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LOUISIANA BOARD OF PHARMACY
LOUISIANA DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

FINANCIAL REPORT

As of and for the two years ended
June 30, 2005

(With Accountant's Report Thereon)

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

Release Date 9-14-05

LOUISIANA BOARD OF PHARMACY
STATE OF LOUISIANA

Financial Report
As of and for the year ended
June 30, 2005
With Supplemental Information Schedule

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1 - 2
Independent Auditor's Report on Compliance and on <i>Internal Control Over Financial Reporting</i> Based on an Audit of Basic Financial Statement Performed in Accordance with Government Auditing Standards	3
Required Supplemental Information	
Management's Discussion and Analysis	4 - 7
Financial Statements	
Statement of Net Assets	8
Statement of Revenues, Expenses and Changes in Fund Net Assets	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 14
Supplemental Information	
Schedule of Board Members' Per Diem	15
Schedule fo Findings and Questioned Costs	16
Summary Schedule of Prior Year Findings	17
Financial Information Required by the Office of State Wide Reporting and Accounting Policy	
Table of Contents	18

MICHAEL K. GLOVER

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Louisiana Board of Pharmacy
Baton Rouge, Louisiana

I have audited the accompanying financial statements of the Louisiana Board of Pharmacy, a component unit of the State of Louisiana, as of and for the two years ended June 30, 2005 and 2004, as listed in the table of contents. These financial statements are the responsibility of the Louisiana Board of Pharmacy management. My responsibility is to express an opinion on these financial statements based on my audit.

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

As discussed in Note A, the financial statements present only the Louisiana Board of Pharmacy, a component unit of the State of Louisiana and do not purport to, and do not, present fairly the financial position of the State of Louisiana of the Office of the Governor, as of June 30, 2005 and the changes in financial position and cash flows, for the year ended in conformity with accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Board of Pharmacy a component unit of the State of Louisiana, as of June 30, 2005, and the changes in financial position and cash flows for the two years ended June 30, 2005 and 2004, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Audit Standards*, I have also issued my report dated August 12, 2005, on my consideration of Louisiana Board of Pharmacy internal control over financial reporting and my test of its compliance with certain provision of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The Management's Discussion and Analysis and other required supplementary information as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

Independent Auditor's Report
August 12, 2005
Page 2

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



Baton Rouge, Louisiana
August 12, 2005

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

I have audited the financial statement of the Louisiana Board of Pharmacy, a component unit of the State of Louisiana, as of and for the two years ended June 30, 2005 and 2004, and have issued my report thereon dated August 12, 2005. I conducted my audit in accordance with auditing standards generally accepted in the United States and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Louisiana Board of Pharmacy internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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



Baton Rouge, LA
August 12, 2005



Louisiana Board of Pharmacy

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The Management's Discussion and Analysis of the Louisiana Board of Pharmacy's financial performance presents a narrative overview and analysis of the Board's financial activities for the year ended June 30, 2005. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter and the Board's financial statements.

FINANCIAL HIGHLIGHTS

- ★ The Board's assets exceeded its liabilities at the close of fiscal year 2005 by \$1,553,912. The net assets increased by \$81,614, or 5.5%, over the prior fiscal year.
- ★ The Board's revenue increased \$146,234, or 11%, from the prior fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Basic Financial Statements

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

The Balance sheet presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Board is improving or deteriorating.

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

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

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
For the Two Years Ended June 30, 2005

	6/30/2005	6/30/2004	6/30/2003
Current Assets			
Cash and cash equivalents	\$ 132,055	159,136	143,721
Investments	1,463,344	1,323,907	1,445,399
Equipment			
Capital assets - net of accumulated depreciation	<u>52,577</u>	<u>61,882</u>	<u>63,111</u>
TOTAL ASSETS	1,647,976	1,544,925	1,652,231
Current Liabilities			
Accounts payable	2,949	0	8,445
Payroll taxes payable	8,050	4,544	1,836
Compensated absences	<u>6,378</u>	<u>9,471</u>	<u>18,300</u>
Total Current Liabilities	17,377	14,015	28,581
Noncurrent Liabilities			
Compensated absences	<u>76,687</u>	<u>58,612</u>	<u>31,631</u>
Total Noncurrent Liabilities	<u>76,687</u>	<u>58,612</u>	<u>31,631</u>
TOTAL LIABILITIES	94,064	72,627	60,212
Net Assets			
Invested in capital assets, net of related debt	52,580	61,882	63,111
Unrestricted	<u>1,501,332</u>	<u>1,410,416</u>	<u>1,528,908</u>

Net assets of the Board increased by \$81,614, or 5.5%, from June 30, 2004 to June 30, 2005. Some of the major causes for this increase were unanticipated growth in licensure activities, unplanned assessments in major disciplinary cases, and a favorable market for financial investments.

Statement of Revenues, Expenses, and Changes in Net Assets
For the Two Years Ended June 30, 2005

	<u>6/30/2005</u>	<u>6/30/2004</u>	6/30/2003
OPERATING REVENUES			
Licenses, permits, and fees	\$ <u>1,441,409</u>	<u>1,295,175</u>	<u>1,151,629</u>
Total	1,441,409	1,295,175	1,151,629
OPERATING EXPENSES			
Personnel services and related benefits	913,870	887,256	767,377
Operating services	242,909	275,423	203,449
Materials and supplies	13,132	11,042	22,219
Professional fees	158,101	112,207	88,225
Travel	93,910	89,311	87,203
Depreciation	<u>20,875</u>	<u>19,286</u>	<u>17,282</u>
Total	1,442,796	1,394,525	1,185,755
Operating income (loss)	(1,387)	(99,351)	(34,126)
NONOPERATING REVENUES			
Investment income	<u>83,001</u>	<u>(20,371)</u>	<u>72,243</u>
Income / (Loss)	81,615	(119,722)	38,117
Total Net Assets - beginning	1,472,298	1,592,019	1,153,901
Total Net Assets - ending	\$ 1,553,912	1,472,298	1,592,019

The Board's revenues increased by \$146,234, or 11%. The total cost of all programs and services increased by \$48,271, or 3.5%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the 2005 fiscal year, the Board had \$52,577 (net of accumulated depreciation) invested in a broad range of capital assets, including furniture and equipment. During the year, the Board invested \$13,217 in new equipment and retired \$17,128 of surplus assets.

Debt

The Board did not have any bond or notes outstanding at the end of the fiscal year. There were no claims or judgments at the end of the fiscal year. The only significant liability was compensated absences.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$181,381 over budget, primarily due to unexpected licensure acquisition and renewal activity, an increase in enforcement actions, and a favorable investment market. Expenditures were \$10,794 over budget primarily due to an increase in professional legal service fees.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- Anticipated licensure activity (acquisition, renewal, and attrition)
- Demand for goods and services
- Enforcement actions
- Historical pattern of operational costs
- Planned projects

The Board expects that next year's results may improve somewhat based on the following:

- The legislature authorized an adjustment in several major license renewal fees, which had remained unchanged for approximately twenty years.
- Due to anticipated enforcement actions, estimates for professional legal services continue to escalate.
- Anticipated continued growth in licensure activity may not offset additional costs.

CONTACTING THE BOARD'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Malcolm Broussard, Executive Director, at (225) 925-6496.

LOUISIANA BOARD OF PHARMACY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

Statement of Net Assets
As of June 30, 2005

ASSETS

Current assets:

Cash and cash equivalents	\$ 132,055
Investments	1,463,344

Equipment:

Capital assets - net of accumulated depreciation	52,577
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Total assets	\$ <u>1,647,976</u>
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LIABILITIES

Current liabilities:

Accounts payable	\$ 2,949
Payroll taxes payable	8,050
Compensated absences	6,378
Total current liabilities	<u>17,377</u>

Noncurrent liabilities:

Compensated absences	<u>76,687</u>
Total noncurrent liabilities	<u>76,687</u>

Total liabilities	<u>94,064</u>
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NET ASSETS

Invested in capital assets, net of related debt	52,580
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Unrestricted	<u>1,501,332</u>
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Total net assets	\$ <u>1,553,912</u>
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The notes are an integral part of this statement.

LOUISIANA BOARD OF PHARMACY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Two Years Ended June 30, 2005

	2005	2004
OPERATING REVENUES		
Licenses, permits and fees.	\$ 1,441,409	1,295,175
	1,441,409	1,295,175
OPERATING EXPENSES		
Personnel services and related benefits	913,870	887,256
Operating services	242,908	275,423
Material & supplies	13,132	11,042
Professional fees	158,101	112,207
Travel	93,910	89,311
Depreciation	20,875	19,286
Other		
Total operating expenses	1,442,796	1,394,525
Operating income (loss)	(1,387)	(99,350)
NONOPERATING REVENUES		
Investment income	83,001	(20,371)
Income (loss)	81,614	(119,721)
Total net assets-beginning	1,472,298	1,592,019
Total net assets-ending	\$ 1,553,912	1,472,298

The notes are an integral part of this statement.

LOUISIANA BOARD OF PHARMACY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

Statement of Cash Flows
For the Two Years Ended June 30, 2005

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from licenses	\$ 1,441,410	\$ 1,295,175
Cash payments to suppliers of goods and supplies	(505,105)	(496,426)
Cash payments to employees for services	(895,380)	(866,398)
Net cash provided (used) by operating activities	40,925	(67,649)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(13,217)	(18,057)
Net cash used by capital and related financing activities	(13,217)	(18,057)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of securities	(1,262,970)	(1,647,724)
Sale of securities	1,150,977	1,689,528
Investment income	57,204	59,317
	(54,789)	101,121
 <i>Net increase (decrease) in cash and cash equivalents</i>	 (27,081)	 15,415
Cash and cash equivalents, beginning of year	159,136	143,721
Cash and cash equivalents, end of year	\$ 132,055	\$ 159,136
 RECONCILIATION OF OPERATING INCOME AND NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (1,387)	\$ (99,351)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Deprecation	20,875	19,286
Change in assets and liabilities		
Accounts payable	2,947	(8,442)
Payroll tax liability	3,507	2,707
Compensated absences	14,983	18,151
Net cash provided (used) by operating activities	\$ 40,925	\$ (67,649)

The notes are an integral part of this statement.

LOUISIANA BOARD OF PHARMACY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

The Louisiana Board of Pharmacy (the Board) is a component unit of the State of Louisiana created within the Louisiana Department of Health and Hospitals, as provided by Louisiana Revised Statutes (LSA-R.S) 37:1171. The Board is composed of seventeen members, appointed by the governor, including two licensed pharmacist from each of the pharmacy Boards as provided in R.S. 37:1173.

The Board is charged with the responsibility of establishing rules and regulations that control and regulate the practice of pharmacy.

Revenues to operate the Board are self-generated by licenses and fees paid by licensees and applicants.

Reporting Entity

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included in the reporting entity. In conformance with GASB Codification Section 2100, this entity is a component unit of the State of Louisiana because the board is not legally separate and the state holds the board's corporate powers. The accompanying basic financial statements present only the transactions of the Louisiana Board of Examiners of Nursing Facility Administrators, a component unit of the State of Louisiana.

Basis of Presentation

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

Basis of Accounting

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

Use of Estimates

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

Cash and Investments

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

LOUISIANA BOARD OF PHARMACY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

Notes to Financial Statements

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

Capital Assets

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

Furniture	5-7 years
Equipment	5-10 years

Encumbrances

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

Revenues and Expenses

Revenues and expense are recorded on the accrual basis of accounting. Revenues consist of licenses and examination fees. Licenses are renewed on December 31, of each year. Licenses are recorded in the Statement of Activities when they are earned. Operating and non-operating expenses are recorded as they are incurred.

Employee Compensated Absences

Employees earn and accumulate vacation and sick leave at varying rates, depending on their years of service. Each employee may accumulate an unlimited amount of vacation and sick leave. After an employee is terminated they are compensated for up to 300 hours of unused vacation at their current rate of pay. The cost of current leave privileges are recognized as a current-year expense. The cost of leave not requiring current resources is recorded as a long-term obligation.

Statement of Cash Flows

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

2. BUDGET PRACTICES

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

3. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposits and are secured by the Federal Deposit Insurance Corporation insurance. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must equal or exceed the amount on deposit. At year end, the deposit balance was secured from risk by federal deposit insurance (Category 1):

LOUISIANA BOARD OF PHARMACY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

Notes to Financial Statements

4. INVESTMENTS

Investments of the Board consist of U.S. government securities. These securities are stated at their fair value as required by GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*. The Board used quoted market values to determine fair value of the investments.

5. CAPITAL ASSETS

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

	Capital Assets	Accumulated Depreciation	Net
Balance, July 1, 2003	\$ 115,698	52,587	63,111
Additions	18,057	19,286	
Deletions	-0-	-0-	
Balance, June 30, 2004	<u>133,755</u>	<u>71,873</u>	61,882
Additions	13,217	20,875	
Deletions	17,128	15,481	
Balance, June 30, 2005	<u>\$ 129,844</u>	<u>77,267</u>	<u>52,577</u>

6. LITIGATION

There are no judgments, claims or similar contingencies pending against the Board at June 20, 2005.

7. PENSION PLAN

The employees of the Board are members of Louisiana State Employees' Retirement System (LASERS), a multiple-employer defined benefit pension plan. LASERS is a component unit of the State of Louisiana included in the State's CAFR as a pension trust fund. LASERS was established and provided for within Title 11 Chapter 401 of the Louisiana Revised Statutes. LASERS is a statewide public retirement system for the benefit of state employees, which is administered by a separate board of trustees. LASERS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. This report can be obtained by writing to LASERS, 8401 United Plaza Blvd, PO Box 44213, Baton Rouge, LA 70809 or can be obtained from their web site www.lasers.state.la.us.

All full-time employees, who began state employment prior to age 60, are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to 2.5 per cent of their highest consecutive 36 months average salary multiplied by their years of credited service plus \$300 for employees hired before July 31, 1986. Vested age 55 with 25 years of service, or (c) age 60 with 10 years of service. The System also provides death and disability benefits.

State law provides for fiscal year 2005, 2004, and 2003 contribute rates of 7.5% by employees and 17.8% 15.8% and 14.1% by employers for 2005, 2004, and 2003 respectively. Contribution requirement to the System are set by Statute and differ from the contribution requirement determined using actuarial methods. The contributions to the system for the years ended June 30, 2005, 2004, and 2003 were \$114,353; \$97,754; and \$73,635, respectively. The contributions equaled the required contributes set by Statute.

LOUISIANA BOARD OF PHARMACY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
Notes to Financial Statements

8. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board may provide certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Board employees become eligible for those benefits if they reach normal retirement age while working for the Board. Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly, 25% by the former employee and 75% by the Board. The Board's cost of providing retiree health care and life insurance benefits are recognized as expenditure when the monthly premiums are paid. For the years ended June 30, 2005 and 2004, the cost of benefits for five retirees totaled \$33,929 and \$33,719, respectively

9. COMPENSATED ABSENCES

A. Annual and Sick Leave

The Louisiana Board of Pharmacy has the following policy related to annual and sick leave for the Board's unclassified clerical employees. The earning of annual and sick leave is based on the equivalent of full-time services. It is credited at the end of each month of regular service. Accrued unused annual and sick leave shall be carried forward to the succeeding calendar year without limitation; however, upon separation of service no sick leave will be paid and only 300 hours of annual leave will be paid. Annual leave must be applied for by the employee and may only be used when approved by the Board.

Changes in accrued leave for the current and long-term periods are as follows:

	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
Balance, July 1, 2003	\$ 18,300	31,631	49,931
Additions		26,981	26,981
Deletions	9,471		9,471
Balance, June 30, 2004	8,829	58,612	67,441
Additions		33,924	33,924
Deletions	2,451	15,849	18,300
Balance, June 30, 2005	\$ <u>6,378</u>	<u>76,687</u>	<u>83,065</u>

10. RELATED PARTY TRANSACTIONS - NONE

11. BOARD MEMBERS' PER DIEM

The Board members are paid per diem of \$75 per day for each day in actual attendance of board meetings and for attending to official business of the Board as authorized by the House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

12. OPERATING LEASE

The Board rents its office space and equipment. For the fiscal year ended June 30, 2005 and 2004 the annual rent charged was \$85,187 and \$79,313, respectively. Future minimum rental payments for each of the five subsequent fiscal years are as follows (if applicable):

	<u>Office Space</u>	<u>Equipment Rental</u>	<u>Total</u>
2006 \$	68,424	3,732	72,156
2007	68,424	3,732	72,156
2008	19,797	3,732	23,529
2009		622	622
\$	<u>156,645</u>	<u>11,818</u>	<u>168,463</u>

SUPPLEMENTAL INFORMATION

LOUISIANA BOARD OF PHARMACY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

Schedule of Board Members' Per Diem
As of and for the two years ended June 30, 2005

	June 30,	
	2005	2004
Brian A. Bond	\$ 2,400	1,125
Carl W. Aron	4,725	4,050
Clovis S. Burch	600	2,400
Fred H. Mills, Jr.	675	225
Jacqueline L. Hall	1,125	975
Michele P. Alderman	2,100	
Allen W. Cassidy	975	
Joseph L. Adams	3,225	2,475
Joseph V. Greco	600	525
Larry J. Lantier	1,500	1,725
Marty R. McKay	3,000	1,875
Patsy Angelle	1,275	
Reuben R. Dixon	2,850	2,475
Richard J. Oubre	1,950	1,950
Salvatore J. D'Angelo	300	1,800
T. Morris Rabb	2,925	2,475
Therodore S. Carmichael	225	1,200
Wayne A. Camp	150	1,425
	\$ 30,600	26,700

LOUISIANA BOARD OF PHARMACY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

Summary of Findings and Questioned Costs
For the two years ended June 30, 2005

A. SUMMARY OF AUDIT RESULTS

Financial statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

Material weaknesses identified?

Yes No

Reporting conditions identified that are considered material weaknesses?

Yes No

Noncompliance material to financial statements?

Yes No

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no findings.

LOUISIANA BOARD OF PHARMACY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA

Summary of Prior year Findings and Questioned Costs
For the two years ended June 30, 2005

None

LOUISIANA BOARD OF PHARMACY
(Agency Name)
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2005

CONTENTS

TRANSMITTAL LETTER
AFFIDAVIT

Statements

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

Notes to the Financial Statements

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

Schedules

1	Schedule of Per Diem Paid Board Members
2	Schedule of State Funding
3	Schedules of Long-Term Debt
4	Schedules of Long-Term Debt Amortization
5	Schedule of Current Year Revenue and Expenses – Budgetary Comparison of Current Appropriation – Non GAAP Basis
15	Schedule of Comparison Figures

**STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY (BTA)
BALANCE SHEET
AS OF JUNE 30, 2005**

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents (Note C1)	\$ 132,055
Investments (Note C2)	1,463,344
Receivables (net of allowance for doubtful accounts)(Note U)	
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Other current assets	
Total current assets	
NONCURRENT ASSETS:	1,595,399
Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	
Buildings and improvements	
Machinery and equipment	52,577
Infrastructure	
Construction in progress	
Other noncurrent assets	
Total noncurrent assets	52,577
Total assets	\$ 1,647,976
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable and accruals (Note V)	\$ 10,999
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities:	
Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	6,378
Capital lease obligations - (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total current liabilities	17,377
NON-CURRENT LIABILITIES:	
Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	76,687
Capital lease obligations (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total long-term liabilities	76,687
Total liabilities	94,064
NET ASSETS	
Invested in capital assets, net of related debt	52,580
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	1,501,332
Total net assets	1,553,912
Total liabilities and net assets	\$ 1,647,976

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

**STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY (BTA)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2005**

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	1,441,409
Other	_____
Total operating revenues	1,441,409
OPERATING EXPENSES	
Cost of sales and services	1,421,921
Administrative	_____
Depreciation	20,875
Amortization	_____
Total operating expenses	1,442,796
Operating income(loss)	(1,387)
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues (expenses)	_____
Taxes	_____
Use of money and property	83,001
Gain (loss) on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other	_____
Total non-operating revenues(expenses)	83,001
Income(loss) before contributions and transfers	81,614
Capital contributions	_____
Transfers in	_____
Transfers out	_____
Change in net assets	81,614
Total net assets – beginning as restated	1,472,298
Total net assets – ending	\$ 1,553,912

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

Statement B

STATE OF LOUISIANA
 LOUISIANA BOARD OF PHARMACY (BTA)
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2005

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
BTA	\$ 1,442,796	\$ 1,441,409	\$	\$	\$ (1,387)
General revenues:					
Taxes					
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					83,001
Miscellaneous					
Special items					
Transfers					
Total general revenues, special items, and transfers					83,001
Change in net assets					81,614
Net assets - beginning					1,472,298
Net assets - ending					\$ 1,553,912

**STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2005**

Cash received from customers	\$ 1,441,410	
Cash payments to suppliers for goods and services	<u>(505,105)</u>	
Cash payments to employees for services	<u>(895,380)</u>	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		\$ <u>40,925</u>
Cash flows from non-capital financing activities		
State appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Other		
Transfers In		
Transfers Out		
Net cash provided(used) by non-capital financing activities		<u>-</u>
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	<u>(13,217)</u>	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		<u>(13,217)</u>
Cash flows from investing activities		
Purchases of investment securities	<u>(1,262,970)</u>	
Proceeds from sale of investment securities	<u>1,150,977</u>	
Interest and dividends earned on investment securities	<u>57,204</u>	
Net cash provided(used) by investing activities		<u>(54,789)</u>
Net increase(decrease) in cash and cash equivalents		<u>(27,081)</u>
Cash and cash equivalents at beginning of year		<u>159,136</u>
Cash and cash equivalents at end of year		\$ <u><u>132,055</u></u>

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA
 LOUISIANA BOARD OF PHARMACY (BTA)
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2005**

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

Operating income(loss)		\$ <u>(1,387)</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	<u>20,875</u>	
Provision for uncollectible accounts	<u> </u>	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	<u> </u>	
(Increase)decrease in due from other funds	<u> </u>	
(Increase)decrease in prepayments	<u> </u>	
(Increase)decrease in inventories	<u> </u>	
(Increase)decrease in other assets	<u> </u>	
Increase(decrease) in accounts payable and accruals	<u>2,947</u>	
Increase(decrease) in accrued payroll and related benefits	<u>3,507</u>	
Increase(decrease) in compensated absences payable	<u>14,983</u>	
Increase(decrease) in due to other funds	<u> </u>	
Increase(decrease) in deferred revenues	<u> </u>	
Increase(decrease) in other liabilities	<u> </u>	
 Net cash provided(used) by operating activities		 \$ <u><u>40,925</u></u>

Schedule of noncash investing, capital, and financing activities:

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

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

STATE OF LOUISIANA
Louisiana Board of Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005_____

INTRODUCTION

The Louisiana Board of Pharmacy (BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:1173. The following is a brief description of the operations of Louisiana Board of Pharmacy (BTA) which includes the parish/parishes in which the (BTA) is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

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

The accompanying financial statements of Louisiana Board of Pharmacy present information only as to the transactions of the programs of the Louisiana Board of Pharmacy as authorized by Louisiana statutes and administrative regulations.

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

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

Revenue Recognition

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

Expense Recognition

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

B. BUDGETARY ACCOUNTING

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

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

STATE OF LOUISIANA
Louisiana Board of Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005 _____

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>1,319,300</u>
Amendments:	
Amendment #1	<u>85,380</u>
	<u> </u>
Final approved budget	\$ <u><u>1,404,680</u></u>

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

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana Board of Pharmacy (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; 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.

Following GASB Statement 3, deposits were classified into three categories of custodial credit risk depending on whether they were insured or collateralized, and who held the collateral and how it was held. Category 1 – Deposits that are covered by insurance (FDIC) or collateralized with securities that are held by the entity in the entity’s name or registered in the entity’s name. (separate disclosure no longer required)

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

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

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all deposits by the 3 categories of risk listed above. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity’s deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the entity’s name.

The deposits at June 30, 2005, consisted of the following:

STATE OF LOUISIANA
Louisiana Board of Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005 _____

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in Bank Accounts Per Balance Sheet	\$ <u>132,055</u>	\$ _____	\$ _____	\$ <u>132,055</u>
Bank Balances of Deposits Exposed to Custodial Credit Risk:				
a. <i>Uninsured and uncollateralized</i>	_____	_____	_____	-
b. <i>Uninsured and collateralized with securities held by the pledging institution</i>	_____	_____	_____	-
c. <i>Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entities name</i>	_____	_____	_____	-
Total Bank Balances - All Deposits	\$ <u>180,637</u>	\$ _____	\$ _____	\$ <u>180,637</u>

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

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

	<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1.	Hancock _____	_____	\$ <u>180,637</u>
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
Total			\$ <u>180,637</u>

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

Cash in State Treasury	\$ _____
Petty cash	\$ _____

2. INVESTMENTS

The Louisiana Board of Pharmacy (BTA) does (does not) maintain investment accounts as authorized by LAC 71:1.501.

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured and unregistered, not registered in the name of the entity, and are held either by the counterparty, or the counterparty's trust department or agent but not in the entity's name.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by the 3 categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk. Those investments exposed to custodial credit risk are reported

STATE OF LOUISIANA
Louisiana Board of Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005 _____

<u>Rating</u>	<u>Fair Value</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
Total	\$ _____

B. Interest rate Risk

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type.

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater Than 10</u>
U.S. Government obligations	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
U.S. Agency obligations	_____	_____	_____	_____	_____
U.S. Treasury obligations	_____	_____	_____	_____	_____
Mortgage backed securities	_____	_____	_____	_____	_____
Collateralized mortgage obligations	_____	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____	_____
Other bonds	_____	_____	_____	_____	_____
Mutual funds	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____
Total debt investments	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms of the investment (eg. coupon multipliers, reset dates, etc.):

<u>Debt Investment</u>	<u>Fair Value</u>	<u>Terms</u>
_____	\$ _____	_____
_____	_____	_____
_____	_____	_____
Total	\$ _____	

C. Concentration of Credit Risk

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

STATE OF LOUISIANA
Louisiana Board of Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005 _____

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
_____	\$ _____	_____
_____	_____	_____
_____	_____	_____
Total	\$ _____ -	

D. Foreign Currency Risk

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

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
Total	\$ _____ -	\$ _____ -

5. Policies

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

6. Other Disclosures Required for Investments

- a. Investments in pools managed by other governments or mutual funds _____

- b. Securities underlying reverse repurchase agreements _____

- c. Unrealized investment losses _____

- d. Commitments as of _____ (fiscal close), to resell securities under yield maintenance repurchase agreements:
 - 1. Carrying amount and market value at June 30 of securities to be resold _____
 - 2. Description of the terms of the agreement _____

STATE OF LOUISIANA
Louisiana Board of Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005 _____

- e. Losses during the year due to default by counterparties to deposit or investment transactions _____
- f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet _____

Legal or Contractual Provisions for Reverse Repurchase Agreements

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

Reverse Repurchase Agreements at Year-End

- i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at balance sheet date, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest _____
- j. Commitments on _____ (fiscal close), to repurchase securities under yield maintenance agreements _____
- k. Market value on _____ (fiscal close), of the securities to be repurchased _____
- l. Description of the terms of the agreements to repurchase _____
- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements _____
- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement _____

Fair Value Disclosures

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices _____
- p. Basis for determining which investments, if any, are reported at amortized cost _____
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool _____
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares _____
- s. Any involuntary participation in an external investment pool _____

STATE OF LOUISIANA
Louisiana Board of Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005_____

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

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

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, 2005						Balance 6/30/2005
	Balance 6/30/2004	Prior Period Adjustment	Adjusted Balance 6/30/2004	Additions	Transfers*	Retirements	
Capital assets not being depreciated							
Land	\$	\$	\$	\$	\$	\$	\$
Non-depreciable land improvements							
Capitalized collections							
Construction in progress							
Total capital assets not being depreciated	\$	\$	\$	\$	\$	\$	\$
Other capital assets							
Furniture, fixtures, and equipment	\$ 133,755	\$	\$ 133,755	\$ 13,217	\$	\$ (17,128)	\$ 129,844
Less accumulated depreciation	(71,873)		(71,873)	(20,875)		15,481	(77,267)
Total furniture, fixtures, and equipment	61,882	--	61,882	(7,658)	--	(1,647)	52,577
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	\$ 61,882	\$ --	\$ 61,882	\$ (7,658)	\$ --	\$ (1,647)	\$ 52,577
Capital Asset Summary:							
Capital assets not being depreciated	\$	\$	\$	\$	\$	\$	\$
Other capital assets, at cost	133,755	--	133,755	13,217	--	(17,128)	129,844
Total cost of capital assets	133,755	--	133,755	13,217	--	(17,128)	129,844
Less accumulated depreciation	(71,873)	--	(71,873)	(20,875)	--	15,481	(77,267)
Capital assets, net	\$ 61,882	\$ --	\$ 61,882	\$ (7,658)	\$ --	\$ (1,647)	\$ 52,577

* 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 Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005 _____

E. INVENTORIES N/A

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

F. RESTRICTED ASSETS N/A

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

G. LEAVE

1. COMPENSATED ABSENCES

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

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

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

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2005 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$89,443. The leave payable is recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the (BTA) are members of the Louisiana State Employees Retirement System, 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 Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005

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 Louisiana 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, 2005, was 17.9% of annual covered payroll from the 15.8% and 14.1% required in fiscal years ended June 30, 2004 and 2003, respectively. The (BTA) contributions to the System for the years ending June 30, 2005, 2004, and 2003, were \$114,353, \$97,754, and \$73,635, respectively, equal to the required contributions for each year.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

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 2005, the cost of providing those benefits for the 7 retirees totaled \$33,929.

The Louisiana Board of Pharmacy(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 \$33,929 for the year ended June 30, 2005. The cost of providing those benefits for 7_ retirees is not separable from the cost of providing benefits for the active employees.

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year June 30, 2005 amounted to \$85, 187. A schedule of payments for operating leases follows:

STATE OF LOUISIANA
Louisiana Board of Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005 _____

<u>Nature of lease</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY20010</u>	<u>FY2011-2015</u>	<u>FY2016-2020</u>
Office space	\$ 68,424	\$ 68,424	\$ 19,797	\$	\$	\$	\$
Equipment rental	3,732	3,732	3,732	622			
Total	\$ 72,156	\$ 72,156	\$ 23,529	\$ 622	\$ -	\$ -	\$ -

2. CAPITAL LEASES

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

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

SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

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

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: (Note: If lease payments extend past FY2025, please create additional rows and report these future minimum lease payments in five year increments.)

STATE OF LOUISIANA
Louisiana Board of Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005 _____

Year ending June 30:	<u>Total</u>
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

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

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2025, please create additional rows and report these future minimum lease payments in five year increments.)

Year ending June 30:	<u>Total</u>
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

STATE OF LOUISIANA
Louisiana Board of Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005_____

SCHEDULE C – LEAF CAPITAL LEASES

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

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2025, please create additional rows and report these future minimum lease payments in five year increments.)

<u>Year ending June 30:</u>	<u>Total</u>
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

3. LESSOR DIRECT FINANCING LEASES

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

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

STATE OF LOUISIANA
Louisiana Board of Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005 _____

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

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

Minimum lease payments receivables 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 2005 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): (Note: If lease receivables extend past FY2025, please create additional rows and report these future minimum lease payment receivables in five year increments.)

Year ending _____:	
2006	\$ _____
2007	_____
2008	_____
2009	_____
2010	_____
2011-2015	_____
2016-2020	_____
2021-2025	_____
Total	\$ _____

4. LESSOR – OPERATING LEASE

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

STATE OF LOUISIANA
Louisiana Board of Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005 _____

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	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of _____ (the last day of your fiscal year): (Note: If lease receivables extend past FY2025, please create additional columns and report these future minimum lease payment receivables in five year increments.)

Year Ended June 30,	<u>Office Space</u>	<u>Equipment</u>	<u>Land</u>	<u>Other</u>	<u>Total</u>
2006	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2007					-
2008					-
2009					-
2010					-
2011-2015					-
2016-2020					-
2021-2025	_____	_____	_____	_____	-
Total	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

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

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

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 20__:

STATE OF LOUISIANA
Louisiana Board of Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005 _____

	<u>Year ended June 30, 2005</u>				
	<u>Balance</u> <u>June 30,</u> <u>2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30,</u> <u>2005</u>	<u>Amounts</u> <u>due within</u> <u>one year</u>
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					--
Capital lease obligations					--
Liabilities payable from restricted assets					--
Claims and litigation					--
Other long-term liabilities					--
Total other liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total long-term liabilities	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</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 OSRAP a copy of the amortization schedule for any new debt issued.)

L. LITIGATION N/A

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

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

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

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

STATE OF LOUISIANA
Louisiana Board of Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005 _____

M. RELATED PARTY TRANSACTIONS N/A

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

N. ACCOUNTING CHANGES N/A

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

O. IN-KIND CONTRIBUTIONS N/A

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

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

P. DEFEASED ISSUES N/A

In _____, 20____, the _____ (BTA), issued \$ _____ of taxable bonds. The purpose of the issue was to provide monies to advance refund portions of _____ bonds. In order to refund the bonds, portions of the proceeds of the new issue \$ _____, plus an additional \$ _____ of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an escrow deposit agreement dated _____ between the (BTA) and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$ _____ and gave the (BTA) an economic gain (difference between the present values of the debt service payments on the old and new debt of \$ _____).

Q. COOPERATIVE ENDEAVORS N/A

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between

STATE OF LOUISIANA
Louisiana Board of Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005 _____

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

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

The liability outstanding for fiscal year ending June 30, 2005, by funding source, is as follows:

<u>Funding Source</u>	<u>Balance</u> <u>June 30, 2005</u>
State General Fund	\$ _____
Self-generated revenue	_____
Statutorily dedicated revenue	_____
General obligation bonds	_____
Federal funds	_____
Interagency transfers	_____
Other funds/combination	_____

NOTE: Amounts in excess of contract limits **cannot** be used to reduce the outstanding contract balance at June 30, 2005. 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, 2004. 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) N/A

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2004-2005:

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

STATE OF LOUISIANA
Louisiana Board of Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005 _____

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS N/A

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 N/A

The _____ (BTA) issues short-term notes for the following purposes: _____

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

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

The _____ (BTA) uses a revolving line of credit for the following purposes: _____ . Short-term debt activity for the year ended June 30, 20__, was as follows:

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

U. DISAGGREGATION OF RECEIVABLE BALANCES N/A

Receivables at June 30, 20__, were as follows:

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

STATE OF LOUISIANA
Louisiana Board of Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005_____

V. DISAGGREGATION OF PAYABLE BALANCES N/A

Payables at June 30, 20__ , were as follows:

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

W. SUBSEQUENT EVENTS N/A

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

X. SEGMENT INFORMATION N/A

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

Type of goods or services provided by the segment _____.

A. Condensed Balance Sheet:

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

Condensed Balance Sheet:

STATE OF LOUISIANA
Louisiana Board of Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005 _____

	<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.

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

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

C. Condensed statement of cash flows:

- (1) Net cash provided (used) by:
 - (a) Operating activities
 - (b) Noncapital financing activities
 - (c) Capital and related financing activities
 - (d) Investing activities

STATE OF LOUISIANA
Louisiana Board of Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005 _____

- (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	_____	_____

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

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

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

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

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

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

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

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

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

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

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

STATE OF LOUISIANA
Louisiana Board of Pharmacy (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2005_____

in accounts payable, \$_____ in notes payable, and \$_____ in _____.

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

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

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

Ending Net Assets July 1, 2004, <u>previously reported</u>	Adjustments <u>+ or (-)</u>	Beginning net assets, July 1, 2004, <u>As restated</u>
\$ _____	\$ _____	\$ _____ --
_____	_____	_____ --
_____	_____	_____ --
_____	_____	_____ --
_____	_____	_____ --
_____	_____	_____ --

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

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

STATE OF LOUISIANA

(BTA)

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

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

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

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2006	\$ _____	\$ _____
2007	_____	_____
2008	_____	_____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
Total	\$ <u>_____</u> --	\$ <u>_____</u> --

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

Fiscal Year Ending:	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	Balance
2006	\$ _____	\$ _____	\$ _____	\$ _____ --
2007	_____	_____	_____	_____ --
2008	_____	_____	_____	_____ --
2009	_____	_____	_____	_____ --
2010	_____	_____	_____	_____ --
2011-2015	_____	_____	_____	_____ --
2016-2020	_____	_____	_____	_____ --
2021-2025	_____	_____	_____	_____ --
2026-2030	_____	_____	_____	_____ --
 Total	 \$ _____ --	 \$ _____ --	 \$ _____ --	 \$ _____ --

**BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
JUNE 30, 2005**

	Financial Statement	Adjustments	Not a Required statement		Variance
			ISIS Appropriation Report-08/14/05	Revised Budget	
Operating Revenues:					
Intergovernmental Revenues	\$	\$	\$	\$	\$
Sales of Commodities and Services					
Other					
Total Operating revenues					
Operating Expenses:					
Personal services	\$	\$	\$	\$	\$
Travel					
Operating Services					
Supplies					
Professional services					
Capital outlay					
Interagency transfers					
Other charges					
Total Operating Expenses					
Nonoperating Expenses:					
Use of Money and Property					
Gain (Loss) on Disposal of Fixed Assets					
Federal Grants					
Interest Expense					
Other					
Total Nonoperating Expenses					
Capital Contributions					
Operating Transfers In					
Operating Transfers Out					
Change in Net Assets	\$	\$	\$	\$	\$

STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
JUNE 30, 2005

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	\$	-

STATE OF LOUISIANA
 LOUISIANA BOARD OF PHARMACY
 COMPARISON FIGURES

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

	<u>2005</u>	<u>2004</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 1,441,409	\$ 1,295,175	\$ 146,234 -	\$ 11%
Expenses	1,442,796	1,394,525	48,271 -	3%
2) Capital assets	129,844	133,755	3,911 -	3%
Long-term debt			-	
Net Assets	1,553,991	1,472,298	81,670 -	5%
Explanation for change:	_____			

