

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana Board of Examiners of
Nursing Facility Administrators
Department of Health and Hospitals
State of Louisiana
Baton Rouge, Louisiana

August 27, 2003



Financial and Compliance Audit Division

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Albert J. Robinson, Jr., CPA

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**LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**
Baton Rouge, Louisiana

Basic Financial Statements and
Independent Auditor's Reports
As of June 30, 2003, and for the
Years Ended June 30, 2003 and 2002
With Supplemental Financial Information

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor.

August 27, 2003

**LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

Basic Financial Statements and
Independent Auditor's Reports
As of June 30, 2003, and for the
Years Ended June 30, 2003 and 2002
With Supplemental Financial Information

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August 19, 2003

Independent Auditor's Report
on the Financial Statements

**LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**
Baton Rouge, Louisiana

We have audited the accompanying basic financial statements of the Louisiana Board of Examiners of Nursing Facility Administrators, a component unit of the State of Louisiana, as of June 30, 2003, and for the years ended June 30, 2003 and 2002. These financial statements are the responsibility of management of the Louisiana Board of Examiners of Nursing Facility Administrators. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Board of Examiners of Nursing Facility Administrators as of June 30, 2003, and its changes in financial position and its cash flows for the years ended June 30, 2003 and 2002, in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 1-A to the financial statements, the Louisiana Board of Examiners of Nursing Facility Administrators adopted the provisions of the Governmental Accounting Standards Board Statement Number 34, *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments*, as of July 1, 2001. This results in a change in format and content of the basic financial statements.

As discussed in note 4, the board changed its capitalization policy during fiscal year ended June 30, 2002.

LEGISLATIVE AUDITOR

**LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

Audit Report, June 30, 2003

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2003, on our consideration of the Louisiana Board of Examiners of Nursing Facility Administrators' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the Louisiana Board of Examiners of Nursing Facility Administrators' basic financial statements. The accompanying supplemental information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the Louisiana Board of Examiners of Nursing Facility Administrators. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. However, this information is not included in the financial statements for fiscal years ended June 30, 2003 or 2002.

Respectfully submitted,



Grover C. Austin, CPA
First Assistant Legislative Auditor

JGG:EFS:PEP:ss

[BENFA03]

**LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

Statement of Net Assets, June 30, 2003

ASSETS

Current assets:

Cash (note 2)	\$206,185
Accounts receivable - license and fees (note 3)	38,640
Due from the Department of Health and Hospitals (note 12)	9,678
Prepayments - rent and insurance	<u>4,885</u>

Total assets	<u>259,388</u>
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LIABILITIES

Current liabilities:

Accounts payable	4,553
Payroll deductions and withholdings payable	<u>4,961</u>
Total current liabilities	<u>9,514</u>

Noncurrent liabilities - compensated absences payable (note 9)	<u>18,119</u>
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Total liabilities	<u>27,633</u>
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NET ASSETS - Unrestricted	<u><u>\$231,755</u></u>
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The accompanying notes are an integral part of this statement.

**LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Statement of Revenues, Expenses,
and Changes in Fund Net Assets
For the Years Ended June 30, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
Operating Revenues		
Licenses and fees	\$212,908	\$211,208
Nurse aide certification cards	44,005	36,269
Interagency agreement (note 12)	76,938	107,726
Total operating revenue	<u>333,851</u>	<u>355,203</u>
Operating Expenses		
Personal services and related benefits	194,888	173,921
Operating services	103,177	136,614
Materials and supplies	25,318	24,444
Travel	6,964	6,101
Other		2,721
Total operating expenses	<u>330,347</u>	<u>343,801</u>
Operating income	3,504	11,402
Nonoperating revenues		
Interest income	<u>1,705</u>	<u>2,472</u>
Change in net assets	5,209	13,874
TOTAL NET ASSETS AT BEGINNING OF YEAR - AS RESTATED (note 10)	<u>226,546</u>	<u>212,672</u>
TOTAL NET ASSETS AT END OF YEAR	<u><u>\$231,755</u></u>	<u><u>\$226,546</u></u>

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

**LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Statement of Cash Flows
For the Years Ended June 30, 2003 and 2002**

	June 30, 2003	June 30, 2002
Cash flows from operating activities:		
Cash received from customers	\$363,955	\$377,520
Cash paid to suppliers for goods and services	(183,956)	(195,027)
Cash payments to employees for services	(149,813)	(156,694)
Net cash provided by operating activities	<u>30,186</u>	<u>25,799</u>
Cash flows from investing activities:		
Interest received	<u>1,705</u>	<u>2,472</u>
Net increase in cash	31,891	28,271
Cash at beginning of year	<u>174,294</u>	<u>146,023</u>
Cash at end of year	<u>\$206,185</u>	<u>\$174,294</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$3,504	\$11,402
Changes in assets and liabilities:		
(Increase) in accounts receivable	(2,960)	(5,540)
Decrease in due from others	31,057	27,857
Decrease in accounts payable	(1,608)	(6,566)
Increase (decrease) in accrued payroll	<u>193</u>	<u>(1,354)</u>
Net cash provided by operating activities	<u>\$30,186</u>	<u>\$25,799</u>

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

**LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

Notes to the Financial Statements
As of and for the Years Ended
June 30, 2003 and 2002

INTRODUCTION

The Louisiana Board of Examiners of Nursing Facility Administrators is a component unit of the State of Louisiana created within the Louisiana Department of Health and Hospitals (DHH), as provided by Louisiana Revised Statute 36:803. The board is statutorily composed of 13 members, ten of whom shall be ex-officio members from various health care agencies and three of whom shall be appointed by the governor and serve three-year terms each. Currently, there are nine board members. The board is responsible for developing, imposing, and enforcing standards for nursing facility administrators, issuing licenses, investigating complaints, and developing and maintaining a federally mandated Certified Nurse Aide Registry. The board issues Nurse Aide Certification cards on a biannual basis for a \$10 fee. Operations of the board are funded with self-generated fees and reimbursements through an interagency agreement with DHH. As of June 30, 2003, there are 669 licensed administrators in the state. The board has five employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB. The commission applies all GASB pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

These financial statements include the implementation of GASB Statement Number 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* and related standards. This new standard provides for significant changes in terminology, recognition of contributions in the Statement of Revenues, Expenses, and Changes in Fund Net Assets, inclusion of a management discussion and analysis as required supplementary information, and other changes.

**LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

Notes to Financial Statements (Continued)

B. REPORTING ENTITY

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The board is considered a component unit of the State of Louisiana because the board is not legally separate and the state holds the board's corporate powers. The accompanying financial statements present only the activity of the Louisiana Board of Examiners of Nursing Facility Administrators. Annually, the State of Louisiana issues basic financial statements that include the activity contained in the accompanying financial statements.

C. FUND ACCOUNTING

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

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The transactions of the board are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with operations are included on the Statement of Net Assets.

Revenues are recognized in the accounting period when they are earned and expenses are recognized when the related liability is incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and/or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The nursing facility administrator licenses, nurse aide certification cards, and interagency revenue received from DHH for operating the nurse registry are operating revenues. The interest earnings the board receives are nonoperating revenues. All expenses are operating expenses.

**LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

E. BUDGET PRACTICES

Annually, the board is required to submit a proposed budget to the Joint Legislative Committee on the Budget in accordance with R.S. 39:1335. The budget for the fiscal year ended June 30, 2002, was adopted on March 13, 2001, and the budget for the fiscal year June 30, 2003, was adopted on December 4, 2001. Budgets are prepared and reported on a modified accrual basis of accounting. The budget was adopted on a functional basis. The board does not recognize or record encumbrances as a part of its budgetary practices.

F. CASH

Cash is held in interest-bearing demand deposits. Under state law, the board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the board may invest in time certificates of deposit of state banks organized under the laws of the State of Louisiana, national banks having their principal offices in Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state-chartered credit unions.

G. PREPAID ITEMS

The board establishes prepaid expenses for lease and insurance payments. Payments made for such items that will benefit periods beyond June 30, 2003, are recorded as prepaid items.

**H. CAPITAL ASSETS AND
LONG-TERM OBLIGATIONS**

At June 30, 2003, the board has no capital assets. Equipment is valued at historical cost. Equipment would include all items valued at or above \$5,000. Depreciation of all exhaustible capital assets of the board would be charged as an expense against operations.

Long-term obligations at June 30, 2003, include only compensated absences. A summary of changes in long-term obligations is presented in note 9.

I. EMPLOYEE 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

**LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

hourly rate of pay at the time of termination. The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expense. The cost of leave not requiring current resources is recorded as a long-term obligation.

J. NET ASSETS

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

Invested in capital assets, net of related debt - consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction or improvement of those assets

Restricted - consists of external constraints placed on net asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

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

K. ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

At June 30, 2003, the board has cash (book balances) totaling \$206,185 in interest-bearing demand deposits. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or 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. At June 30, 2003, the board has \$207,907 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance (GASB Category 1).

3. RECEIVABLES

At June 30, 2003, the board has receivable balances relating to licenses and fees totaling \$38,640. The board has not established an allowance for doubtful accounts.

**LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**
Notes to the Financial Statements (Continued)

4. CAPITAL ASSETS

A summary of changes in capital assets follows:

	<u>Equipment</u>
Balance, July 1, 2001	\$66,487
Adjustment for Capitalization Policy	<u>(66,487)</u>
Restated Balance at July 1, 2001	<u>NONE</u>
Balance, June 30, 2002	<u>NONE</u>
Balance, July 1, 2002	<u>NONE</u>
Balance, June 30, 2003	<u>NONE</u>

The board followed the Louisiana Property Assistance Agency (LPAA) policy for capitalizing and reporting equipment. The LPAA's dollar threshold for capitalizing equipment is \$1,000. However, according to the Office of Statewide Reporting and Accounting Policy's instructions, only equipment valued at or over \$5,000 is capitalized and depreciated for financial statement purposes. Therefore, the restatement reflects the impact of the changes in this capitalization policy.

5. PENSION PLAN

Substantially all employees of the board are members of the Louisiana State Employees Retirement System (LASERS), a cost-sharing, multiple employer defined benefit pension plan. LASERS 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. LASERS provides retirement, disability, and survivors' benefits to plan members and beneficiaries. Benefits granted by the retirement system are guaranteed by the State of Louisiana by provisions of the Louisiana Constitution of 1974.

Generally, all full-time employees are eligible to participate in LASERS, with employee benefits vesting after 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service. Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. Article 10, Section 29 of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. LASERS issues an annual publicly available financial report that includes financial statements

**LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

and required supplementary information for the system. The 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) 922-0600.

The contribution requirements of plan members and the board are established and may be amended by the state legislature. The legislature annually sets the required employer contribution rate equal to the actuarially required employer contribution as set forth in R. S. 11:102. Employees contribute 7.5% of covered salaries. The board's contribution rate for the fiscal years ended June 30, 2003, 2002, and 2001 were 14.1%, 13%, and 13%, respectively. The board's contributions to the system for the years ended June 30, 2003, 2002, and 2001 were \$19,726, \$13,682, and \$12,791, respectively.

**6. POSTRETIREMENT HEALTH CARE
AND LIFE INSURANCE BENEFITS**

The board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the board's employees become eligible for these 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 state's insurance program whose monthly premiums are paid jointly by the employee and the board. The board's costs of providing retiree health care and life insurance benefits are recognized as expenditures when the liability has been incurred. There were no costs paid for postretirement health care or life insurance benefits for the years ended June 30, 2003 and 2002.

7. OPERATING LEASE

The board has operating leases for office space and equipment. Total payments for operating leases during fiscal year ended June 30, 2003, amounted to \$41,327. The following is a summary of future annual operating lease payments as of June 30, 2003:

<u>Fiscal Year</u>	<u>Office Space</u>	<u>Equipment</u>
2003-2004	\$12,608	\$4,078
2004-2005		4,078
Future annual lease payments	<u>\$12,608</u>	<u>\$8,156</u>

**LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

8. CAPITAL LEASE

The board had capital lease agreements for the purchases of equipment. During fiscal year 2003, final payments were made on the agreements.

9. LONG-TERM OBLIGATIONS

Long-term obligations at June 30, 2003, consist entirely of compensated absences. The following is a summary of the long-term obligations transactions:

Long-term obligations at July 1, 2001	\$17,803
Additions	2,267
Deletions	<u>(2,485)</u>
Long-term obligations payable at June 30, 2002	<u>\$17,585</u>
Long-term obligations at July 1, 2002	\$17,585
Additions	2,444
Deletions	<u>(1,910)</u>
Long-term obligations payable at June 30, 2003	<u>\$18,119</u>

10. PRIOR-YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for June 30, 2001:

Net assets, June 30, 2001	\$213,883
Adjustments:	
Prior year accounts receivable	5,155
Prior year accounts payable	(86)
Change in Accounting Principle - Capitalization Policy	(6,671)
Prior year compensated absences	(17,803)
Misclassification of prior year revenue	<u>18,194</u>
Net assets, June 30, 2001, as restated	<u>\$212,672</u>

**LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

Notes to the Financial Statements (Concluded)

11. RISK MANAGEMENT

Losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund operated by the Office of Risk Management, the agency responsible for the state's risk management program, or by General Fund appropriation.

There is no pending litigation or claims against the board at June 30, 2003, which if asserted, in the opinion of the board's legal advisors, would have at least a reasonable probability of an unfavorable outcome or for which resolution would materially affect the financial statements.

12. INTERAGENCY AGREEMENT

The board entered into an interagency agreement with the Department of Health and Hospitals (DHH) to provide reimbursement of costs for the maintenance of a Certified Nurse Aide Registry in accordance with Public Law 100-203. The board's reimbursements from DHH for the years ending June 30, 2003 and 2002, were \$76,938 and \$107,726, respectively. The board has a receivable due from DHH of \$9,678 at June 30, 2003.

**LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
OTHER SUPPLEMENTAL INFORMATION**

PER DIEM PAID BOARD MEMBERS

The schedule of per diem paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members are paid a per diem of \$75 for each board meeting they attend and for attending to duties assigned by the board, as authorized by Louisiana Revised Statute 37:2503.

**ANNUAL FISCAL REPORT TO THE OFFICE OF THE GOVERNOR,
DIVISION OF ADMINISTRATION,
OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY**

The annual fiscal report presents the financial position of the Louisiana Board of Examiners of Nursing Facility Administrators as of June 30, 2003, and the results of its operations for the year then ended. This report contains information in the format requested by the Office of Statewide Reporting and Accounting Policy for consolidation into the Louisiana Comprehensive Annual Financial Report.

**LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**Schedule of Per Diem Paid Board Members
For the Years Ended June 30, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
A. A. Kelley, Jr.	\$2,475	\$1,950
Mark Cartwright	300	150
Robert Rimes	525	225
Harold Gamburg	1,350	600
John Matessino	975	750
Joseph Hamrick	1,875	375
Elizabeth Humphrey	300	75
Ed Smith	525	150
Henry Burch		150
Martin Stott	<u>300</u>	
Total	<u><u>\$8,625</u></u>	<u><u>\$4,425</u></u>

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2003

BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS

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

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

AFFIDAVIT

Personally came and appeared before the undersigned authority, Kemp Wright, Executive Director of Board of Examiners of Nursing Facility Administrators who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Board of Examiners of Nursing Facility Administrators at June 30, 2003 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 26th day of August, 2003



Signature of Agency Official



NOTARY PUBLIC

Prepared by: Ralph W Theriot

Title: CPA

Telephone No.: 225-926-4844

Date: July 7, 2003

**STATE OF LOUISIANA
 BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
 BALANCE SHEET
 AS OF JUNE 30, 2003**

ASSETS

CURRENT ASSETS

Cash and cash equivalents (Note C1)	\$	<u>206,185</u>
Investments (Note C2)		
Receivables (net of allowance for doubtful accounts)(Note U)		<u>38,640</u>
Due from other funds (Note Y)		<u>9,678</u>
Due from federal government		
Inventories		
Prepayments		
Notes receivable		<u>4,885</u>
Other current assets		
Total current assets		<u>259,388</u>

NONCURRENT ASSETS:

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Notes receivable		
Capital assets (net of depreciation)(Note D)		
Land		
Buildings and improvements		
Machinery and equipment		
Infrastructure		
Construction in progress		
Other noncurrent assets		<u>0</u>
Total noncurrent assets		<u>0</u>
Total assets	\$	<u>259,388</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	<u>4,553</u>
Due to other funds (Note Y)		<u>3,316</u>
Due to federal government		
Deferred revenues		
Amounts held in custody for others		
Other current liabilities		<u>1,645</u>
Current portion of long-term liabilities:		
Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		
Capital lease obligations - (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total current liabilities		<u>9,514</u>

NON-CURRENT LIABILITIES:

Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		
Capital lease obligations (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		<u>18,119</u>
Total long-term liabilities		<u>18,119</u>
Total liabilities		<u>27,633</u>

NET ASSETS

Invested in capital assets, net of related debt		
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		
Total net assets		<u>231,755</u>
Total liabilities and net assets	\$	<u>259,388</u>

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

Statement A

**STATE OF LOUISIANA
BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2003**

OPERATING REVENUES

Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	212,908
Other	120,943
Total operating revenues	<u>333,851</u>

OPERATING EXPENSES

Cost of sales and services	_____
Administrative	330,347
Depreciation	_____
Amortization	0
Total operating expenses	<u>330,347</u>

Operating income(loss) 3,504

NON-OPERATING REVENUES(EXPENSES)

State appropriations	_____
Intergovernmental revenues (expenses)	_____
Taxes	_____
Use of money and property	1,705
Gain (loss) on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other	_____
Total non-operating revenues(expenses)	<u>1,705</u>

Income(loss) before contributions and transfers 5,209

Capital contributions
Transfers in
Transfers out

Change in net assets 5,209

Total net assets – beginning as restated 226,546

Total net assets – ending \$ 231,755

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

Statement B

**STATE OF LOUISIANA
 BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2003**

	Program Revenues			Net (Expense)
	Charges for	Operating	Capital	Revenue and
Expenses	Services	Grants and	Grants and	Changes in
		Contributions	Contributions	Net Assets
Component Unit:				
Component Unit X	\$ 330,347	\$ 333,851	\$ _____	\$ _____
General revenues:				
Taxes				_____
State appropriations				_____
Grants and contributions not restricted to specific programs				_____
Interest				1,705
Miscellaneous				_____
Special items				_____
Transfers				_____
Total general revenues, special items, and transfers				1,705
Change in net assets				5,209
Net assets - beginning				226,546
Net assets - ending				\$ 231,755

**STATE OF LOUISIANA
BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED) JUNE 30, 2003**

Cash flows from operating activities		
Cash received from customers	\$ <u>363,955</u>	
Cash payments to suppliers for goods and services	<u>(183,956)</u>	
Cash payments to employees for services	<u>(149,813)</u>	
Payments in lieu of taxes	<u> </u>	
Internal activity-payments to other funds	<u> </u>	
Claims paid to outsiders	<u> </u>	
Other operating revenues(expenses)	<u> </u>	
Net cash provided(used) by operating activities		<u>30,186</u>
Cash flows from non-capital financing activities		
State appropriations	<u> </u>	
Proceeds from sale of bonds	<u> </u>	
Principal paid on bonds	<u> </u>	
Interest paid on bond maturities	<u> </u>	
Proceeds from issuance of notes payable	<u> </u>	
Principal paid on notes payable	<u> </u>	
Interest paid on notes payable	<u> </u>	
Operating grants received	<u> </u>	
Other	<u> </u>	
Transfers In	<u> </u>	
Transfers Out	<u> </u>	
Net cash provided(used) by non-capital financing activities		<u>0</u>
Cash flows from capital and related financing activities		
Proceeds from sale of bonds	<u> </u>	
Principal paid on bonds	<u> </u>	
Interest paid on bond maturities	<u> </u>	
Proceeds from issuance of notes payable	<u> </u>	
Principal paid on notes payable	<u> </u>	
Interest paid on notes payable	<u> </u>	
Acquisition/construction of capital assets	<u> </u>	
Proceeds from sale of capital assets	<u> </u>	
Capital contributions	<u> </u>	
Other	<u> </u>	
Net cash provided(used) by capital and related financing activities		<u>0</u>
Cash flows from investing activities		
Purchases of investment securities	<u> </u>	
Proceeds from sale of investment securities	<u> </u>	
Interest and dividends earned on investment securities	<u>1,705</u>	
Net cash provided(used) by investing activities		<u>1,705</u>
Net increase(decrease) in cash and cash equivalents		<u>31,891</u>
Cash and cash equivalents at beginning of year		<u>174,294</u>
Cash and cash equivalents at end of year		<u>\$ 206,185</u>

The accompanying notes are an integral part of this statement.

**BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2003**

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

Operating income(loss)	\$	3,504
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization		
Provision for uncollectible accounts		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net		(2,960)
(Increase)decrease in due from other funds		31,057
(Increase)decrease in prepayments		
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals		(1,608)
Increase(decrease) in accrued payroll and related benefits		193
Increase(decrease) in compensated absences payable		
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in other liabilities		

Schedule of noncash investing, capital, and financing activities:

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

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
Notes to the Financial Statement
As of and for the year ended June 30, 2003

INTRODUCTION

The Board of Examiners of Nursing Facility Administrators was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37.2501. The following is a brief description of the operations of Board of Examiners of Nursing Facility Administrators which includes the parish/parishes in which the (BTA) is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

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

The accompanying financial statements of Board of Examiners of Nursing Facility Administrators present information only as to the transactions of the programs of the Board of Examiners of Nursing Facility Administrators 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 of Examiners of Nursing Facility Administrators are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

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

Expense Recognition

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

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Board of Examiners of Nursing Facility Administrators are annual lapsing appropriations.

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

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
Notes to the Financial Statement
As of and for the year ended June 30, 2003

APPROPRIATIONS

Original approved budget	\$ _____
Amendments:	_____

Final approved budget	\$ <u> 0</u>

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

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

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

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

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. 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. The deposits at June 30, 2003, were secured as follows:

	Deposits in bank accounts			Total
	Cash	Certificates of Deposit	Other (Describe)	
Deposits in bank accounts per balance sheet	\$ <u>206,185</u>	\$ _____	\$ _____	\$ <u>206,185</u>
Bank balances:				
1. Insured or collateralized with securities held by the entity or its agency in the entity's name	<u>207,907</u>	_____	_____	<u>207,907</u>
2. Collateralized with securities held by the pledging institution's trust department or agent in the entity's name	_____	_____	_____	<u>0</u>
3. Uncollateralized, including any securities held for the entity but not in the entity's name	_____	_____	_____	<u>0</u>
Total bank balances	\$ <u>207,907</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>207,907</u>

**STATE OF LOUISIANA
 LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
 Notes to the Financial Statement
 As of and for the year ended June 30, 2003**

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

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

Banking institution	Program	Amount
1. <u>Hancock Bank</u>	<u>Checking</u>	\$ <u>36,301</u>
2. <u>Bank One</u>	<u>Money Market</u>	<u>79,482</u>
3. <u>Union Planters</u>	<u>Savings</u>	<u>92,124</u>
4. _____	_____	_____
Total		\$ <u><u>207,907</u></u>

Were uncollateralized securities fitting the description in (3) above during the year significantly greater than at _____ (last day of your fiscal year)? If yes, attach a statement listing the amount(s) and a reason for this occurrence.

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the Balance Sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the Balance Sheet.

Cash in State Treasury \$ NONE
 Petty cash \$ NONE

2. INVESTMENTS NONE

Upon implementation of GASB Statement 31, reported amount and fair value will often be the same number.

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

Investments can be classified according to the level of risk to the entity. Using the following categories, list each type of investment disclosing the carrying amount, market value, and applicable category of risk.

Category 1 - Insured or registered in the entity's name, or securities held by the entity or its agent in the entity's name.

Category 2 - Uninsured and unregistered with securities held by the counterparty's trust department or agent in the entity's name.

Category 3 - Unsecured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
Notes to the Financial Statement
As of and for the year ended June 30, 2003

Type of Investment	Category of Risk			Reported Amount	Fair Value
	1	2	3		
Repurchase agreements	\$ _____	\$ _____	\$ _____	\$ 0	\$ _____
U.S. Government securities	_____	_____	_____	0	_____
Common & preferred stock	_____	_____	_____	0	_____
Commercial paper	_____	_____	_____	0	_____
Corporate bonds	_____	_____	_____	0	_____
Other: (identify)	_____	_____	_____	0	_____
	_____	_____	_____	0	_____
Total categorized investments	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Certain types of Investments cannot be categorized: (list separately)					
_____				_____	_____
_____				_____	_____
_____				_____	_____
_____				_____	_____
Total investments				\$ <u>0</u>	\$ <u>0</u>

3. Other Disclosures Required for Investments

NONE

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

**STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
Notes to the Financial Statement
As of and for the year ended June 30, 2003**

Legal or Contractual Provisions for Reverse Repurchase Agreements NONE

- h. Source of legal or contractual authorization for use of reverse repurchase agreements _____

- i. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year _____

Reverse Repurchase Agreements at Year-End NONE

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

- m. Description of the terms of the agreements to repurchase _____

- n. Losses recognized during the year due to default by counterparties to reverse repurchase agreements _____

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

Fair Value Disclosures NONE

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

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

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

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

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

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

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
Notes to the Financial Statement
As of and for the year ended June 30, 2003

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

D. CAPITAL ASSETS-INCLUDING CAPITAL LEASE ASSETS

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

Year ended June 30, 2003

	Balance 6/30/2002	Additions	Transfers *	Retirements	Balance 6/30/2003	Prior Period Adjustment	Adjusted Balance 6/30/2003
Capital assets not being depreciated							
Land	--	--	--	--	--	--	--
Non-depreciable land improvements	--	--	--	--	--	--	--
Capitalized collections	--	--	--	--	--	--	--
Construction in progress	--	--	--	--	--	--	--
Total capital assets not being depreciated	--	--	--	--	--	--	--
Other capital assets							
Furniture, fixtures, and equipment	69,219	--	--	--	69,219	(69,219)	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total furniture, fixtures, and equipment	69,219	--	--	--	69,219	(69,219)	--
Buildings and improvements	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total buildings and improvements	--	--	--	--	--	--	--
Depreciable land improvements	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total depreciable land improvements	--	--	--	--	--	--	--
Infrastructure	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total infrastructure	--	--	--	--	--	--	--
Total other capital assets	69,219	--	--	--	69,219	(69,219)	--
Capital Asset Summary:							
Capital assets not being depreciated	--	--	--	--	--	--	--
Other capital assets, at cost	69,219	--	--	--	69,219	(69,219)	--
Total cost of capital assets	69,219	--	--	--	69,219	(69,219)	--
Less accumulated depreciation	--	--	--	--	--	--	--
Capital assets, net	69,219	--	--	--	69,219	(69,219)	--

* 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.

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS

Notes to the Financial Statement

As of and for the year ended June 30, 2003

E. INVENTORIES NONE

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

F. RESTRICTED ASSETS NONE

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

G. LEAVE

1. COMPENSATED ABSENCES

The Board of Examiners of Nursing Facility Administrators has the following policy on annual and sick leave: (Describe leave policy.)

An example disclosure follows:

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

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

2. COMPENSATORY LEAVE NONE

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

H. RETIREMENT SYSTEM

Substantially all of the employees of the (BTA) are members of the Board of Examiners of Nursing Facility Administrators a cost sharing multiple-employer, defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

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

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
Notes to the Financial Statement
As of and for the year ended June 30, 2003

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

Members are required by state statute to contribute 7.5% of gross salary, and the (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2003, increased to 14.1% of annual covered payroll from the 13 % and 12% required in fiscal years ended June 30, 2002 and 2001, respectively. The (BTA) contributions to the System for the years ending June 30, 2003, 2002, and 2001, were \$19,726, \$ 13,682, and \$12,791, respectively, equal to the required contributions for each year.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS NONE

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

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

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

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

The _____(BTA) provides certain continuing health care and life insurance benefits for its retired employees. Substantially all (BTA) employees become eligible for those benefits if they reach normal retirement age while working for the (BTA). Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the (BTA). The (BTA) recognizes the cost of providing these benefits ((BTA)'s portion of premiums) as an expenditure when paid during the year, which was \$_____ for the year ended _____, 20____. The cost of providing those benefits for _____ retirees is not separable from the cost of providing benefits for the _____ active employees. (or, The (BTA)'s cost of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended _____, 20____ the costs of _____ retiree benefits totaled \$_____).

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
Notes to the Financial Statement
As of and for the year ended June 30, 2003

Year ending June 30, :	<u>Total</u>
2004	\$ _____
2005	_____
2006	_____
2007	_____
2008	_____
2009-2013	_____
2014-2018	_____
2019-2023	_____
Total minimum lease payments	_____ 0
Less amounts representing executory costs	_____
Net minimum lease payments	_____ 0
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ 0

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ 0	\$ _____ 0	\$ _____ 0

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

Year ending June 30, :	<u>Total</u>
2004	\$ _____
2005	_____
2006	_____
2007	_____
2008	_____
2009-2013	_____
2014-2018	_____
2019-2023	_____
Total minimum lease payments	_____ 0
Less amounts representing executory costs	_____
Net minimum lease payments	_____ 0
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ 0

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
Notes to the Financial Statement
As of and for the year ended June 30, 2003

SCHEDULE C – LEAF CAPITAL LEASES

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ 0	\$ _____ 0	\$ _____ 0

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

<u>Year ending June 30, :</u>	<u>Total</u>
2004	\$ _____
2005	_____
2006	_____
2007	_____
2008	_____
2009-2013	_____
2014-2018	_____
2019-2023	_____
Total minimum lease payments	_____ 0
Less amounts representing executory costs	_____
Net minimum lease payments	_____ 0
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ 0

3. LESSOR DIRECT FINANCING LEASES NONE

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

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

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LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS**

Notes to the Financial Statement

As of and for the year ended June 30, 2003

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

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>
a. Office space	_____	\$ _____
b. Equipment	_____	_____
c. Land	_____	_____
Less amounts representing executory costs		_____
Minimum lease payment receivable		0
Less allowance for doubtful accounts		_____
Net minimum lease payments receivable		0
Less: Estimated Residual Value of Leased Property		_____
Less unearned income		_____
Net investment in direct financing lease		\$ _____ 0

Minimum lease payments do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if for example the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2003 were \$_____ for office space, \$_____ for equipment, and \$_____ for land.

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

Year ending _____:	
2004	\$ _____
2005	_____
2006	_____
2007	_____
2008	_____
2009-2013	_____
2014-2018	_____
2019-2023	_____
Total	\$ _____ 0

4. LESSOR – OPERATING LEASE NONE

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

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Notes to the Financial Statement
As of and for the year ended June 30, 2003

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

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ 0	\$ _____ 0	\$ _____ 0

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

Year Ended June 30,	<u>Office Space</u>	<u>Equipment</u>	<u>Land</u>	<u>Other</u>	<u>Total</u>
2004	\$ _____	\$ _____	\$ _____	\$ _____	\$ 0
2005					0
2006					0
2007					0
2008					0
2009-2013					0
2014-2018					0
2019-2023	_____	_____	_____	_____	0
Total	\$ _____ 0	\$ _____ 0	\$ _____ 0	\$ _____ 0	\$ _____ 0

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

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Notes to the Financial Statement
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K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2003:

	Balance June 30, 2002	Year ended June 30, 2003		Balance June 30, 2003	Amounts due within one year
		Additions	Reductions		
Bonds and notes payable:					
Notes payable	\$ --	\$ --	\$ --	\$ --	\$ --
Reimbursement contracts payable	--	--	--	--	--
Bonds payable	--	--	--	--	--
Total notes and bonds	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other liabilities:					
Contracts payable	--	--	--	--	--
Compensated absences payable	17,585	2,444	1,910	18,119	--
Capital lease obligations	--	--	--	--	--
Liabilities payable from restricted assets	--	--	--	--	--
Claims and litigation	--	--	--	--	--
Other long-term liabilities	--	--	--	--	--
Total other liabilities	<u>17,585</u>	<u>2,444</u>	<u>1,910</u>	<u>18,119</u>	<u>--</u>
Total long-term liabilities	<u>17,585</u>	<u>2,444</u>	<u>1,910</u>	<u>18,119</u>	<u>--</u>

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

L. LITIGATION NONE

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

Date of Action	Description of Litigation	Primary Attorney	Damages Claimed	Insurance Coverage
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Totals			\$ <u>0</u>	\$ <u>0</u>

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

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

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LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS**

Notes to the Financial Statement

As of and for the year ended June 30, 2003

M. RELATED PARTY TRANSACTIONS NONE

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

N. ACCOUNTING CHANGES NONE

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

O. IN-KIND CONTRIBUTIONS NONE

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

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
Total	\$ _____ 0

P. DEFEASED ISSUES NONE

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

Q. COOPERATIVE ENDEAVORS NONE

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

**STATE OF LOUISIANA
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Notes to the Financial Statement

As of and for the year ended June 30, 2003

the state. The liability outstanding as of June 30, 2003, by funding source, is as follows:

NOTE: Amounts in excess of contract limits **cannot** be used to reduce the outstanding contract balance at June 30, 2003. For example, if a contract specifies a percentage of usage for each month (25%) and usage exceeds that percentage (75%), you cannot claim actual usage that exceeds contract requirements (50%).

NOTE: In order to compute your ending balances by funding source, you should begin with your balances at June 30, 2002. These amounts will be increased by amounts for new contracts and amendments and decreased for payments as well as for liquidations.

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) NONE

The following government-mandated non-exchange transactions (grants) were received during fiscal year 2002-2003:

CFDA Number	Program Name	State Match Percentage	Total Amount of Grant
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total government-mandated nonexchange transactions (grants)			\$ _____ 0

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS NONE

At June 30, 20__, the _____ (BTA) was not in compliance with the provisions of _____ Bond Reserve Covenant that requires _____ The _____ (BTA) did _____ to correct this deficiency.

T. SHORT-TERM DEBT NONE

The _____ (BTA) issues short-term notes _____

Short-term debt activity for the year ended June 30, 20__, was as follows:

	Reason for Debt	Beginning Balance	Issued	Redeemed	Ending Balance
Tax anticipation notes	_____	\$ _____	\$ _____	\$ _____	\$ _____ 0

STATE OF LOUISIANA
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Notes to the Financial Statement
As of and for the year ended June 30, 2003

The _____ (BTA) uses a revolving line of credit to finance _____ prior to the issuance of related bonds.

Short-term debt activity for the year ended June 30, 20__, was as follows:

	<u>Reason for Debt</u>	<u>Beginning Balance</u>	<u>Draws</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Line of credit		\$ _____	\$ _____	\$ _____	\$ _____ 0

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2003, were as follows:

<u>Activity</u>	<u>Customer Receivables</u>	<u>Taxes</u>	<u>Receivables from other Governments</u>	<u>Other Receivables</u>	<u>Total Receivables</u>
Licenses and Fees	\$ 38,510	\$ _____	\$ _____	\$ _____	\$ 38,510
NSF Check	130				130
Gross receivables	\$ 38,640	\$ 0	\$ 0	\$ 0	\$ 38,640
Less allowance for uncollectible accounts	0	0	0	0	0
Receivables, net	\$ 38,640	\$ 0	\$ 0	\$ 0	\$ 38,640
Amounts not scheduled for collection during the subsequent year	\$ 0	\$ _____	\$ _____	\$ _____	\$ 0

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2003, were as follows:

<u>Activity</u>	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Other Payables</u>	<u>Total Payables</u>
Accounts Payable	\$ 4,389	\$ 164	\$ _____	\$ _____	\$ 4,553
Payroll Payables		4,961			4,961
Total payables	\$ 4,389	\$ 5,125	\$ 0	\$ 0	\$ 9,514

W. SUBSEQUENT EVENTS

NONE

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

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LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
Notes to the Financial Statement
As of and for the year ended June 30, 2003

X. SEGMENT INFORMATION NONE

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

Type of goods or services provided by the segment _____.

A. Condensed statement of net assets:

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

Condensed Statement of Net Assets:

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

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

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
Notes to the Financial Statement
As of and for the year ended June 30, 2003

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

	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ _____	\$ _____
Operating expenses	_____	_____
Depreciation and amortization	_____	_____
Operating income (loss)	_____ 0	_____ 0
Nonoperating revenues (expenses)	_____	_____
Capital contributions/additions to permanent and term endowments	_____	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	_____ 0	_____ 0
Beginning net assets	_____	_____
Ending net assets	_____ 0	_____ 0

C. Condensed statement of cash flows:

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

Condensed Statement of Cash Flows:

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ _____	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	_____	_____
Net cash provided (used) by investing activities	_____	_____
Beginning cash and cash equivalent balances	_____	_____
Ending cash and cash equivalent balances	_____ 0	_____ 0

Y. DUE TO/DUE FROM AND TRANSFERS

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

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
GENERAL FUND _____	DEPT OF HEALTH/HOSPIT _____	\$ 9,678.00
_____	_____	_____
_____	_____	_____
Total due from other funds _____	_____	\$ <u>9,678.00</u>

STATE OF LOUISIANA
LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
Notes to the Financial Statement
As of and for the year ended June 30, 2003

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

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

3. List by fund type all transfers from other funds for the fiscal year: **NONE**

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

4. List by fund type all transfers to other funds for the fiscal year: **NONE**

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

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS **NONE**

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

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

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for June 30, 2002

<u>Fund balance</u> <u>July 1, 2002,</u> <u>previously reported</u>	<u>Adjustments</u> <u>+ or (-)</u>	<u>Beginning net</u> <u>assets, July 1, 2003,</u> <u>As restated</u>
<u>301,405</u>	\$ <u>(74,859)</u>	\$ <u>226,546</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
Notes to the Financial Statement
As of and for the year ended June 30, 2003**

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

(NOTE: Net Assets at July 1, 2002, previously reported, must correspond to Net Assets at June 30, 2002, per the information received from OSRAP.)

Total Net Assets @ 06-30-02 (Per prior report)	\$ 301,405
Adjustments to Prior Report:	
Capital assets	(69,219)
(All items under \$5,000 or fully depreciated)	
Adjustment for full Accrual (receivable)	5,155
Adjustment for full Accrual (payable)	(86)
Revenue Adjustment	12,890
Expense Adjustment	(6,014)
Long-Term Compensated Absences Adjustment	(<u>17,585</u>)
Total Adjusted Net Assets @ 7-01-02	<u>\$ 226,546</u>

STATE OF LOUISIANA
BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS
SCHEDULE OF STATE FUNDING
For the Year Ended JUNE 30, 2003

Description of Funding	Amount
1. <u>DEPARTMENT OF HEALTH & HOSPITALS</u>	\$ <u>44,005</u>
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
Total	\$ <u><u>44,005</u></u>

STATE OF LOUISIANA
Board of Examiners of Nursing Facility Administrators
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
JUNE 30, 2003

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	NONE Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

STATE OF LOUISIANA
Board of Examiners of Nursing Facility Administrators
SCHEDULE OF NOTES PAYABLE
JUNE 30, 2003

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	NONE Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

STATE OF LOUISIANA
Board of Examiners of Nursing Facility Administrators
SCHEDULE OF BONDS PAYABLE
JUNE 30, 2003

NONE

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

*Send copies of new amortization schedules

STATE OF LOUISIANA
Board of Examiners of Nursing Facility Administrators
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
For The Year Ended JUNE 30, 2003

NONE

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2004	\$ _____	\$ _____
2005	_____	_____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
Total	\$ <u> --</u>	\$ <u> --</u>

STATE OF LOUISIANA
Board of Examiners of Nursing Facility Administrators)
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 2003

NONE

Fiscal Year <u>Ending:</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	Balance
2004	\$ _____	\$ _____	\$ _____	\$ _____ --
2005	_____	_____	_____	_____ --
2006	_____	_____	_____	_____ --
2007	_____	_____	_____	_____ --
2008	_____	_____	_____	_____ --
2009-2013	_____	_____	_____	_____ --
2014-2018	_____	_____	_____	_____ --
2019-2023	_____	_____	_____	_____ --
2024-2028	_____	_____	_____	_____ --
 Total	 \$ <u>_____</u> --	 \$ <u>_____</u> --	 <u>_____</u> --	 <u>_____</u> --

STATE OF LOUISIANA
Board of Examiners of Nursing Facility Administrators
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For The Year Ended June 30, 2003

NONE

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2004	\$ _____	\$ _____
2005	_____	_____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009-2013	_____	_____
2014-2018	_____	_____
2019-2023	_____	_____
2024-2028	_____	_____
 Total	 \$ _____ --	 \$ _____ --

STATE OF LOUISIANA
Board of Examiners of Nursing Facility Administrators
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2003
NONE

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2004	\$ _____	\$ _____
2005	_____	_____
2006	_____	_____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
Total	\$ <u> --</u>	\$ <u> --</u>

STATE OF LOUISIANA
Board of Examiners of Nursing Facility Administrators
 SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
 BUDGETARY COMPARISON OF CURRENT APPROPRIATION
 NON-GAAP BASIS
 JUNE 30, 2003

	Financial Statement	Adjustments	ISIS Appropriation Report-08/14/03	Revised Budget	Variance Postive/(Negative)
Operating Revenues:					
Intergovernmental Revenues	\$ 44,005.00	\$ -	\$ -	\$ 52,000.00	\$ (7,995.00)
Sales of Commodities and Services	289,847.00	-	-	299,700.00	(9,853.00)
Other	1,705.00	-	-	-	1,705.00
Total Operating revenues	335,557.00	-	-	351,700.00	(16,143.00)
Operating Expenses:					
Personal services	\$ 194,888.00	\$ -	\$ -	\$ 183,945.00	\$ (10,943.00)
Travel	6,964.00	-	-	6,150.00	(814.00)
Operating Services	103,177.00	-	-	111,875.00	8,698.00
Supplies	25,318.00	-	-	17,000.00	(8,318.00)
Professional services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Interagency transfers	-	-	-	-	-
Other charges	-	-	-	-	-
Total Operating Expenses	330,347.00	-	-	318,970.00	(11,377.00)
Nonoperating Expenses:					
Use of Money and Property	-	-	-	-	-
Gain (Loss) on Disposal of Fixed Assets	-	-	-	-	-
Federal Grants	-	-	-	-	-
Interest Expense	-	-	-	-	-
Other	-	-	-	-	-
Total Nonoperating Expenses	-	-	-	-	-
Capital Contributions	-	-	-	-	-
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Change in Net Assets	\$ 5,210.00	\$ -	\$ -	\$ 32,730.00	\$ (27,520.00)

STATE OF LOUISIANA
Board of Examiners of Nursing Facility Administrators
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
JUNE 30, 2003

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

Concluded

STATE OF LOUISIANA

BOARD OF EXAMINERS OF NURSING FACILITY ADMINIATRATORS

COMPARISON FIGURES

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

	<u>2003</u>	<u>2002</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ _____	\$ _____	\$ _____	\$ _____
Expenses	_____	_____	_____	_____
2) Capital assets	_____	_____	_____	_____
Long-term debt	_____	_____	_____	_____
Net Assets	_____	_____	_____	_____
Explanation for change:	_____			
	NO CHANGES			
	OVER 10%			

3)	<u>2003 Original Budget</u>	<u>2003 Final Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$ _____	\$ _____	\$ _____ -	\$ _____
Expenditures	_____	_____	_____ -	_____
Explanation of change:	_____			

	<u>2003 Final Budget</u>	<u>2003 Actual Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	_____	_____	_____	_____
Expenditures	_____	_____	_____	_____
Explanation of change:	_____			

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

1600 NORTH THIRD STREET
POST OFFICE BOX 94397
TELEPHONE: (225) 339-3800
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August 19, 2003

Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of the Basic Financial Statements

**LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**
Baton Rouge, Louisiana

We have audited the financial statements of the Louisiana Board of Examiners of Nursing Facility Administrators, a component unit of the State of Louisiana, as of June 30, 2003, and for the years ended June 30, 2003 and 2002, and have issued our report thereon dated August 19, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Louisiana Board of Examiners of Nursing Facility Administrators' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 the following instance of noncompliance that is required to be reported herein under *Government Auditing Standards*.

Payments in Excess of Contract Limit

The Board of Examiners of Nursing Facility Administrators (BENFA) exceeded the contract limit on a professional services contract and failed to obtain proper approval of a contract amendment. Good internal control includes an adequate monitoring function to identify payments nearing the contract limit. Furthermore, Louisiana Administrative Code Title 34, Part V, Section 112 states, "All amendments to contracts for professional, personal, consulting and social services shall be submitted to the Office of Contractual Review and shall become effective only upon approval by the director of the Office of Contractual Review."

BENFA has a three-year professional services contract (July 2001 - June 2004) with Richard M. Upton for legal services. This contract has a maximum payment amount of \$54,000. However, as of June 30, 2003, BENFA has paid \$54,591 for legal services. An amendment to raise the contract amount to \$75,000, effective July 1, 2002, has not been approved by the Office of Contractual Review.

EXHIBIT A

LEGISLATIVE AUDITOR

**LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

Compliance and Internal Control Report

August 19, 2003

Page 2

The board should implement procedures to monitor contract payments and comply with state regulations regarding amendments to professional services contracts. The board should continue to seek approval for this contract amendment. Management of the board concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A, page 1).

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana Board of Examiners of Nursing Facility Administrators' internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted the matter relating to payments in excess of the contract limit as mentioned in the compliance section of this report that we consider to be a reportable condition. In addition, we noted three matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. The first matter related to the board's operation and its limited staff that precludes an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial. The other reportable conditions are described below. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Louisiana Board of Examiners of Nursing Facility Administrators' ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Insufficient Controls Over Revenue

BENFA has not established adequate control procedures over its nurse aide certification card fees and its annual registration fees. A good internal control system should include a reconciliation of certification cards issued to total certification fees collected and recorded in the accounting records and identify the disposition of each card as issued, replaced (no fees charged), or damaged (not issued). In addition, good internal control should include an accounting system designed to minimize the likelihood of errors and/or fraud.

Nurse Aide Certification Card Fees

For the fourth consecutive audit, BENFA has not established adequate control procedures over its nurse aide certification card fees. In December 2000, the board began using prenumbered cards, which included procedures for identifying replacement cards and damaged cards. However, existing procedures are not sufficient to account for the disposition of each card. In addition, the procedures

LEGISLATIVE AUDITOR

LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS DEPARTMENT OF HEALTH AND HOSPITALS STATE OF LOUISIANA

Compliance and Internal Control Report

August 19, 2003

Page 3

do not include a way to match card numbers with cardholders' names. Failure to perform a full reconciliation of the certification cards could inhibit the timely detection of errors and/or fraud. Nurse aide certification card fees reported by the board totaled \$44,005 and \$36,269 for fiscal years 2003 and 2002, respectively.

Annual Registration Fees

BENFA manually records annual registration fees using prenumbered receipts, notebooks, binders, and labels. During the audit, numerous errors were identified in these records. A computerize recordkeeping system listing the individual's name and address, receipt date, amount received, receipt number, license mailing date, and license number would provide management with a basis to ensure that errors and/or fraud are detected in a timely manner and that financial data are both accurate and reliable. Annual registration fees reported by the board totaled \$173,410 and \$175,080 for fiscal years 2003 and 2002, respectively.

The board should establish adequate procedures to reconcile nurse aide certification cards issued to the certification card fees collected, including the ability to link the card number issued to the cardholder name. In addition, the board should computerize the recordkeeping process relating to the annual registration fees. Management of the board concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A, pages 2-3).

Lack of Controls Over Time and Attendance

For the second consecutive audit, BENFA did not adhere to the board's established time and attendance policy or state regulations. The board's *Personnel Policies and Procedures Manual* requires that an employee requesting leave or returning from unexpected leave must complete a leave form for the executive director's approval. State Civil Service Rule 15.2 requires the employee and supervisor to certify the number of hours of attendance or absence from duty on the time and attendance records. Furthermore, good internal control requires that the board ensure that all time and attendance records are approved in a timely manner and all leave balances are properly updated and recorded in the accounting records.

LEGISLATIVE AUDITOR

LOUISIANA BOARD OF EXAMINERS OF NURSING FACILITY ADMINISTRATORS DEPARTMENT OF HEALTH AND HOSPITALS STATE OF LOUISIANA

Compliance and Internal Control Report

August 19, 2003

Page 4

The review of the board's time and attendance records for fiscal years 2002 and 2003 disclosed the following:

Time and Attendance

- Of 1,573.5 hours of leave taken, 184 (12%) hours were not supported by a leave slip.
- Eleven of 48 (23%) time and attendance sheets for the executive director were not approved until one month or more after the end of the pay period. An additional four time sheets did not indicate when the board member approved the time and attendance sheet, while two time sheets could not be located.
- Five of 88 (6%) time and attendance sheets were not signed by the employee.

Leave Balances

- There were 15 instances where the time and attendance records did not agree to the recorded leave balances. These errors resulted in 56 hours charged to annual leave instead of sick leave; 12 hours of annual leave and 24 hours of sick leave that were posted but never taken; 3 hours of sick leave and 24 hours of annual that were taken but not posted; and 64 hours worked that was not considered in the leave calculation. Most of the leave errors were due to leave not being properly posted to the summary section on the back of the time sheet.
- In a separate instance, an employee's sick and annual leave were understated by 11.7 hours because the leave rate was not properly updated for three months.

The board has not placed sufficient emphasis on following established internal control procedures regarding time and attendance. Failure to approve time and attendance records timely and properly post all leave taken to the leave balance records increases the risk that the board will compensate employees for hours they have not worked or for leave hours they do not have.

LEGISLATIVE AUDITOR

LOUISIANA BOARD OF EXAMINERS OF
NURSING FACILITY ADMINISTRATORS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

Compliance and Internal Control Report

August 19, 2003

Page 5

The board should establish procedures to ensure that all time and attendance records are approved timely and that all leave is accurately posted to the leave records. Management of the board concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A, page 4).

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the inadequate segregation of duties, described previously, to be a material weakness.

This report is intended solely for the information and use of the board and its management and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Grover C. Austin, CPA
First Assistant Legislative Auditor

JGG:EFS:PEP:ss

[BENFA03]

Appendix A

Management's Corrective Action Plans and Responses to the Findings and Recommendations



Phone (225) 922-0009
Fax (225) 922-0006

5615 Corporate Blvd, Suite 8-D
Baton Rouge, Louisiana 70808

August 13, 2003

Mr. Grover Austin, CPA
First Assistant Legislative Auditor
Office of the Legislative Auditor
1600 North Third Street
PO Box 94397
Baton Rouge, LA 70804-9397

RE: Payments in Excess of Contract Limit

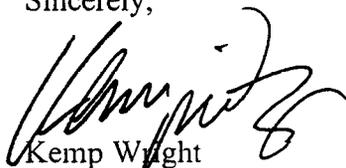
Mr. Austin:

Please accept the following official response regarding the above referenced finding of the FYE 2002 and FYE 2003 audit of this agency:

The board concurs with this finding and submitted an amendment to this contract on June 30, 2003. The excess in payments was experienced because of unexpected legal needs related to enforcement, legislation, and office relocation. The board will implement procedures by September 1, 2003 to better monitor contract payments and compliance with state regulations pertaining to professional service contracts.

Should you have further questions regarding this matter, please feel free to contact me at (225)922-0009.

Sincerely,


Kemp Wright
Executive Director



Phone (225) 922-0009
Fax (225) 922-0006

5615 Corporate Blvd, Suite 8-D
Baton Rouge, Louisiana 70808

August 13, 2003

Mr. Grover Austin, CPA
First Assistant Legislative Auditor
Office of the Legislative Auditor
1600 North Third Street
PO Box 94397
Baton Rouge, LA 70804-9397

RE: Insufficient Controls Over Revenue

Mr. Austin:

Please accept the following official response regarding the above referenced finding of the FYE 2002 and FYE 2003 audit of this agency:

Nurse Aide Certification Card Fees

Management concurs with this finding and has implemented an additional reconciliation method whereby all cards and revenue will be accounted for on a daily basis. This method will allow for testing any specified day and will provide an accounting for: the individuals who requested a card, the numerical range of cards issued, the numerical range of cards destroyed, the individuals for which a card was printed at no cost, and the corresponding deposit amount and slip indicating the names of the individuals who have requested a card on a chosen day. Because the cards issued are pre-numbered in a specified quantity, this method should give the board and future auditors the ability to balance with relative accuracy the number and range of cards used and the revenue received. Additionally, this method will provide a daily accounting for who has requested a card and the range of cards used on any specified day. This new reconciliation process has been implemented.

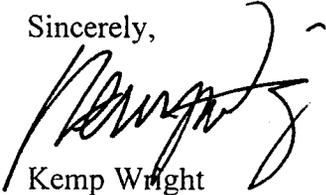
Annual Registration Fees

Management concurs with this finding and will develop and have implemented by January 1,

2004 an improved method of record-keeping related to annual registration fees.

Should you have further questions regarding this matter, please feel free to contact me at (225)922-0009.

Sincerely,

A handwritten signature in black ink, appearing to read "Kemp Wright", written over the printed name.

Kemp Wright
Executive Director



**STATE OF LOUISIANA
BOARD OF EXAMINERS
OF NURSING FACILITY
ADMINISTRATORS**

Phone (225) 922-0009
Fax (225) 922-0006

5615 Corporate Blvd, Suite 8-D
Baton Rouge, Louisiana 70808

August 13, 2003

Mr. Grover Austin, CPA
First Assistant Legislative Auditor
Office of the Legislative Auditor
1600 North Third Street
PO Box 94397
Baton Rouge, LA 70804-9397

RE: Lack of Controls of Time and Attendance

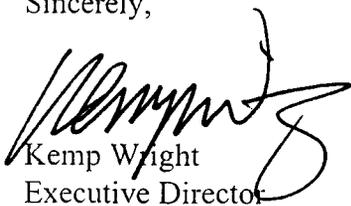
Mr. Austin:

Please accept the following official response regarding the above referenced finding of the FYE 2002 and FYE 2003 audit of this agency:

Management concurs with this finding and will develop and have implemented by September 1, 2003 an improved method of ensuring all leave is accurately posted to the leave records and ensuring all time and attendance is accurately accounted.

Should you have further questions regarding this matter, please feel free to contact me at (225)922-0009.

Sincerely,


Kemp Wright
Executive Director