish/parishes in which the (BTA) is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of 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 focus applied.

The accounts of the Board are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

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

Expense Recognition

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

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Board (BTA) are annual lapsing appropriations.

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

STATE OF LOUISIANA
Louisiana Board of Chiropractic Examiners (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

	APPROPRIATIONS
Original approved budget	\$ 164,256
Amendments:	
Final approved budget	\$ 164,256

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 (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, savings accounts or shares of savings and loan associations and savings banks, and share accounts and share certificate accounts of federally or state chartered credit unions.

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

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

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

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

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

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

GASB Statement 40 only requires category 3 deposits to be disclosed in the custodial credit risk section of Note C. If an entity has deposits exposed to custodial credit risk category 3, it should disclose the amount of those balances, the fact that they are uninsured, and whether the balances are either uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

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

STATE OF LOUISIANA
Louisiana Board of Chiropractic Examiners (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

	Cash	Certificates of Deposit	Other (Describe)	Total
Deposits in bank accounts per balance sheet	\$ 47,693	\$ 108,306	\$	\$ 155,999
Bank balances (category 3 only, if any)				
Identify amounts reported as category 3 by the descriptions below:				
a. Uninsured and uncollateralized				-
b. Uninsured and collateralized with securities held by the pledging institution				-
c. Uninsured and collateralized with securities held held by the pledging institution's trust department or agent, but not in the entities name				-
Total Category 3 bank balances	\$ -	\$ -	\$ -	\$ -
Total bank balances (All categories including category 3 reported above)	\$ 47,698	\$ 108,306	\$	\$ 156,004

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

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

	Banking institution	Program	Amount
1.	Whitney Bank		\$ 47,698
2.	Dow Louisiana Federal Credit Union		52,984
3.	Red River Bank		55,322
4.			
	Total		\$ 156,004

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 \$ None
Petty cash \$ None

2. INVESTMENTS – Not applicable.

3. Other Disclosures Required for Investments – Not applicable.

STATE OF LOUISIANA
Louisiana Board of Chiropractic Examiners (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

D. CAPITAL ASSETS-INCLUDING CAPITAL LEASE ASSETS

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

	Year ended June 30, 2004						
	Balance	Prior	Adjusted				Balance
	6/30/2003	Period	Balance	Additions	Transfers*	Retirements	6/30/2004
	Adjustment	6/30/2003					
Capital assets not being depreciated							
Land			--				--
Non-depreciable land improvements			--				--
Capitalized collections			--				--
Construction in progress			--				--
Total capital assets not being depreciated							
	--	--	--	--	--	--	--
Other capital assets							
Furniture, fixtures, and equipment	14,818		14,818			(2,598)	12,220
Less accumulated depreciation	(12,846)		(12,846)	(549)		2,598	(10,797)
Total furniture, fixtures, and equipment	1,972	--	1,972	(549)	--	--	1,423
Buildings and improvements			--				--
Less accumulated depreciation			--				--
Total buildings and improvements	--	--	--	--	--	--	--
Depreciable land improvements			--				--
Less accumulated depreciation			--				--
Total depreciable land improvements	--	--	--	--	--	--	--
Infrastructure			--				--
Less accumulated depreciation			--				--
Total infrastructure	--	--	--	--	--	--	--
Total other capital assets	1,972	--	1,972	(549)	--	--	1,423
Capital Asset Summary:							
Capital assets not being depreciated	--	--	--	--	--	--	--
Other capital assets, at cost	14,818	--	14,818	--	--	(2,598)	12,220
Total cost of capital assets	14,818	--	14,818	--	--	(2,598)	12,220
Less accumulated depreciation	(12,846)	--	(12,846)	(549)	--	2,598	(10,797)
Capital assets, net	1,972	--	1,972	(549)	--	--	1,423
* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.							

E. INVENTORIES – Not applicable.

F. RESTRICTED ASSETS – Not applicable.

STATE OF LOUISIANA
Louisiana Board of Chiropractic Examiners (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

G. LEAVE

1. COMPENSATED ABSENCES

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

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

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

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2004 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$7,704. The leave payable is recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

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

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members are required by state statute to contribute 7.5% of gross salary, and the (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2004, increased to 15.8% of annual covered payroll from the 14.1% and 13% required in fiscal years ended June 30, 2003 and 2002, respectively. The (BTA) contributions to the System for the years ending June 30, 2004, 2003, and 2002, were \$8,636, \$8,259, and \$6,891, respectively, equal to the required contributions for each year.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS – Not applicable.

STATE OF LOUISIANA
Louisiana Board of Chiropractic Examiners (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2003-04 amounted to \$25,200. A schedule of payments for operating leases follows:

Nature of lease	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010-2014	FY2015-2019
Office space	\$ 25,800	\$ 25,800	\$ 25,800	\$ 25,800	\$ 6,450	\$ -	\$ -
Total	\$ 25,800	\$ 25,800	\$ 25,800	\$ 25,800	\$ 6,450	\$ -	\$ -

- 2. CAPITAL LEASES – Not applicable.
- 3. LESSOR DIRECT FINANCING LEASES – Not applicable.
- 4. LESSOR – OPERATING LEASE – Not applicable.

K. LONG-TERM LIABILITIES

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

	Year ended June 30, 2004				Amounts due within one year
	Balance June 30, 2003	Additions	Reductions	Balance June 30, 2004	
Bonds and notes payable:					
Notes payable	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursement contracts payable				-	
Bonds payable				-	
Total notes and bonds	-	-	-	-	-
Other liabilities:					
Contracts payable				-	
Compensated absences payable	15,516	64		15,580	353
Capital lease obligations				-	
Liabilities payable from restricted assets				-	
Claims and litigation				-	
Other long-term liabilities				-	
Total other liabilities	15,516	64	-	15,580	353
Total long-term liabilities	15,516	64	-	15,580	353

STATE OF LOUISIANA
Louisiana Board of Chiropractic Examiners (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

- L. LITIGATION – Not applicable.
- M. RELATED PARTY TRANSACTIONS – Not applicable.
- N. ACCOUNTING CHANGES – Not applicable.
- O. IN-KIND CONTRIBUTIONS – Not applicable.
- P. DEFEASED ISSUES – Not applicable.
- Q. COOPERATIVE ENDEAVORS – Not applicable.
- R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) – Not applicable.
- S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS – Not applicable.
- T. SHORT-TERM DEBT – Not applicable.
- U. DISAGGREGATION OF RECEIVABLE BALANCES – Not applicable.
- V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2004 were as follows:

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
	\$ 2,230	\$ 3,535	\$ -	\$ -	\$ 5,765
					-
Total payables	\$ 2,230	\$ 3,535	\$ -	\$ -	\$ 5,765

- W. SUBSEQUENT EVENTS – Not applicable.
- X. SEGMENT INFORMATION – Not applicable.
- Y. DUE TO/DUE FROM AND TRANSFERS – Not applicable.
- Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS – Not applicable.
- AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS – Not applicable.

STATE OF LOUISIANA

(BTA)

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

NOT APPLICABLE

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

STATE OF LOUISIANA
 _____ (BTA)
SCHEDULE OF NOTES PAYABLE
 _____, 20____
 (Fiscal close)

NOT APPLICABLE

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

*Send copies of new amortization schedules

STATE OF LOUISIANA
(BTA)
SCHEDULE OF BONDS PAYABLE
_____ 20__
(Fiscal close)

NOT APPLICABLE

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

*Send copies of new amortization schedules

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

NOT APPLICABLE

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

STATE OF LOUISIANA
_____ (BTA)
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 20__

NOT APPLICABLE

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

STATE OF LOUISIANA
 _____ (BTA)
SCHEDULE OF NOTES PAYABLE AMORTIZATION
 For The Year Ended June 30, 20__

NOT APPLICABLE

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

STATE OF LOUISIANA
 _____ (BTA)
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 20__
NOT APPLICABLE

Fiscal Year
Ending:

Principal

Interest

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

(BTA)

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

NON-GAAP BASIS

JUNE 30, 2004

NON-GAAP BASIS

NOT APPLICABLE	Financial Statement	Adjustments	ISIS Appropriation Report-08/14/04	Revised Budget
Operating Revenues:				
Intergovernmental Revenues	\$		\$	\$
Sales of Commodities and Services				
Other				
Total Operating revenues	-		-	-
Operating Expenses:				
Personal services	\$		\$	\$
Travel				
Operating Services				
Supplies				
Professional services				
Capital outlay				
Interagency transfers				
Other charges				
Total Operating Expenses	-		-	-
Nonoperating Expenses:				
Use of Money and Property				
Gain (Loss) on Disposal of Fixed Assets				
Federal Grants				
Interest Expense				
Other				
Total Nonoperating Expenses	-		-	-
Capital Contributions				
Operating Transfers In				
Operating Transfers Out				
Change in Net Assets	\$		\$	\$

STATE OF LOUISIANA		
(BTA)		
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES		
BUDGETARY COMPARISON OF CURRENT APPROPRIATION		
NON-GAAP BASIS		
JUNE 30, 2004		
Not applicable.		
Budgeted Income (Loss)	\$	
Reconciling items:		
Cash carryover		
Depreciation		
Payroll accrual		
Compensated absences adjustment		
Capital outlay		
Change in inventory		
Bad debts expense		
Prepaid expenses		
Principal payment		
Loan Principal Repayments included in Revenue		
Loan Disbursements included in Expenses		
Accounts receivable adjustment		
Accounts payable/estimated liabilities adjustment		
Other		
Change in Net Assets	\$	-
Concluded		
Schedule 5		

STATE OF LOUISIANA

Louisiana Board of Chiropractic Examiners (BTA)

COMPARISON FIGURES

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

	<u>2004</u>	<u>2003</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 161064	\$ 160292	\$ 772	\$ 0.5%
Expenses	168408	154000	14408	9.4%
2) Capital assets	1423	1971	(548)	27.8%*
Long-term debt			-	
Net Assets	136077	143421	(7,344)	5.1%

Explanation for change: * Depreciation.

3)	<u>2004 Original Budget</u>	<u>2004 Final Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$ 163650	\$ 163650	\$ -	\$ -
Expenditures	164256	164256	-	-

Explanation of change:

	<u>2004 Final Budget</u>	<u>2004 Actual</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	163650	161064	2586	1.6%
Expenditures	164256	168408	(4152)	2.5%

Explanation of change:

Roy Chenevert

CERTIFIED PUBLIC ACCOUNTANT

12805 S. HARRELLS FERRY ROAD, SUITE 5
BATON ROUGE, LA 70816-2563

PHONE: (225) 292-1190
FAX: (225) 292-1195
EMAIL: ROYPC@BELLSOUTH.NET

MEMBER OF:

AMERICAN INSTITUTE OF CPAs
AICPA PRIVATE COMPANIES PRACTICE SECTION
SOCIETY OF LOUISIANA CPAs

To the Board Members of
Louisiana Board of Chiropractic Examiners

In planning and performing our audit of the financial statements of Louisiana Board of Chiropractic Examiners for the year ended June 30, 2004, we considered the board's internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, we became aware of the following matter that is an opportunity for strengthening internal controls and operating efficiency. This comment does not affect our report dated August 5, 2004, on the financial statements of the board.

Ethics Policy

We noted that the Board has not adopted a formal ethics policy. We recommend that a formal ethics policy be adopted, and that all Board members and employees review and certify annually their compliance with such policy. If Board members and employees are aware of the policy and review it annually, then the risk of unknowingly violating the policy would be reduced.

This report is intended solely for the information and use of the board and management of Louisiana Board of Chiropractic Examiners.

Roy Chenevert, CPA

Baton Rouge, Louisiana
August 5, 2004

**Management's Corrective Action Plan and
Response to the Finding and Recommendation**



State of Louisiana

BOARD OF CHIROPRACTIC EXAMINERS

8621 SUMMA AVENUE
BATON ROUGE, LOUISIANA 70809
Telephone: (225) 765-2322
Fax: (225) 765-2640
Email: lsbce@eatel.net
Website: www.lachiropracticboard.com

Mark B. Kruse, D.C.
President
4416 Trenton Street
Metairie, LA 70006

Kelly B. Faircloth, D.C.
Vice President
5501 Coliseum Boulevard
Alexandria, LA 71301

R. Buckley VanBremen, D.C.
Secretary-Treasurer
2107 S. Burnside Ave., Ste. 1
Gonzales, LA 70737

Dwayne L. Burch, D.C.
1959 Hwy. 3125, Ste. 3
Lutcher LA 70071

Patrick S. Clawson, D.C.
727 West Main Street
Homer, LA 71040

John L. Murphy, D.C.
1010 North Fourth Street
Monroe, LA 71201

Joseph A. Stagni, D.C.
3227 Williams Blvd.
Kenner, LA 70065

Patricia A. Oliver
Executive Director

August 25, 2004

Roy Chenevert, CPA
12605 S. Harrells Ferry Rd., Ste. 5
Baton Rouge, LA 70816-2563

ATTN: Margaret Franklin, CPA

RE: Auditor's Report/Comments

Dear Ms. Franklin:

I am in receipt today of your observation (dated 8/5/04) of the Board's lack of a formal ethics policy and further your recommendation of formulation of such a policy. I have briefly discussed this today with the Board's President, Dr. Mark Kruse. We appreciate your suggestion and will consider bringing this matter to the full Board at its next meeting, 9/16/04.

Currently, we follow the general ethics rules for all state employees and officials as handed down from the State's "Ethics Commission". A copy of the "Ethics" handbook is provided to each board member as a part of the "new board member orientation" packet I composed years ago. Further, the Ethics Commission releases a publication of opinions periodically of which I copy and provide to each Board member.

I'll be happy to discuss this in detail with you at your earliest convenience and look forward to seeing you in the near future.

Sincerely,

Patricia A. Oliver

cc: All Board Members