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

**Basic Financial Statements
and Independent Auditors' Reports
As of and for the Year Ended June 30, 2008
With Supplemental Information**

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

Release Date 12/31/08

LOUISIANA STATE BOARD OF DENTISTRY
365 CANAL STREET
NEW ORLEANS, LOUISIANA 70130-1112
(504) 568-8574

GOVERNING BOARD

As of June 30, 2008

Board Member

Dr. H. O. Blackwood, III
Dr. Pamela Daniel
Dr. Dennis E. Donald
Christine Guillaume, R.D.H.
Dr. Louis J. Joseph
Dr. Romell J. Madison
Dr. Charles T. McCabe, Jr.
Dr. Conrad P. McVea, Jr.
Dr. David L. Melancon
Dr. Samuel A. Trinca
Dr. Lynn Philippe
Dr. James A. Pearce
Dr. Sam S. Vinci
Dr. Aubrey Bauden
Dr. Wilton Guillory
Dr. Marija LaSalle
Dr. Vance L. Wascom

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(504) 568-8574

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

**Board Members of
Louisiana State Board of Dentistry
Department of Health and Hospitals
State of Louisiana
New Orleans, Louisiana**

We have audited the accompanying basic financial statements of the **Louisiana State Board of Dentistry**, a component unit of the State of Louisiana, as of and for the year ended June 30, 2008, as listed in the Table of Contents. These basic financial statements are the responsibility of **Louisiana State Board of Dentistry** management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

We were unable to satisfy ourselves regarding the amounts accrued relating the other post employment benefits (OPEB) liability accrual and the related expense. The amounts of Actuarial Accrued Liability and the Normal Cost were calculated by specialists employed by management of the State of Louisiana. We were unable to make appropriate tests of the data supplied to the specialists nor were we able to evaluate the nature, objectives, scope and methodology utilized by management's specialist in calculating the OPEB liability.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves regarding the appropriateness of the OPEB liability, the basic financial statements referred to above present fairly, in all material respects, the financial position of the **Louisiana State Board of Dentistry**, as of June 30, 2008, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying required supplementary information, which consists of the 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 the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplemental 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 1, 2008, on our consideration of the **Louisiana State Board of Dentistry's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the **Louisiana State Board of Dentistry's** basic financial statements. The accompanying supplementary information, such as the Division of Administration Reporting packet, as listed in the table of contents are presented for purpose of additional analysis and are not a required part of the basic financial statements of the **Louisiana State Board of Dentistry**. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Leroy J. Chustz
Certified Public Accountant, APAC
August 1, 2008

Beverly A. Ryall
Certified Public Accountant

Required Supplemental Information
Management's Discussion and Analysis

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF DENTISTRY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2008**

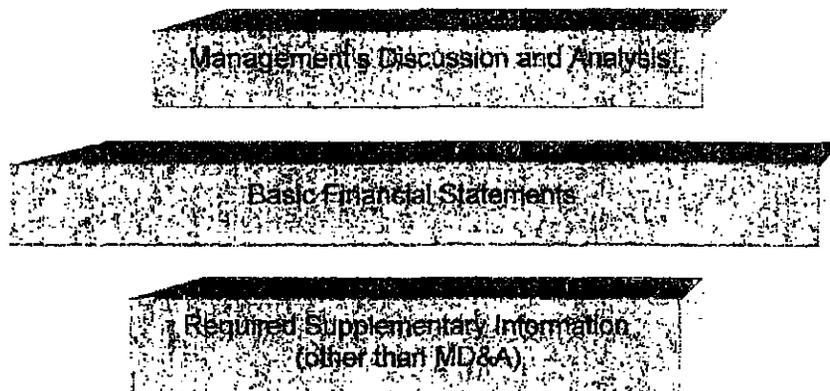
The Management's Discussion and Analysis of the Louisiana State Board of Dentistry's financial performance presents a narrative overview and analysis of the Louisiana State Board of Dentistry's financial activities for the year ended June 30, 2008. This document focuses on the current year's activities, 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 Louisiana State Board of Dentistry's financial statements, which begin with Statement A.

FINANCIAL HIGHLIGHTS

- ★ The Louisiana State Board of Dentistry's assets exceeded its liabilities at the close of fiscal year 2008 by \$37,607 which represents a 49.7% decrease from last fiscal year. The net assets decreased by \$37,108 (or 49.7%).
- ★ The Louisiana State Board of Dentistry's revenue increased \$23,237 (or 2.5%) and the net results from activities decreased by \$60,324 (or 1,400.0%).

OVERVIEW OF THE FINANCIAL STATEMENTS

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



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

Basic Financial Statements

The basic financial statements present information for the Louisiana State Board of Dentistry 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 Statement of Net Assets (Statement A) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Louisiana State Board of Dentistry is improving or deteriorating.

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF DENTISTRY
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF JUNE 30, 2008

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (Statement B) presents information showing how the Louisiana State Board of Dentistry'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 (Statement D) presents information showing how the Louisiana State Board of Dentistry's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

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 Louisiana State Board of Dentistry decreased by \$37,108, or 49.7%, from June 30, 2007 to June 30, 2008. One of the major causes of this decrease was the recognition of the annual required contribution for other postemployment benefits.

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF DENTISTRY
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF JUNE 30, 2008

		Total		
		2008	2007	
Operating revenues	\$	910	\$	810
Operating expenses		906		906
Operating income (loss)		4		4
(Non-operating revenues (expenses))		16		32
Income (loss) before transfers		20		36
Transfers in		0		0
Transfers out		0		0
Net increase (decrease) in net assets	\$	20	\$	36

The Louisiana State Board of Dentistry's total revenues increased by \$ 23,237 or 2.5%. The total cost of all programs and services increased by \$96,517, or 10.6%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2008, the Louisiana State Board of Dentistry had \$3,477 invested in capital assets. (See Table below.) This amount represents a net increase (including additions and deductions) of \$2,051, or 143.8%, over last year.

	2008	2007
Equipment	\$ 3	\$ 1
Totals	\$ 3	\$ 1

Two scanners with a total cost of \$2,668 were acquired during the year ended June 30, 2008.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF DENTISTRY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2008**

Debt

The Louisiana State Board of Dentistry's obligations include accrued vacation pay and sick leave in the amount of \$41,941, other postemployment benefits obligations of \$93,273, and long-term deferred revenues in the amount of \$177,287.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$145 thousand under budget, mainly due to recognition of renewal fees in the second year of the biennial renewal period. Expenditures were about \$47 thousand over budget, mainly due to the recognition of the annual contribution for other postemployment benefits.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Louisiana State Board of Dentistry's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees:

- Purchase of computer software
-
-

The Louisiana State Board of Dentistry expects that next year's results will improve based on the following:

- Renewal fees are being raised \$50 per year for dentists and \$25 per year for hygienists.
-
-

CONTACTING THE LOUISIANA STATE BOARD OF DENTISTRY'S 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 Dentistry's finances and to show the Louisiana State Board of Dentistry's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Barry Ogden at (504) 568-8574.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Proprietary Fund Financial Statements:
 - Enterprise funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

LOUISIANA STATE BOARD OF DENTISTRY
DEPARTMENT OF HEALTH AND HOSPITALS
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF NET ASSETS
JUNE 30, 2008

ASSETS

Current Assets

Cash and cash equivalents	\$ 835,081.50
Prepaid expenses	1,645.38
Total Current Assets	836,726.88

Noncurrent Assets

Equipment	52,630.00
Accumulated depreciation	(49,153.00)
Total noncurrent assets	3,477.00

TOTAL ASSETS	840,203.88
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LIABILITIES

Current Liabilities

Accounts payable	4,604.13
OPEB Payable	93,273.33
Deferred revenue	485,487.50
Total Current Liabilities	583,364.96

Noncurrent Liabilities

Deferred revenue	177,287.50
Compensated absences	41,941.26
Total Noncurrent Liabilities	219,228.76

TOTAL LIABILITIES	802,593.72
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NET ASSETS

Investment in capital assets	3,477.00
Unrestricted	34,133.16
TOTAL NET ASSETS	\$ 37,610.16

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF DENTISTRY
DEPARTMENT OF HEALTH AND HOSPITALS
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2008

OPERATING REVENUES:

Charges for services -	
Licenses, permits and fees	\$ 807,464.50
Sales of goods and services	36,500.00
Enforcement actions	97,639.66
Other revenues	5,161.52
Total Operating Revenues	946,765.68

OPERATING EXPENSES:

Administrative	609,961.84
Cost of sales and services	165,372.50
Depreciation	617.00
Professional services	226,826.18
Total Operating Expenses	1,002,777.52

Operating Income (Loss)	(56,011.84)
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NONOPERATING REVENUES:

Interest earnings	18,907.01
Total Nonoperating Revenues	18,907.01

<i>Increase (Decrease) in net assets</i>	(37,104.83)
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NET ASSETS AT JUNE 30, 2007	74,714.99
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NET ASSETS AT JUNE 30, 2008	\$ 37,610.16
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The accompanying notes are an integral part of this statement.

**LOUISIANA STATE BOARD OF DENTISTRY
DEPARTMENT OF HEALTH AND HOSPITALS
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008**

Cash flows from operating activities	
Cash received from customers	\$ 861,203.18
Cash payments to suppliers for goods and services	339,138.24
Cash payments to employees for services	376,103.54
Net cash provided (used) by operating activities	<u>145,961.40</u>
Cash flows from non-capital financing activities	
Net cash provided (used) by non-capital financing activities	<u>0.00</u>
Cash flows from capital and related financing activities	
Purchases of capital assets	<u>(2,668.00)</u>
Net cash provided (used) by capital and related financing activities	<u>(2,668.00)</u>
Cash flows from investing activities	
Interest earned	<u>18,907.01</u>
Net cash provided (used) by investing activities	<u>18,907.01</u>
Net increase (decrease) in cash and cash equivalents	<u>162,200.41</u>
Cash and cash equivalents at beginning of year	<u>672,881.09</u>
Cash and cash equivalents at the end of the year	<u><u>\$ 835,081.50</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (56,011.84)
Adjustments to reconcile operating income (loss) to net cash	
Depreciation	617.00
Changes in assets and liabilities:	
Change in prepaids	14,774.35
Change accounts payable	3,582.32
Change in deferred revenue	85,562.50
Change in compensated absences payable	4,163.74
Change in OPEB payable	93,273.33
Net cash provided (used) by operating activities	<u><u>\$ 145,961.40</u></u>

The accompanying notes are an integral part of this statement.

**LOUISIANA STATE BOARD OF DENTISTRY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.A. INTRODUCTION

The Louisiana State Board of Dentistry (the Board) is a state board and component unit of the State of Louisiana reporting entity. The board was created under the provisions of Louisiana Revised Statutes (R.S.) 37:751-795. The board, as provided by R.S. 36:259(E), is under the supervision and control of the Louisiana Department of Health and Hospitals. The board is composed of 14 members, 13 licensed and practicing dentists and one dental hygienist, appointed by the Governor; who serve terms of five years. The board has five employees. The board is charged with the responsibility of screening applicants, preparing and administering examinations, issuing licenses for dentists and dental hygienists, and investigating complaints in the field of dentistry. Operations of the board are funded with examination and license fees. As of June 30, 2008 there were 2454 dentists and 1921 hygienists licenced in the state.

The accounting and reporting framework and the more significant accounting principles and practices of the Board are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the Board's financial activities for the fiscal year ended June 30, 2008. The Board implemented new reporting model standards beginning July 1, 2001. Comparability with reports of all prior years will be affected.

1.B. FINANCIAL REPORTING ENTITY

GASB Statement No. 14, "The Financial Reporting Entity," has defined the governmental reporting entity to be the State of Louisiana. The Louisiana State Board of Dentistry is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members, and public service is rendered within the state's boundaries. The accompanying basic financial statements present information only as to the transactions of the Louisiana State Board of Dentistry, a component unit of the State of Louisiana.

Annually the State of Louisiana issues a basic financial statement which includes the activity contained in the accompanying financial statement. The basic financial statement is issued by the Louisiana Division of Administration-Office of Statewide Reporting and Accounting Policy and audited by the Louisiana Legislative Auditor.

1.C. BASIS OF PRESENTATION

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

LOUISIANA STATE BOARD OF DENTISTRY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

1.D. ASSETS, LIABILITIES AND NET ASSETS

Cash and Cash Equivalents, Investments

For the purpose of the Statement of Net Assets, and Statement of Cash Flows, cash and cash equivalents include all demand, savings accounts, and certificates of deposits of the Board with an original maturity of three months or less.

Investments are carried at fair value. Fair value is based on quoted market price.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Material receivables include accruals for licenses, trade shows, enforcement actions and interest which are accrued when earned.

Prepays

Prepays reflect payments to vendors that benefit future reporting periods and are also reported on the consumption basis.

Capital Assets and Depreciation

Proprietary fund fixed assets (tangible and intangible) are accounted for as capital assets. Capital assets purchased or acquired with an original cost or donated value of \$1,000 or more are recorded at historical cost, or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Revenues, Expenses, and Changes in Fund Net Assets, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

-	Computer Software	5	years
-	Improvements	10-50	years
-	Equipment	3-20	years

Compensated Absences

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

The liability for these compensated absences is recorded as long-term debt in the proprietary fund statements. The current portion of this debt can not be estimated and accordingly, it is reported as a noncurrent liability.

**LOUISIANA STATE BOARD OF DENTISTRY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

Equity Classifications

Equity is classified as net assets and may be displayed in three components:

- a. Investment in Capital Assets— Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Assets – All other net assets that do not meet the definition of “restricted” or “investment in capital assets.”

1.E. REVENUES AND EXPENSES

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

NOTE 2. - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a state agency, the Board is subject to various state laws and regulations. An analysis of the Board’s compliance with significant laws and regulations and demonstration of its stewardship over Board resources follows.

2.A. FUND ACCOUNTING REQUIREMENTS

The Board complies with all state laws and regulations requiring the use of separate funds. The Board has no legally required separate funds.

2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

In accordance with state law, all uninsured deposits of the Board in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Louisiana or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the Board must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note 3.A., all deposits were fully insured or collateralized.

Investments are limited by R.S. 49:327 and the Board’s investment policy.

**LOUISIANA STATE BOARD OF DENTISTRY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 3. - DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenses.

3.A. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana State Board of Dentistry may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Louisiana State Board of Dentistry may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts or federally or state chartered credit unions.

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

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

The deposits at June 30, 2008, consisted of the following:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Deposits in Bank Accounts Per Balance Sheet	\$ 834,882	-	\$ 834,882
Bank Balances of Deposits Exposed to Custodial Credit Risk	-		
a. Uninsured and uncollateralized	-	-	-
b. Uninsured and collateralized with securities held by the pledging institute	-	-	-
c. Uninsured and collateralized with securities held by the pledging institutions's trust department or agent but not in the entity's name	775,150	-	775,150
Total Bank Balances - All Deposits	<u>\$ 875,150</u>	<u>-</u>	<u>\$ 875,150</u>

Reconciliation to Statement of Net Assets:

Petty cash	\$ 200
Unrestricted cash	<u>834,882</u>
Total Cash	<u>\$ 835,082</u>

LOUISIANA STATE BOARD OF DENTISTRY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

3.B. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2008, was as follows:

	Balance at June 30, 2007	Additions	Disposals	Balance at June 30, 2008
Furniture and equipment	\$ 49,962	\$ 2,668	-	\$ 52,630
Accumulated depreciation	(48,536)	(617)	-	(49,153)
Total Furniture and equipment	<u>\$ 1,426</u>	<u>\$ 2,051</u>	<u>-</u>	<u>\$ 3,477</u>

3.C. ACCOUNTS PAYABLE

Payables are composed of payables to vendors in the amount of \$4,604.13.

3.D. LONG-TERM DEBT

As of June 30, 2008, the long-term debt of the Board consists of the following:

	Current Portion	Long-Term Portion	Totals
Deferred Revenue	\$ 485,487	\$ 177,287	\$ 662,774
Compensated Absences:			
Current portion (not determinable)			
Noncurrent portion	-	41,941	41,941
Total Long -Term Debt	<u>\$ 485,487</u>	<u>\$ 219,228</u>	<u>\$ 704,715</u>

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2008:

Type of Debt	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
Deferred Revenue	\$ 577,212	\$ 85,563	-	\$ 662,775
Accrued Compensated Absences	37,778	7,622	\$ (3,459)	41,941
Total Long -Term Debt	<u>\$ 614,990</u>	<u>\$ 93,185</u>	<u>\$ (3,459)</u>	<u>\$ 704,716</u>

LOUISIANA STATE BOARD OF DENTISTRY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 4. - OTHER NOTES

4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

Pension Plan

Substantially all of the employees of the Board are members of the Louisiana State Employees Retirement System ("System"), a cost sharing, multiple-employer, defined benefit public employee retirement system (PERS) controlled and administered by a separate board of trustees.

All full time employees are eligible to participate in the System. Benefits vest with ten years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 month average salary multiplied by their years of credited service.

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with thirty years of service, (b) age 55 with twenty-five years of service, and (c) at age sixty with ten years of service. In addition, vested employees have the option of reduced benefits at any age with twenty years of service. The System also provides death and disability benefits. Benefits are established by state statute. The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System; P. O. Box 44213; Baton Rouge, LA 70804 or by calling (800)256-3000.

Members are required by state statute to contribute at 7.5% of gross salary. The Board is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for fiscal year ended June 30, 2008 remained 20.4% of annual covered payroll from the 19.1% and 19.1% in fiscal years ended June 30, 2007 and 2006 respectively. The board contributions to the System for the year ending June 30, 2008, 2007 and 2006 are \$62,549, \$55,944, and \$48,749 respectively, equal to the required contributions for that year.

Post Employment Health Care and Life Insurance Benefits

Substantially all Board employees become eligible for post employment health care, dental, and life insurance benefits if they reach normal retirement age while working for the Board. These benefits for retirees and similar benefits for active employees are provided through the insurance company whose premiums are paid jointly by the employee and the Board. The Board recognizes the cost of providing these benefits as an expenditure when paid during the year. For the year ended June 30, 2008, there was no cost of providing these benefits since there were no retirees.

Deferred Compensation Plan

Certain employees of the Board participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana. The costs were \$5,000 and \$5,000 for the employer and employee respectively for 2008 and 2007.

4.B. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the Board's management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**LOUISIANA STATE BOARD OF DENTISTRY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

4.C. RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; employee health and life; and natural disasters. The Board manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk Retained</u>
Torts, errors and omissions	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None
Injuries to employees (Workers' compensation)	Participates in Louisiana Office of Risk Management public entity risk pool	None
Physical property loss and natural disasters	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None
Health and life	Participates in Louisiana Office of Group Benefits Plan	None

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Board. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Public Entity Risk Pool

The Board participates in the Louisiana State Office of Risk Management (public entity risk pool), which is responsible for negotiating, compromising and settling all claims including all tort claims against the Board.

4.D. COMMITMENTS AND CONTINGENCIES

Contingencies

Litigation

The State of Louisiana, Division of Administration, Office of Risk Management has not reported any cases pending.

4.E. OPERATING LEASE

The Board entered into a 10 year lease for office space at 365 Canal Street, Suite 2680, New Orleans, LA. The terms of the lease requires monthly payments ending in August, 2010. The current year expense is \$49,820.

Future minimum lease payments under capital lease are as follows:

Year Ending June 30	
2009	\$ 50,067
2010	8,345
Total minimum lease payments	<u>\$ 58,412</u>

**LOUISIANA STATE BOARD OF DENTISTRY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

4.F. COMPENSATION PAID TO BOARD MEMBERS

The schedule of per diem payments to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members are paid \$150 for each day and actual reimbursement for travel expense while they are engaged in the discharge of their duties. In addition, the president shall receive a salary in connection with his duties as set by the board, as authorized by R.S. 37:755.

Commissioner	No. of Days	Amount
H.O. Blackwood, III	3	\$ 1,350
Charles T. McCabe, Jr., D.M.D.	6	2,700
Christine M Guillaume	6	3,000
Vance L. Wascom	3	450
James Pearce**	11	7,650
Dennis E. Donald, D.D.S.	4	1,800
Conrad P. McVea, Jr.	4	1,500
Romell J. Madison	10	4,500
Samuel A. Trinca***	12	9,300
Sam S. Vinci	4	1,200
Pamela B. Daniel	5	1,350
Louis J. Joseph	3	1,050
Aubrey Baudean	2	300
Lynn Philippe	4	1,350
David Melancon	5	1,950
Wilton Guillory	1	150
Marija LaSalle	2	300
Total		<u>\$ 39,900</u>

**Board President from June to December 2007.

***Board President from January 2008 to June 2008.

Board President receives \$600.00 per month, plus reimbursement of \$150.00 per meeting day.

4.G POST EMPLOYMENT HEALTH CARE PLAN

The Board's defined benefit post employment healthcare plan, State of Louisiana, Office of Group Benefits, provides medical benefits to eligible retired employees and their beneficiaries. The Office of Group Benefits is a multiple employer health care plan administered by the State of Louisiana and has the authority to establish and amend the benefit provisions of the plan. The Office of Group Benefits issues a publicly available financial report which is available from the Office of the Legislative Auditor of the State of Louisiana.

The Board is required to report the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

For fiscal year 2008, the Board's annual OPEB cost (expense) of \$93,273.33 was equal to the ARC. The Board has not funded the plan and is being financed on a "pay as you go" basis. The Actuarial Accrued Liability is \$704,200.00 which is equal to the Unfunded Actuarial Liability.

LOUISIANA STATE BOARD OF DENTISTRY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Fiscal Year Ended	Annual OPEB Cost	Percent of Annual OPEB Cost Contribution	Net OPEB Obligation
June 30, 2006	N/A	N/A	N/A
June 30, 2007	N/A	N/A	N/A
June 30, 2008	\$ 93,273.33	0.00	\$ 93,273.33

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

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

LEROY J. CHUSTZ
CPA, APAC

P. O. Box 158
Denham Springs, LA 70727-0158
225/667-2700
Fax: 225/667-3553

BEVERLY A. RYALL
CPA

7426 President Drive
Baton Rouge, LA 70817
225/752-5147
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**Board Members of
Louisiana State Board of Dentistry
Department of Health and Hospitals
State of Louisiana
New Orleans, Louisiana**

We have audited the basic financial statements of the **Louisiana State Board of Dentistry**, a component unit of the State of Louisiana, as of and for the year ended June 30, 2008, and have issued our report thereon dated August 1, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the **Louisiana State Board of Dentistry's** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the **Louisiana State Board of Dentistry's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the **Louisiana State Board of Dentistry's** internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended for the information and use of the **Louisiana State Board of Dentistry** and its management, the Louisiana Legislative Auditor, the State of Louisiana and is not intended to be, and should not be used by anyone other than these specified parties. Under provisions of state law, this report is a public document, and it has been distributed to appropriate officials.

Leroy J. Chutz
Certified Public Accountant, APAC
August 1, 2008

Beverly A. Ryall
Certified Public Accountant

**LOUISIANA STATE BOARD OF DENTISTRY
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2008**

A. SUMMARY OF AUDIT RESULTS

1. **The auditors' report expresses a qualified opinion on the basic financial statements of Louisiana State Board of Dentistry.**
2. **No significant deficiencies were disclosed during the audit of the basic financial statements.**
3. **No instances of noncompliance were disclosed during the audit of the basic financial statements.**
4. **There were no significant deficiencies, no findings non compliance findings related to federal awards received by Louisiana State Board of Dentistry.**

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

NONE -

C. FINDINGS – Federal financial assistance

NONE -

**LOUISIANA STATE BOARD OF DENTISTRY
RESOLUTION OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2008**

A. SUMMARY OF PRIOR YEAR AUDIT RESULTS

1. **The auditors' report expresses an unqualified opinion on the basic financial statements of Louisiana State Board of Dentistry.**
2. **No significant deficiencies were disclosed during the audit of the basic financial statements.**
3. **No instances of noncompliance were disclosed during the audit of the basic financial statements.**
4. **There were no significant deficiencies, no findings non compliance findings related to federal awards received by Louisiana State Board of Dentistry.**

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

NONE -

C. FINDINGS -- Federal financial assistance

NONE -

To the Board of Commissioners of
Louisiana State Board of Dentistry

We have audited the financial statements of the business-type activities, of Louisiana State Board of Dentistry for the year ended June 30, 2008, and have issued our report thereon dated August 1, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated May 21, 2008, responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As a part of our audit, we considered the internal control of Louisiana State Board of Dentistry. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As a part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed test of Louisiana State Board of Dentistry's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our responsibility for other information in documents containing the entity's financial statements and report does not extend beyond the financial information identified in the report. We do not have an obligation to perform any procedures to corroborate other information contained in these documents, such as management's discussion and analysis and supplementary budgetary statements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our Entrance Memorandum about planning matter on May 20, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of my engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policy used by Louisiana State Board of Dentistry are described in Note 1 to the financial statements, no new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimated are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the depreciation expense and useful life of capital assets is based on policy guidelines. We evaluated the key factors and assumptions used to develop the capital asset policy in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of Other Post Employment Benefit expense and liability are particularly complex and market and time sensitive. The values presented are based on information provided by Office of Statewide Accounting and Reporting Policy. We were unable to perform adequate procedures on the work of the specialist to support an opinion on such data.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No adjustments were identified in the course of our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 1, 2008.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the government unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the government unit's auditors. However, these discussions occurred in the normal course of my professional relationship and my responses were not a condition to my retention.

This information is intended solely for the use of the members of the board and management of Louisiana State Board of Dentistry and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Leroy J. Chustz
Certified Public Accountant, APAC
August 1, 2008

Beverly A. Ryall
Certified Public Accountant

LOUISIANA STATE BOARD OF DENTISTRY
 ADDENDUM TO LETTER TO GOVERNANCE BODIES
 JUNE 30, 2008

	<u>Debit</u>	<u>Credit</u>
Journal Entries Made as a Result of the Audit:		
Employer contributions - LASERS	\$ 2,639.43	
Employee retirement		\$ 2,639.43
To accrue retirement on employee pay raise.		
Prepaid postage	1,645.38	
Postage expense		1,645.38
To record unsued postage at year end.		

Journal Entries Passed as a Result of the Audit:

\$
\$

SUPPLEMENTAL INFORMATION REQUIRED BY

**STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY**

The following pages contain a report on the Board's Annual Financial Report prepared in accordance with the requirements of the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy.

LOUISIANA STATE BOARD OF DENTISTRY
ANNUAL FISCAL REPORT
JUNE 30, 2008

SHARP & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL ACCOUNTING CORPORATION

2439 MANHATTAN BOULEVARD SUITE 205
HARVEY, LOUISIANA 70058
Telephone (504) 362-5340 Fax (504) 362-5843

ACCOUNTANT'S COMPILATION REPORT

To the Board Members
LOUISIANA STATE BOARD OF DENTISTRY
New Orleans, Louisiana

We have compiled the accompanying financial statements of the business-type activities of the LOUISIANA STATE BOARD OF DENTISTRY, component unit of the State of Louisiana – Department of Health and Hospitals, as of and for the year ended June 30, 2008, which collectively comprise the Board's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

We are not independent with respect to the Louisiana State Board of Dentistry.

SHARP & COMPANY, CPAs
A Professional Accounting Corporation

Harvey, Louisiana
September 8, 2008

LOUISIANA STATE BOARD OF DENTISTRY
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2008

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AFFIDAVIT

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MD&A

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Statement of Cash Flows	D

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- B. Budgetary Accounting
- C. Deposits with Financial Institutions and Investments
- D. Capital Assets – Including Capital Lease Assets
- E. Leave
- F. Retirement System
- G. Other Postemployment Benefits
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Schedules

- 1 Schedule of Per Diem Paid to Board Members
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STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2008

LOUISIANA STATE BOARD OF DENTISTRY
365 Canal Street, Suite 2680
New Orleans, LA 70130

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

Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority,
(Name) _____ (Title) of the Louisiana State Board of Dentistry who duly
sworn, deposes and says, that the financial statements herewith given present fairly the
financial position of the Louisiana State Board of Dentistry at June 30, 2008 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 _____, 20____.

Signature of Agency Official

NOTARY PUBLIC

Prepared by: _____

Title: _____

Telephone No.: _____

Date: _____

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2008

LOUISIANA STATE BOARD OF DENTISTRY
365 Canal Street, Suite 2680
New Orleans, LA 70130

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

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Baton Rouge, Louisiana 70802

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Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority,
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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 _____, 20____.

Signature of Agency Official

NOTARY PUBLIC

Prepared by: _____

Title: _____

Telephone No.: _____

Date: _____

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF DENTISTRY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2008

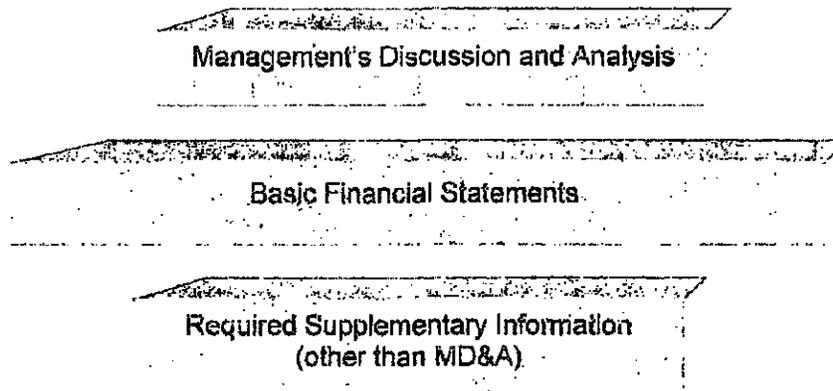
The Management's Discussion and Analysis of the Louisiana State Board of Dentistry's financial performance presents a narrative overview and analysis of the Louisiana State Board of Dentistry's financial activities for the year ended June 30, 2008. This document focuses on the current year's activities, 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 Louisiana State Board of Dentistry's financial statements, which begin with Statement A.

FINANCIAL HIGHLIGHTS

- ★ The Louisiana State Board of Dentistry's assets exceeded its liabilities at the close of fiscal year 2008 by \$37,607 which represents a 49.7% decrease from last fiscal year. The net assets decreased by \$37,108 (or 49.7%).
- ★ The Louisiana State Board of Dentistry's revenue increased \$23,237 (or 2.5%) and the net results from activities decreased by \$60,324 (or 1,400.0%).

OVERVIEW OF THE FINANCIAL STATEMENTS

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



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

Basic Financial Statements

The basic financial statements present information for the Louisiana State Board of Dentistry 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 Statement of Net Assets (Statement A) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Louisiana State Board of Dentistry is improving or deteriorating.

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF DENTISTRY
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF JUNE 30 2008

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (Statement B) presents information showing how the Louisiana State Board of Dentistry'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 (Statement D) presents information showing how the Louisiana State Board of Dentistry's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
 as of June 30 2008
 (in thousands)

	Total	
	2008	2007
Current and other assets	\$ 837	\$ 689
Capital assets	3	1
Total assets	<u>840</u>	<u>690</u>
Other liabilities	490	448
Long-term liabilities outstanding	313	168
Total liabilities	<u>803</u>	<u>616</u>
Net assets		
Invested in capital assets net of debt	3	1
Restricted	0	0
Unrestricted	<u>34</u>	<u>73</u>
Total net assets	<u>\$ 37</u>	<u>\$ 74</u>

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 Louisiana State Board of Dentistry decreased by \$37,108, or 49.7%, from June 30, 2007 to June 30, 2008. One of the major causes of this decrease was the recognition of the annual required contribution for other postemployment benefits.

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF DENTISTRY
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF JUNE 30 2008

Statement of Revenues Expenses and Changes in Fund Net Assets
 for the years ended June 30 2008
 (in thousands)

	Total	
	2008	2007
Operating revenues	\$ 947	\$ 910
Operating expenses	1003	906
Operating income(loss)	(56)	4
Non-operating revenues(expenses)	19	32
Income(loss) before transfers	(37)	36
Transfers in	0	0
Transfers out	0	0
Net increase(decrease) in net assets	\$ (37)	\$ 36

The Louisiana State Board of Dentistry's total revenues increased by \$ 23 237 or 2.5% / The total cost of all programs and services increased by \$96 517 or 10.6% /

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2008 the Louisiana State Board of Dentistry had \$3 477 invested in capital assets (See Table below) This amount represents a net increase (including additions and deductions) of \$2 051 or 143.8% / over last year

	2008	2007
Equipment	\$ 3	\$ 1
Totals	\$ 3	\$ 1

Two scanners with a total cost of \$2 668 were acquired during the year ended June 30 2008

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF DENTISTRY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2008**

Debt

The Louisiana State Board of Dentistry's obligations include accrued vacation pay and sick leave in the amount of \$41,941, other postemployment benefits obligations of \$93,273, and long-term deferred revenues in the amount of \$177,287.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$145 thousand under budget, mainly due to recognition of renewal fees in the second year of the biennial renewal period. Expenditures were about \$47 thousand over budget, mainly due to the recognition of the annual contribution for other postemployment benefits.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Louisiana State Board of Dentistry's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees:

- Purchase of computer software
-
-

The Louisiana State Board of Dentistry expects that next year's results will improve based on the following:

- Renewal fees are being raised \$50 per year for dentists and \$25 per year for hygienists.
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CONTACTING THE LOUISIANA STATE BOARD OF DENTISTRY'S 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 Dentistry's finances and to show the Louisiana State Board of Dentistry's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Barry Ogden at (504) 568-8574.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF DENTISTRY
BALANCE SHEET
AS OF JUNE 30, 2008**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$	<u>835,082</u>
Investments		
Receivables (net of allowance for doubtful accounts)(Note U)		
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		<u>1,642</u>
Notes receivable		
Other current assets		
Total current assets		<u>836,724</u>

NONCURRENT ASSETS:

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Investments		
Notes receivable		
Capital assets (net of depreciation)(Note D)		
Land		
Buildings and improvements		
Machinery and equipment		<u>3,477</u>
Infrastructure		
Construction in progress		
Other noncurrent assets		
Total noncurrent assets		<u>3,477</u>
Total assets	\$	<u>840,201</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	<u>966</u>
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		<u>485,488</u>
Employee retirement and deferred compensation payable		<u>3,639</u>
Other current liabilities		
Current portion of long-term liabilities: (Note K)		
Contracts payable		
Compensated absences payable		
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Bonds payable		
Other long-term liabilities		
Total current liabilities		<u>490,093</u>

NONCURRENT LIABILITIES: (Note K)

Contracts payable		
Compensated absences payable (Note E)		<u>41,941</u>
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Bonds payable		
Deferred revenues		<u>177,287</u>
OPEB payable		<u>93,273</u>
Other long-term liabilities		
Total noncurrent liabilities		<u>312,501</u>
Total liabilities		<u>802,594</u>

NET ASSETS

Invested in capital assets, net of related debt		<u>3,477</u>
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		<u>34,130</u>
Total net assets		<u>37,607</u>
Total liabilities and net assets	\$	<u>840,201</u>

Statement A - See Accountant's Compilation Report and Notes to Financial Statements.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF DENTISTRY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008**

OPERATING REVENUES	
Sales of commodities and services	\$ 36,500
Assessments	97,640
Use of money and property	
Licenses, permits, and fees	812,626
Other	
Total operating revenues	946,766
OPERATING EXPENSES	
Cost of sales and services	944,349
Administrative	57,815
Depreciation	617
Amortization	
Total operating expenses	1,002,781
Operating income(loss)	(56,015)
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	
Intergovernmental revenues(expenses)	
Taxes	
Use of money and property	
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	
Federal grants	
Interest expense	
Other revenue - Interest income	18,907
Other expense	
Total non-operating revenues(expenses)	18,907
Income(loss) before contributions, extraordinary items, & transfers	(37,108)
Capital contributions	
Extraordinary item - Loss on impairment of capital assets	
Transfers in	
Transfers out	
Change in net assets	(37,108)
Total net assets - beginning	74,715
Total net assets - ending	\$ 37,607

Statement B - See Accountant's Compilation Report and Notes to Financial Statements.

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF DENTISTRY
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2008

	<u>Program Revenues</u>			Net (Expense)	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Assets</u>
Entity	\$ 1,002,781	\$ 946,766	\$	\$	\$ (56,015)
General revenues:					
Taxes					<u> </u>
State appropriations					<u> </u>
Grants and contributions not restricted to specific programs					<u> </u>
Interest					<u> 18,907</u>
Miscellaneous					<u> </u>
Special items					<u> </u>
Extraordinary item - Loss on impairment of capital assets					<u> </u>
Transfers					<u> </u>
Total general revenues, special items, and transfers					<u> 18,907</u>
Change in net assets					<u> (37,108)</u>
Net assets - beginning					<u> 74,715</u>
Net assets - ending					<u>\$ 37,607</u>

Statement C – See Accountant’s Compilation Report and Notes to Financial Statements.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF DENTISTRY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008**

Cash flows from operating activities		
Cash received from customers	\$	1,002,329
Cash payments to suppliers for goods and services		<u>(380,627)</u>
Cash payments to employees for services		<u>(475,740)</u>
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		<u>145,962</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		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing activities		<u>-</u>
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		<u>(2,668)</u>
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		<u>(2,668)</u>
Cash flows from investing activities		
Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities		<u>18,907</u>
Net cash provided(used) by investing activities		<u>18,907</u>
Net increase(decrease) in cash and cash equivalents		<u>162,201</u>
Cash and cash equivalents at beginning of year		<u>672,881</u>
Cash and cash equivalents at end of year	\$	<u><u>835,082</u></u>

Statement D - See Accountant's Compilation Report and Notes to Financial Statements.
(Continued)

**STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF DENTISTRY
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2008**

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

Operating income(loss)		\$ <u>(56,015)</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	<u>617</u>	
Provision for uncollectible accounts	<u> </u>	
Other	<u> </u>	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	<u> </u>	
(Increase)decrease in due from other funds	<u> </u>	
(Increase)decrease in prepayments	<u>14,778</u>	
(Increase)decrease in inventories	<u> </u>	
(Increase)decrease in other assets	<u> </u>	
Increase(decrease) in accounts payable and accruals	<u>(56)</u>	
Increase(decrease) in compensated absences payable	<u>4,163</u>	
Increase(decrease) in due to other funds	<u> </u>	
Increase(decrease) in deferred revenues	<u>85,563</u>	
Increase(decrease) in OPEB payable	<u>93,273</u>	
Increase(decrease) in other liabilities	<u>3,639</u>	
 Net cash provided(used) by operating activities		 \$ <u><u>145,962</u></u>

Schedule of noncash investing, capital, and financing activities:

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

Statement D (concluded) - See Accountant's Compilation Report and Notes to Financial Statements.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF DENTISTRY
Notes to the Financial Statement
As of and for the year ended June 30, 2008**

INTRODUCTION

The Louisiana State Board of Dentistry (the Board) is a component unit of the State of Louisiana – Department of Health and Hospitals and was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute (LSA-R.S.) 37:751-795. The following is a brief description of the operations of the Board which includes the parish/parishes in which the Board is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires the Board's management to make estimates and assumptions that affect certain reported amounts and disclosures. Significant estimates used in preparing these financial statements include those used in depreciating the Board's capital assets, and the obligation for other postemployment benefits, which was provided by the State of Louisiana Office of Statewide Reporting and Accounting Policy. It is at least reasonably possible that the estimates used will change within the next year.

**STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF DENTISTRY
 Notes to the Financial Statement
 As of and for the year ended June 30, 2008**

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Board 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 Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>955,723</u>
Amendments:	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 2px;"/> <hr style="border: 0; border-top: 1px solid black; margin-bottom: 2px;"/> <hr style="border: 0; border-top: 1px solid black; margin-bottom: 2px;"/> <hr style="border: 0; border-top: 1px solid black; margin-bottom: 2px;"/>
Final approved budget	\$ <u><u>955,723</u></u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

DEPOSITS WITH FINANCIAL INSTITUTIONS

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

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) 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.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF DENTISTRY
Notes to the Financial Statement
As of and for the year ended June 30, 2008**

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by the three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and 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, 2008, consisted of the following:

	<u>Cash</u>	<u>Nonnegotiable Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Balance per agency books	\$ 834,882	\$ _____	\$ _____	\$ 834,882.00
Deposits in bank accounts per bank	\$ 875,150	\$ _____	\$ _____	\$ 875,150.00
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	\$ _____	\$ _____	\$ _____	\$ -
b. Deposits not insured and collateralized with securities held by the pledging institution.	\$ _____	\$ _____	\$ _____	\$ -
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or agency <u>but not in the entity's name.</u>	\$ 775,150	\$ _____	\$ _____	\$ 775,150.00

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Balance per agency books" due to outstanding items.

The following is a breakdown by banking institution, program, account number, and amount of the "Deposits in bank accounts per bank" balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. <u>Capital One Bank - #812511920</u>	<u>Operating</u>	\$ 45,000
2. <u>Capital One Bank - #812511939</u>	<u>Investment</u>	830,150
3. _____	_____	_____
4. _____	_____	_____
Total		\$ 875,150

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	\$ 200

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF DENTISTRY
Notes to the Financial Statement
As of and for the year ended June 30, 2008**

D. CAPITAL ASSETS -- INCLUDING CAPITAL LEASE ASSETS

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

	Year ended June 30, 2008						
	Balance 6/30/2007	Prior Period Adjustment	Adjusted Balance 6/30/2007	Additions	Transfers*	Retirements	Balance 6/30/2008
Capital assets not being depreciated							
Land	\$	\$	\$	--	\$	\$	\$
Non-depreciable land improvements				--			--
Capitalized collections				--			--
Construction in progress				--			--
Total capital assets not being depreciated	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other capital assets							
Machinery and equipment	49,962		49,962	2,668			52,630
Less accumulated depreciation	(48,536)		(48,536)	(617)			(49,153)
Total Machinery and equipment	<u>1,426</u>	<u>--</u>	<u>1,426</u>	<u>2,051</u>	<u>--</u>	<u>--</u>	<u>3,477</u>
Buildings and improvements			--				--
Less accumulated depreciation			--				--
Total buildings and improvements	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Depreciable land improvements			--				--
Less accumulated depreciation			--				--
Total depreciable land improvements	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Infrastructure			--				--
Less accumulated depreciation			--				--
Total infrastructure	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total other capital assets	<u>1,426</u>	<u>--</u>	<u>1,426</u>	<u>2,051</u>	<u>--</u>	<u>--</u>	<u>3,477</u>
Capital Asset Summary:							
Capital assets not being depreciated	--	--	--	--	--	--	--
Other capital assets, at cost	49,962	--	49,962	2,668	--	--	52,630
Total cost of capital assets	<u>49,962</u>	<u>--</u>	<u>49,962</u>	<u>2,668</u>	<u>--</u>	<u>--</u>	<u>52,630</u>
Less accumulated depreciation	(48,536)	--	(48,536)	(617)	--	--	(49,153)
Capital assets, net	<u>\$ 1,426</u>	<u>\$ --</u>	<u>\$ 1,426</u>	<u>\$ 2,051</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3,477</u>

* 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. LEAVE

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF DENTISTRY
Notes to the Financial Statement
As of and for the year ended June 30, 2008**

COMPENSATED ABSENCES

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

Employees earn and accumulate annual and sick leave at various rates established by the Louisiana Department of Civil Service. Annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for all accumulated annual leave up to 300 hours at the employee's hourly rate of pay at the time of termination. Upon retirement, any uncompensated annual leave at the employee's option plus unused sick leave is used to compute retirement benefits.

The cost of compensated absences, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the financial statements when earned. At June 30, 2008, employees of the Board had accumulated and vested \$41,941 of employee leave benefits. The cost of compensated absences applicable to the operations not requiring current resources is recorded as long-term obligations. No liability has been recorded for accumulated vacation time in excess of 300 hours or for accumulated sick leave which, upon retirement, are used to compute retirement benefits.

F. RETIREMENT SYSTEM

Substantially all of the employees of the Board are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Board employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, 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 except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, 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, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2007 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:
http://www.lasers.state.la.us/PDFs/Publications_and_Reports/Fiscal_Documents/Comprehensive_Financial_Reports/Comprehensive%20Financial%20Reports_07.pdf

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF DENTISTRY
Notes to the Financial Statement
As of and for the year ended June 30, 2008**

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the Board is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2008, was 20% of annual covered payroll, similar to the 18% and 19% required in fiscal years ended June 30, 2007 and 2006 respectively. The Board contributions to the System for the years ending June 30, 2008, 2007, and 2006, were \$65,189, \$55,944, and \$48,749, respectively, equal to the required contributions for each year.

G. OTHER POSTEMPLOYMENT BENEFITS

CONTINUING HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all Board employees become eligible for post employment health care and life insurance benefits if they reach normal retirement age while working for the Board. These benefits for retirees and similar benefits for active employees are provided through an agent multiple employer plan administered by the Louisiana Office of Group Benefits, and premiums are paid jointly by the employee and the Board.

The Board is required to contribute the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The OPEB obligation of \$93,273 at June 30, 2008, was determined using estimates prepared by an actuary employed by management of the State of Louisiana. In performing an audit of these financial statements, the independent auditor did not have access to the data supplied to the actuary, nor was he able to evaluate the nature, objectives, scope, and methodology utilized by the actuary. The auditor issued a qualified audit report based on a scope limitation preventing him from performing audit procedures on this liability.

DEFERRED COMPENSATION PLAN

Certain employees of the Board participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana. The costs for the employer were \$5,000 and \$5,000 for 2008 and 2007, respectively.

H. LEASES

OPERATING LEASES

The total payments for operating leases during fiscal year ended June 30, 2008 amounted to \$49,820. A schedule of payments for operating leases follows:

<u>Nature of lease</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014- 2018</u>	<u>FY 2019- 2023</u>
Office Space	\$ 50,067	\$ 8,345	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment							
Land							
Other							
Total	\$ 50,067	\$ 8,345	\$ -	\$ -	\$ -	\$ -	\$ -

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF DENTISTRY
Notes to the Financial Statement
As of and for the year ended June 30, 2008**

I. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2008:

	Balance June 30, 2007	Year ended June 30, 2008		Balance June 30, 2008	Amounts due within one year
		Additions	Reductions		
Notes and bonds payable:					
Notes payable	\$ --	\$ --	\$ --	\$ --	\$ --
Bonds payable					
Total notes and bonds	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other liabilities:					
Contracts payable					
Compensated absences payable	37,778	7,623	3,460	41,941	
Capital lease obligations					
Claims and litigation					
OPEB payable		93,273		93,273	
Deferred revenues	130,200	177,287	130,200	177,287	
Other long-term liabilities					
Total other liabilities	<u>167,978</u>	<u>278,183</u>	<u>133,660</u>	<u>312,501</u>	<u>--</u>
Total long-term liabilities	<u>\$ 167,978</u>	<u>\$ 278,183</u>	<u>\$ 133,660</u>	<u>\$ 312,501</u>	<u>\$ --</u>

J. LITIGATION

The Board participates in the Louisiana State Office of Risk Management (public entity risk pool), which is responsible for negotiating, compromising, and settling all claims including all tort claims against the Board. The Board's legal advisor estimates that potential claims not covered by insurance would not affect the financial statements. For the year ended June 30, 2008, there were no contingent liabilities included in the financial statements.

Claims and litigation costs of \$74,250 were incurred in the current year and are reflected in the accompanying financial statement. These costs resulted from lawsuits and investigations against dentists.

K. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2008, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Operating	\$ 966	\$ 3,639	\$ --	\$ --	\$ 4,605
Total payables	<u>\$ 966</u>	<u>\$ 3,639</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,605</u>

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF DENTISTRY
 SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
 For the Year Ended June 30, 2008

<u>Name</u>	<u>Amount</u>
Aubrey Baudean	\$ 300
H. O. Blackwood, III	1,350
Pamela B. Daniel	1,350
Dennis E. Donald	1,800
Christine M. Guillaume	3,000
Wilton Gullory	150
Louis J. Joseph	1,050
Marija LaSalle	300
Romell J. Madison	4,500
Charles T. McCabe, Jr.	2,700
Conrad P. McVea, Jr.	1,500
David L. Melancon	1,950
James A. Pierce	7,650
Lynn Philippe	1,350
Samuel A. Trinca	9,300
Sam S. Vinci	1,200
Vance L. Wascom	450
	\$ <u>39,900</u>

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

SCHEDULE 1

See Accountant's Compilation Report

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF DENTISTRY
COMPARISON FIGURES

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

	<u>2008</u>	<u>2007</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 965,673	\$ 942,436	\$ 23,237	\$ 2.5%
Expenses	1,002,781	906,264	96,517	10.6%
2) Capital assets	3,477	1,426	2,051	143.8%
Long-term debt	312,501	167,978	144,523	86.0%
Net Assets	37,607	74,715	(37,108)	(49.7%)

Explanation for change: _____

SCHEDULE 2

See Accountant's Compilation Report