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LOUISIANA BOARD OF HEARING AID DEALERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
MONROE, LOUISIANA

COMPONENT UNIT FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT

AS OF AND FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

Under 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 10/11/03

LOUISIANA BOARD FOR HEARING AID DEALERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
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INDEPENDENT AUDITOR'S REPORT

Louisiana Board for Hearing Aid Dealers
Department of Health and Hospitals
State of Louisiana
Monroe, Louisiana

We have audited the accompanying component unit financial statements of the governmental activities and each fund of the Louisiana Board for Hearing Aid Dealers, a component unit of the State of Louisiana, as of and for the years ended June 30, 2003 and 2002, which collectively comprise the Board's basic financial statements as listed in the table of contents. These component unit financial statements are the responsibility of the management of the Louisiana Board for Hearing Aid Dealers. Our responsibility is to express an opinion on these component unit financial statements based on our audit.

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

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each fund of the Louisiana Board for Hearing Aid Dealers, as of June 30, 2003 and 2002, and the respective changes in financial position for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in the notes to the financial statements, the Board implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as of June 30, 2002.

In accordance with Government Auditing Standards, we have also issued our report dated August 21, 2003, on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison schedule on pages 3 through 4 and page 15, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the component unit financial statements that collectively comprise the Board's basic financial statements. The accompanying other supplement information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic component unit financial statements of the Board. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic component unit financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic component unit financial statements taken as a whole.

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
August 21, 2003

Required Supplementary Information (Part 1 of 2)

LOUISIANA BOARD FOR HEARING AID DEALERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2003

The management's discussion and analysis (MDA) of the Louisiana Board For Hearing Aid Dealer's financial performance presents a narrative overview and analysis of the Board's financial activities for the two years ended June 30, 2003. This document focuses on the current years activities, resulting changes, and currently known facts in comparison with the prior reporting period's information.

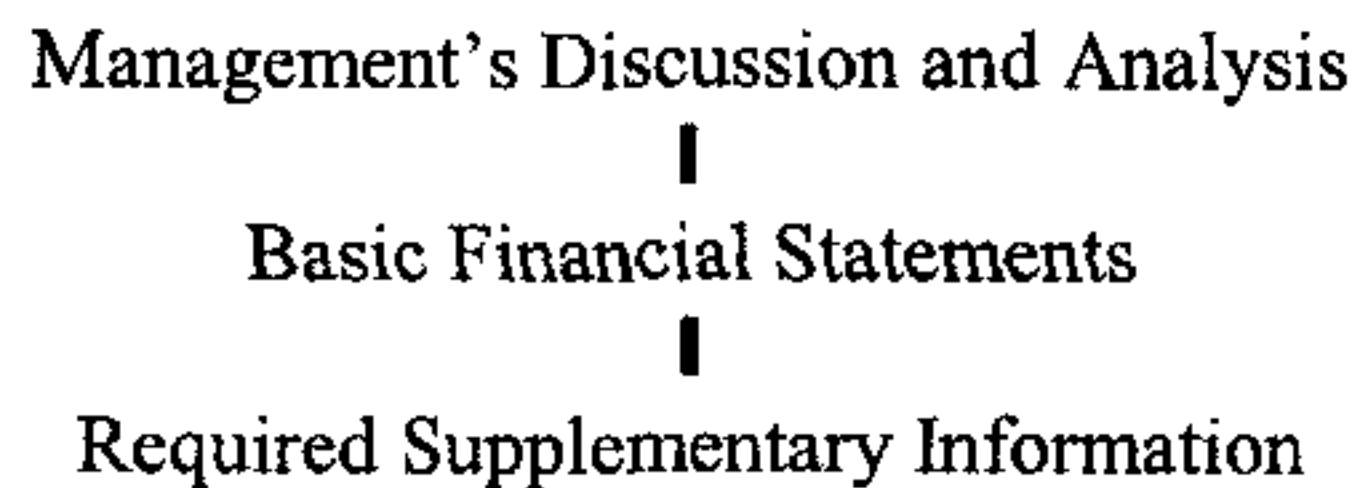
FINANCIAL HIGHLIGHTS

The Board's assets exceeded its liabilities at the close of fiscal year 2003 by \$16,851 which represents a 45% decrease from the last reporting period (June 30, 2001). The net assets decreased by \$20,713.

The Board's revenue increased \$925 (or 6%) and the net results from activities decreased by \$10,876.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following illustrates the minimum requirements established by Governmental Accounting Standards Board Statements 34.



BASIC FINANCIAL STATEMENTS

The basic financial statements presents information for the Board as a whole, in a format designed to make the statements easier for the reader to understand.

Government-Wide Statements

The statement of net assets presents information on all of the Board's assets and liabilities using the accrual basis of accounting. The difference between the assets and liabilities is reported as net assets. The increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or weakening.

The statement of activities presents information detailing how the Board's net assets changed as a result of current year operations. All changes in net assets are reported as soon as the underlying event giving rise to change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board uses a single fund to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements fund financial statements focus on the Board's only fund, the general fund.

LOUISIANA BOARD FOR HEARING AID DEALERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2003

FINANCIAL ANALYSIS

	<u>2003</u>	<u>2002</u>
<u>Statement of Net Assets</u>		
Current Assets	16,597	27,704
Capital Assets	<u>1,020</u>	<u>1,522</u>
<u>Total Assets</u>	<u>17,617</u>	<u>29,226</u>
<u>Liabilities</u>	<u>766</u>	<u>766</u>
<u>Net Assets</u>		
Invested in Capital Assets	1,020	1,522
Unrestricted	<u>15,831</u>	<u>26,938</u>
<u>Total Net Assets</u>	<u>16,851</u>	<u>28,460</u>

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

Summary of Capital Assets

(Net of Depreciation)	<u>2003</u>	<u>2002</u>
Office Equipment	<u>1,022</u>	<u>1,522</u>

There were no additions during 2003 and 2002.

Debt - The Board has no debt.

Variation Between Actual and Budget

Revenues were \$4,841 under budget due primarily to a reduction in the number of license renewals and applications taken. Expenditures were \$6,262 more than the budget primarily due to legal cost.

ECONOMIC FACTORS AND NEXT YEARS BUDGET

The Board's appointed officials considered the following factors and indicators when setting next year's budget. These factors and indicators include:

- 1) Previous years results and experience.
- 2) Projected revenues and expenditures.
- 3) Status of Litigation.

CONTACTING THE BOARD'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and any interested party 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 information, contact Resa Brady, Administrative Secretary, The Louisiana Board for Hearing Aid Dealers, 220 Justice St, Monroe, Louisiana, 71201.

Basic Financial Statements

LOUISIANA BOARD FOR HEARING AID DEALERS
DEPARTMENT OF HEALTH AND HOSPITALS

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STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2003 AND 2002

	Governmental Activities <u>June 30, 2003</u>	Governmental Activities <u>June 30, 2002</u>
<u>ASSETS</u>		
Cash	16,597	27,704
Capital Assets, net of depreciation	<u>1,020</u>	<u>1,522</u>
<u>TOTAL ASSETS</u>	<u>17,617</u>	<u>29,226</u>
<u>LIABILITIES</u>		
Accounts Payable	<u>766</u>	<u>766</u>
<u>NET ASSETS</u>		
Investment in Capital Assets	1,020	1,522
Unrestricted	<u>15,831</u>	<u>26,938</u>
<u>TOTAL NET ASSETS</u>	<u>16,851</u>	<u>28,460</u>

See Notes to Financial Statements

LOUISIANA BOARD FOR HEARING AID DEALERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

<u>Functions/Programs</u>	2003				<u>Net (Expense) Revenue and Changes in Net Assets</u>	
	<u>Expenses</u>	<u>Program Revenues</u>		<u>Governmental Activities</u>	<u>Total</u>	
		<u>Charges For Services</u>	<u>Capital Grants and Contributions</u>			
Governmental Activities						
Public Safety	27,716	0	0	(27,716)	(27,716)	
Depreciation	<u>502</u>	<u>0</u>	<u>0</u>	<u>(502)</u>	<u>(502)</u>	
<u>TOTAL</u>	<u>28,218</u>	<u>0</u>	<u>0</u>	<u>(28,218)</u>	<u>(28,218)</u>	

GENERAL REVENUES

License Renewals and Applications	13,200
Exam Registration and Fees	3,170
Interest	<u>239</u>

TOTAL GENERAL REVENUES 16,609

CHANGES IN NET ASSETS (11,609)

NET ASSETS, BEGINNING 28,460

CUMULATIVE EFFECT OF CHANGE OF ACCOUNTING
PRINCIPLE 0

NET ASSETS, ENDING 16,851

2002

<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Nets Assets</u>	
	<u>Charges For Services</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
23,409	0	0	(23,409)	(23,409)
<u>502</u>	<u>0</u>	<u>0</u>	<u>(502)</u>	<u>(502)</u>
<u>23,911</u>	<u>0</u>	<u>0</u>	<u>(23,911)</u>	<u>(23,911)</u>
				11,795
				2,100
				<u>912</u>
				14,807
				(9,104)
				35,540
				<u>2,024</u>
				<u>28,460</u>

See Notes to Financial Statements

LOUISIANA BOARD FOR HEARING AID DEALERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2003 AND 2002

	2003 General <u>Fund</u>	2002 General <u>Fund</u>
<u>ASSETS</u>		
Cash	16,597	27,704
<u>TOTAL ASSETS</u>	<u>16,597</u>	<u>27,704</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts Payable	<u>766</u>	<u>766</u>
<u>TOTAL LIABILITIES</u>	766	766
Fund Balance:		
Unreserved and Undesignated	15,831	26,938
<u>TOTAL FUND BALANCE</u>	<u>15,831</u>	<u>26,938</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>16,597</u>	<u>27,704</u>

See Notes to Financial Statements

LOUISIANA BOARD FOR HEARING AID DEALERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

	2003 General <u>Fund</u>	2002 General <u>Fund</u>
<u>REVENUES</u>		
License Renewals and Applications	13,200	11,795
Exam Registration and Fees	3,170	2,100
Interest	<u>239</u>	<u>912</u>
	16,609	14,807
<u>EXPENDITURES</u>		
Public Safety - Other Protection- Examination of Licensed Operations		
Personal Services and Related Benefits	8,700	8,700
Other Services	4,158	4,136
Materials and Supplies	1,235	855
Travel	4,826	3,180
Legal and Accounting	8,797	6,538
Capital Outlay	<u>0</u>	<u>0</u>
	27,716	23,409
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	(11,107)	(8,602)
<u>FUND BALANCE - BEGINNING</u>	<u>26,938</u>	<u>35,540</u>
<u>FUND BALANCE - ENDING</u>	<u>15,831</u>	<u>26,938</u>

See Notes to Financial Statements

LOUISIANA BOARD FOR HEARING AID DEALERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
RECONCILIATION OF GOVERNMENT FUNDS BALANCE SHEET
TO GOVERNMENT - WIDE STATEMENT OF NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
Total Fund Balances - Governmental Funds Balance Sheet	15,831	26,938
Amounts reported for governmental activities in statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Governmental Capital Assets	3,028	3,028
Less: Accumulated Depreciation	<u>(2,008)</u>	<u>(1,506)</u>
Net Assets of Governmental Activities	<u>16,851</u>	<u>28,460</u>

See Notes to Financial Statements

LOUISIANA BOARD FOR HEARING AID DEALERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO
GOVERNMENT - WIDE STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
Net Change in Fund Balances - Governmental Funds	(11,107)	(8,602)
<p>Amounts reported for governmental activities in statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>		
Capital Outlay	0	0
Less: Current Year Depreciation Expense	(502)	(502)
Change in Net Assets of Governmental Activities	<u>(11,609)</u>	<u>(9,104)</u>

See Notes to Financial Statements

LOUISIANA BOARD FOR HEARING AID DEALERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The Louisiana Board for Hearing Aid Dealers is a component unit of the State of Louisiana created within the Louisiana Department of Health and Hospitals, as provided by Louisiana Revised Statutes 37:2441-2465. The Board is composed of nine members who are appointed by the governor, seven of whom serve four-year terms and two who serve at the pleasure of the governor. The board members serve without compensation. Board members are selected from a list of names submitted by the Louisiana Society of Hearing Aid Specialists. The Board administers examinations and issues, renews, suspends, or revokes licenses of persons engaged in the selling and fitting of hearing aids in the State of Louisiana. Operations of the Board are funded entirely through self-generated revenues. As of June 30, 2003 and 2002, there were 115 and 106 licensed hearing aid dealers in the state, respectively.

A. BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards.

B. REPORTING ENTITY

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The Board is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members and public service is rendered within the state's boundaries. The accompanying statements present information only as to the transactions of the programs of the Louisiana State Board for Hearing Aid Dealers, a component unit of the State of Louisiana. Annually, the State of Louisiana issues general-purpose financial statements, which includes the activity contained in the accompanying financial statements. The general-purpose financial statements are audited by the Louisiana Legislative Auditor.

C. FUND ACCOUNTING

The Board uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities.

The General Fund of the Board is classified as a governmental fund and is the general operating fund of the Board and accounts for all financial resources. Revenues are accounted for in this fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. General operating expenditures are paid from this fund.

LOUISIANA BOARD FOR HEARING AID DEALERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. MEASUREMENT FOCUS; BASIS OF ACCOUNTING

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type activities are included in the statement of Net Assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated.

Governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements represent increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated.

E. BUDGET PRACTICES

The Board adopts an annual budget that is submitted to the Louisiana Department of Health and Hospitals in compliance with Louisiana Revised Statute 36:803. The budgets were prepared and reported based on cash estimates. The Board did budget its beginning cash balance. Formal budget integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements represent the original budget. The budgets were not amended.

F. CASH

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

G. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

LOUISIANA BOARD FOR HEARING AID DEALERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. CAPITAL ASSETS

Capital assets are reported in the governmental activities in the government-wide financial statements. Capital assets are capitalized at historical cost. Capital assets are depreciated using the straight-line method over the following useful lives:

Office Equipment	5-7 Years
------------------	-----------

I. COMPENSATED ABSENCES, POSTRETIREMENT BENEFITS, AND PENSION PLAN

The Board has no employees; therefore, the Board has not established leave policies, does not pay postretirement benefits, and does not contribute to a pension plan.

NOTE 2 - CASH

Cash includes amounts in demand deposits, interest-bearing demand deposits and certificates of deposit. Under state law, the Board may deposit funds with state banks organized under Louisiana law and national banks having their principle offices in Louisiana.

At June 30, 2003 and 2002, the Board had cash totaling \$16,597 and \$27,704 as follows:

	<u>2003</u>	<u>2002</u>
Cash in Checking	7,680	7,553
Cash in Certificate of Deposit	<u>8,917</u>	<u>20,151</u>
	<u>16,597</u>	<u>27,704</u>

The deposits are stated at cost which approximates market. Under state law, the deposits or the resulting bank balances must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

At June 30, 2003 and 2002, the Board had \$16,597 and \$27,704 in deposits (collected bank balances). These deposits were entirely secured from risk by federal deposit insurance.

LOUISIANA BOARD FOR HEARING AID DEALERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

NOTE 3 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the years ended June 30, 2003 and 2002 are as follows:

Governmental Activities:	<u>2003</u>	<u>2002</u>
Office Equipment		
Beginning Balance	3,028	3,028
Additions	0	0
Retirements	<u>0</u>	<u>0</u>
Totals at Historical Cost	3,028	3,028
Less: Accumulated Depreciation	<u>(2,008)</u>	<u>(1,506)</u>
Capital Assets, Net	<u>1,020</u>	<u>1,522</u>

Depreciation expense of \$502 and \$502 is reported as a separate line item in the statement of activities.

NOTE 4 - LEASE OBLIGATIONS/RELATED PARTY TRANSACTIONS

The Board is leasing office space under an operating lease for \$150 per month from a local hearing aid dealer. The current lease will expire April 30, 2006.

NOTE 5 - CHANGE IN ACCOUNTING PRINCIPLE

During the year ended June 30, 2002, the Board adopted GASB Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. In accordance with GASB Statement No. 34, capital assets not previously recorded in governmental activities were recorded in the government-wide financial statements. The depreciation that would have impacted the change in net assets in prior years related to these capital assets was also considered. The cumulative effect on beginning net assets of these changes was computed as follows:

	Effect on
	Beginning
	<u>Net Assets</u>
Increase in Capital Assets as of July 1, 2002	3,028
Increase in Accumulated Depreciation as of July 1, 2002	<u>1,004</u>
Cumulative Effect	<u>2,024</u>

NOTE 6 - PENDING LITIGATION

As of June 30, 2003, the Board was involved in one legal matter. Plaintiff filed suit for a judicial review of the Board's September 26, 2002, decision to suspend plaintiff's license for six months from October 1, 2002 to March 31, 2003.

During the on going legal process, the plaintiff's suspension period ended. Consequently, on July 24, 2003, the Board filed an Exception of No Cause of Action indicating that there is no longer any remedy at law which is available to the plaintiff, therefore, the matter should be dismissed.

The Board's legal counsel believes the Board is in a position to prevail and that a favorable outcome for the Board is eminent.

Required Supplementary Information (Part 2)

LOUISIANA BOARD FOR HEARING AID DEALERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GOVERNMENTAL FUND - GENERAL FUND
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

	<u>2003</u>		Variance - Favorable (Unfavorable)
	Original and Final Budgeted Amounts	Actual	
<u>REVENUES</u>			
License Renewals and Applications	17,400	13,200	(4,200)
Exam Registration and Fees	3,850	3,170	(680)
Interest	<u>200</u>	<u>239</u>	<u>39</u>
	21,450	16,609	(4,841)
<u>EXPENDITURES</u>			
Public Safety - Other Protection- Examination of Licensed Operations			
Personal Services & Related Benefits	8,700	8,700	0
Other Services	4,950	4,158	792
Materials and Supplies	2,000	1,235	765
Travel	5,000	4,826	174
Legal and Accounting	800	8,797	(7,997)
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>
	<u>21,450</u>	<u>27,716</u>	<u>6,266</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	0	(11,107)	(11,107)
<u>FUND BALANCE - BEGINNING</u>	26,938	26,938	0
<u>FUND BALANCE - ENDING</u>	<u>26,938</u>	<u>15,831</u>	<u>(11,107)</u>

The actual expenditures are presented on the modified accrual basis of accounting. Actual expenditures on the cash basis of accounting would be reported as follows:

	<u>2003</u>	<u>2002</u>
Actual Expenditures - Modified Accrual	27,716	23,409
Add: Prior Year Payables	766	761
Less: Current Year Payables	(766)	(766)
Actual Expenditures - Cash Basis	<u>27,716</u>	<u>23,404</u>

2002		
<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
18,350	11,795	(6,555)
5,060	2,100	(2,960)
<u>790</u>	<u>912</u>	<u>122</u>
24,200	14,807	(9,393)
8,700	8,700	0
4,650	3,837	813
2,300	855	1,445
5,000	3,180	1,820
3,550	6,538	(2,988)
<u>0</u>	<u>299</u>	<u>(299)</u>
<u>24,200</u>	<u>23,409</u>	<u>791</u>
0	(8,602)	(8,602)
<u>35,540</u>	<u>35,540</u>	<u>0</u>
<u>35,540</u>	<u>26,938</u>	<u>(8,602)</u>

See Auditor's Report

MARCUS, ROBINSON and HASSELL

CERTIFIED PUBLIC ACCOUNTANTS

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Harvey Marcus, CPA
John Robinson, CPA
Doyle Hassell, CPA

MEMBER
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SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Louisiana Board for Hearing Aid Dealers
Department of Health and Hospitals
State of Louisiana
Monroe, Louisiana

We have audited the component unit financial statements of the Louisiana Board for Hearing Aid Dealers, as of and for the years ended June 30, 2003 and 2002, and have issued our report thereon dated August 21, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance that is required to be reported under Government Auditing Standards, which are described in the accompanying schedule of findings and questioned cost as items 2003-1 and 2003-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2003-1 and 2003-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees

in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable conditions described above to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, the Board of aldermen, federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
August 21, 2003

LOUISIANA BOARD FOR HEARING AID DEALERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
WITH MANAGEMENT PLANNED CORRECTIVE ACTIONS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

We have audited the component unit financial statements of the Louisiana Board for Hearing Aid Dealers as of, and for the years ended June 30, 2003 and 2002, and have issued our report thereon dated August 21, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2003 and 2002, resulted in an unqualified opinion.

Section I - Summary of Auditor's Report

1. Report on Internal Control and Compliance Material to the Financial Statements

Compliance

Compliance Material to Financial Statements X Yes No

Internal Control

Material Weakness X Yes No

Reportable Conditions X Yes No

Federal Awards

None

Section II - Financial Statement Findings

2003-1-Cash Balances

Criteria - Cash balances in excess of the current year expenditures.

Condition - Cash balances at June 30, 2002 are in excess of 2002 expenditures.

Recommendation - A reserve fund be established for future litigation cost.

Response - Management has felt in prior years that a surplus was necessary due to decreasing revenues and possible litigation. However, litigation costs in 2003 required the use of the surplus and there was no excess cash at June 30, 2003.

2003-2-Budget Variances

Criteria - Excess budge variances to actual.

Condition - Budgeted revenue in 2003 and 2002 exceeded actual revenue by 23% and 39%. Actual expenditures in 2003 exceeded budgeted expenditures by 29%.

Recommendation - Original budgets should be closely monitored to be in line with expected revenues and expenditures. In the case of unusual occurrences, the budget should be amended.

Response - Budgeted amounts for revenues will be monitored to reflect accurate expectations. Litigation costs in 2003 created the large expenditure variance and the budget was not amended. The proposed 2003-2004 budget has been amended for additional legal expense.

LOUISIANA BOARD FOR HEARING AID DEALERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

Finding 2001/00-01-Excess Cash Balance

Management took no corrective action and felt no corrective action was necessary. The litigation cost in 2003 has eliminated the surplus cash thus resolving the situation.

Other Supplementary Information

LOUISIANA BOARD FOR HEARING AID DEALERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

There were no per diem payments or compensation paid to members of the Board for the years ended June 30, 2003 and June 30, 2002.

See Auditor's Report

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

LA Board for Hearing Aid Dealers
(Agency Name)

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

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

AFFIDAVIT

Personally came and appeared before the undersigned authority, Resa F. Brady (Name)
(Title) of Administrative Secretary, LA Board for Hearing Aid Dealers (Agency) who duly sworn, deposes and says, that the
financial statements herewith given present fairly the financial position of
(agency) at June 30, 03 and the results of operations for the year then ended in accordance with
policies and practices established by the Division of Administration or in accordance with Generally
Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board.
Sworn and subscribed before me, this 26th day of August, 2003.

Resa F. Brady
Signature of Agency Official

John C. Sullivan
NOTARY PUBLIC

Prepared by: Resa F. Brady

Title: Administrative Secretary

Telephone No.: 318-362-3014

Date: 8/26/03

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

LA Board for Hearing Aid Dealers
(Agency Name)

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

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

AFFIDAVIT

Personally came and appeared before the undersigned authority, Resa F. Brady (Name)
(Title) of Administrative Secretary, LA Board for Hearing Aid Dealers (Agency) who duly sworn, deposes and says, that the
financial statements herewith given present fairly the financial position of
(agency) at June 30, 03 and the results of operations for the year then ended in accordance with
policies and practices established by the Division of Administration or in accordance with Generally
Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board.
Sworn and subscribed before me, this 26TH day of AUGUST, 20 03.

Resa F. Brady
Signature of Agency Official

John C. Keller
NOTARY PUBLIC

Prepared by: Resa F. Brady
Title: Administrative Secretary
Telephone No.: 318-362-3014
Date: 8/26/03

Hearing Aid Dealers
(Agency Name)
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2003

C O N T E N T S

TRANSMITTAL LETTER
AFFIDAVIT

Statements

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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
Hearing Aid Dealers (BTA)
BALANCE SHEET
 AS OF 12/30, 2003

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents (Note C1)	\$ <u>16,597</u>
Investments (Note C2)	
Receivables (net of allowance for doubtful accounts)(Note U)	
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Other current assets	
Total current assets	<u>16,597 0</u>
NONCURRENT ASSETS:	
Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	
Buildings and improvements	
Machinery and equipment	<u>1,020</u>
Infrastructure	
Construction in progress	
Other noncurrent assets	
Total noncurrent assets	<u>0</u>
Total assets	\$ <u>17,617 0</u>
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable and accruals (Note V)	\$ <u>760</u>
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)	
Capital lease obligations - (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total current liabilities	<u>0</u>
NON-CURRENT LIABILITIES:	
Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	
Capital lease obligations (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total long-term liabilities	<u>0</u>
Total liabilities	<u>760 0</u>
NET ASSETS	
Invested in capital assets, net of related debt	<u>1,020</u>
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	<u>15,831 0</u>
Total net assets	<u>16,851 0</u>
Total liabilities and net assets	\$ <u>17,617 0</u>

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

Statement A

STATE OF LOUISIANA

Hearing Aid Dealers (BTA)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

FOR THE YEAR ENDED 6/30, 2003

OPERATING REVENUES

Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	_____ 239
Other	_____ 16,370
Total operating revenues	_____ 16,609 0

OPERATING EXPENSES

Cost of sales and services	_____
Administrative	_____ 27,716
Depreciation	_____ 502
Amortization	_____
Total operating expenses	_____ 28,218 0

Operating income(loss) <11,609> 0

NON-OPERATING REVENUES(EXPENSES)

State appropriations	_____
Intergovernmental revenues (expenses)	_____
Taxes	_____
Use of money and property	_____
Gain (loss) on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other	_____
Total non-operating revenues(expenses)	_____ 0

Income(loss) before contributions and transfers <11,609> 0

Capital contributions

Transfers in

Transfers out

Change in net assets <11,609> 0

Total net assets – beginning as restated 28,460

Total net assets – ending \$ 16,851 0

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

Statement B

STATE OF LOUISIANA
Hearing Aid Dealers (BTA)
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED 6/30, 2003

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
Component Unit:				
Component Unit X	\$ <u>28,218</u>	\$ _____	\$ _____	\$ <u>28,218 0</u>
General revenues:				
Taxes				_____
State appropriations				_____
Grants and contributions not restricted to specific programs				_____
Interest				<u>239</u>
Miscellaneous				<u>16,370</u>
Special items				_____
Transfers				_____
Total general revenues, special items, and transfers				<u>16,609 0</u>
Change in net assets				<u>< 11,609 0</u>
Net assets - beginning				<u>28,460</u>
Net assets - ending				\$ <u>16,851 0</u>

STATE OF LOUISIANA

Hearing Aid Dealers (BTA)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 6/30, 2003

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

Operating income(loss)		\$ <u><11,609></u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	<u>502</u>	
Provision for uncollectible accounts		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net		
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments		
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals		
Increase(decrease) in accrued payroll and related benefits		
Increase(decrease) in compensated absences payable		
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		\$ <u><11,107></u>

Schedule of noncash investing, capital, and financing activities:

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

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

STATE OF LOUISIANA

Hearing Aid Dealers (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 20 03

INTRODUCTION

The Hearing Aid Dealers (BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:2441-2465. The following is a brief description of the operations of Hearing Aid Dealers (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 Hearing Aid Dealers present information only as to the transactions of the programs of the Hearing Aid Dealers 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 Hearing Aid Dealers 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 Hearing Aid Dealers (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

Hearing Aid Dealers (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 20 03

APPROPRIATIONS

Original approved budget	\$ <u> - 0 - </u>
Amendments:	<u> - 0 - </u>
	<u> </u>
	<u> </u>
Final approved budget	\$ <u> - 0 - 0 </u>

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

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

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

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

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer. The deposits at 6-30, 03, were secured as follows:

	Deposits in bank accounts			Total
	Cash	Certificates of Deposit	Other (Describe)	
Deposits in bank accounts per balance sheet	\$ <u>7,680</u>	\$ <u>8,917</u>	\$ <u> </u>	\$ <u>16,597 0</u>
Bank balances:				
1. Insured or collateralized with securities held by the entity or its agency in the entity's name	<u>7,680</u>	<u>8,917</u>	<u> </u>	<u>16,597 0</u>
2. Collateralized with securities held by the pledging institution's trust department or agent in the entity's name	<u> </u>	<u> </u>	<u> </u>	<u> 0</u>
3. Uncollateralized, including any securities held for the entity but not in the entity's name	<u> </u>	<u> </u>	<u> </u>	<u> 0</u>
Total bank balances	\$ <u>7,680 0</u>	\$ <u>8,917 0</u>	\$ <u> 0</u>	\$ <u>16,597 0</u>

STATE OF LOUISIANA
Hearing Aid Dealers (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2003

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

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

	<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1.	<u>Bank One</u>	<u>Checking</u>	\$ <u>7,680</u>
2.	<u>Bank One</u>	<u>Cert. of Deposit</u>	<u>8,917</u>
3.	_____	_____	_____
4.	_____	_____	_____
Total			\$ <u>16,597</u> 0

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

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

Cash in State Treasury \$ _____
 Petty cash \$ _____ N/A

2. INVESTMENTS

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

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

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

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

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

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

STATE OF LOUISIANA
Hearing Aid Dealers (BTA)
 Notes to the Financial Statement
 As of and for the year ended June 30, 2003

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

Total investments				\$ <u>0</u>	\$ <u>0</u>

3. Other Disclosures Required for Investments

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

STATE OF LOUISIANA

Hearing Aid Dealers (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 2003

Legal or Contractual Provisions for Reverse Repurchase Agreements

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

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

Reverse Repurchase Agreements at Year-End

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

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

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

Fair Value Disclosures

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

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

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

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

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

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

STATE OF LOUISIANA

Hearing Aid Dealers (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 2003

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

D. CAPITAL ASSETS-INCLUDING CAPITAL LEASE ASSETS N/A

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

	Year ended June 30, 2003						
	Balance 6/30/2002	Additions	Transfers *	Retirements	Balance 6/30/2003	Prior Period Adjustment	Adjusted Balance 6/30/2003
Capital assets not being depreciated							
Land		--	--	--	--	--	--
Non-depreciable land improvements	--	--	--	--	--	--	--
Capitalized collections	--	--	--	--	--	--	--
Construction in progress	--	--	--	--	--	--	--
Total capital assets not being depreciated	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other capital assets							
Furniture, fixtures, and equipment	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total furniture, fixtures, and equipment	<u>1,020-</u>	--	--	--	<u>1,020-</u>	--	--
Buildings and improvements	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total buildings and improvements	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Depreciable land improvements	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total depreciable land improvements	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Infrastructure	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total infrastructure	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total other capital assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Capital Asset Summary:							
Capital assets not being depreciated	--	--	--	--	--	--	--
Other capital assets, at cost	--	--	--	--	--	--	--
Total cost of capital assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Less accumulated depreciation	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Capital assets, net	<u>1,020-</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,020-</u>	<u>--</u>	<u>--</u>

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

STATE OF LOUISIANA

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Notes to the Financial Statement

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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.)

G. LEAVE

1. COMPENSATED ABSENCES

The Hearing Aid Dealers (BTA) has the following policy on annual and sick leave: (Describe leave policy.)
No policy related to sick leave. Adm. Sec on contract - NO employees.
An example disclosure follows:

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

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

2. COMPENSATORY LEAVE

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

H. RETIREMENT SYSTEM N/A

Substantially all of the employees of the (BTA) are members of the _____ (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.

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

Members are required by state statute to contribute 7.5% of gross salary, and the (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 20__, decreased to __% of annual covered payroll from the __% and __% required in fiscal years ended June 30, 2002 and 2001, respectively. The (BTA) contributions to the System for the years ending June 30, 2003, 2002, and 2001, were \$____, \$____, and \$____, 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: *No post retirement health care or life insurance benefits*

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

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

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

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

STATE OF LOUISIANA

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Notes to the Financial Statement

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J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2003 amounted to \$1800. A schedule of payments for operating leases follows:

Nature of lease	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009-2013	FY2014-2016
<u>Office Space</u>	\$ <u>1,800</u>	\$ <u>1,800</u>	\$ <u>1,500</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total	\$ <u>1,800 0</u>	\$ <u>1,800 0</u>	\$ <u>1,500 0</u>	\$ <u>-0-0</u>	\$ <u>-0-0</u>	\$ <u>-0-0</u>	\$ <u>-0-0</u>

2. CAPITAL LEASES N/A

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

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

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:

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

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

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

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

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

STATE OF LOUISIANA

(BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 20_____

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	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

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

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

3. LESSOR DIRECT FINANCING LEASES *N/A*

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

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

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

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

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

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

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

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.

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

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

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

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

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

STATE OF LOUISIANA

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Notes to the Financial Statement

As of and for the year ended June 30, 2003

K. LONG-TERM LIABILITIES N/A

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

	Balance June 30, 2002	Year ended June 30, 2003		Balance June 30, 2003	Amounts due within one year
		Additions	Reductions		
Bonds and notes payable:					
Notes payable	\$	\$	\$	\$	\$
Reimbursement contracts payable					
Bonds payable					
Total notes and bonds	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other liabilities:					
Contracts payable					
Compensated absences payable					
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>--</u></u>	<u><u>--</u></u>	<u><u>--</u></u>

A detailed summary, by issues, of all debt outstanding at June 30, 2003, including outstanding interest of \$ _____ is shown on schedule 4. Schedule 5 is an amortization schedule of the outstanding debt. (Send a copy of the amortization schedule for any new debt issued.)

L. LITIGATION

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

Date of Action	Description of Litigation	Primary Attorney	Damages Claimed	Insurance Coverage
8/24/02	Review of Suspension of License	Eugene Rodcliff	\$ NONE	\$
Totals			\$ <u>0</u>	\$ <u>0</u>

The Hearing Aid Dealers (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): No affect - favorable for Board

2. Claims and litigation costs of \$ 8,797 were incurred in the current year and are reflected in the accompanying financial statement.

STATE OF LOUISIANA

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Notes to the Financial Statement

As of and for the year ended June 30, 20 03

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	\$ 0

P. DEFEASED ISSUES N/A

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

Q. COOPERATIVE ENDEAVORS N/A

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

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

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

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

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) N/A

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

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

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS 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 _____

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

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

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

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

	Reason for Debt	Beginning Balance	Draws	Redeemed	Ending Balance
Line of credit		\$ _____	\$ _____	\$ _____	\$ _____ 0

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
	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ 0
					0
Gross receivables	\$ _____ 0	\$ _____ 0	\$ _____ 0	\$ _____ 0	\$ _____ 0
Less allowance for uncollectible accounts	_____ 0	_____ 0	_____ 0	_____ 0	_____ 0
Receivables, net	\$ _____ 0	\$ _____ 0	\$ _____ 0	\$ _____ 0	\$ _____ 0
Amounts not scheduled for collection during the subsequent year	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ 0

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
Telephone	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ 41 0
Secretary					725 0
Total payables	\$ _____ 0	\$ _____ 0	\$ _____ 0	\$ _____ 0	\$ _____ 766 0

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.]

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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 statement of net assets:

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

Condensed Statement of Net Assets:

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

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

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

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

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

C. Condensed statement of cash flows:

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

Condensed Statement of Cash Flows:

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

Y. DUE TO/DUE FROM AND TRANSFERS 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		\$ _____

STATE OF LOUISIANA

Hearing Aid Dealers (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 2003

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

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

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

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

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

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

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS N/A

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

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

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS Restated as of July 1, 2001

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

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

STATE OF LOUISIANA

Hearing Aid Dealers (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 2003

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

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

STATE OF LOUISIANA
Hearing Aid Dealers (BTA)
SCHEDULE OF STATE FUNDING
 For the Year Ended 6/30/03
 (Fiscal Close)

N/A

	<u>Description of Funding</u>		<u>Amount</u>
1.	_____	\$	_____
2.	_____		_____
3.	_____		_____
4.	_____		_____
5.	_____		_____
6.	_____		_____
7.	_____		_____
8.	_____		_____
9.	_____		_____
10.	_____		_____
	Total	\$	<u><u>0</u></u>

STATE OF LOUISIANA
Hearing Aid Dealers (BTA)
 SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
6/30, 2003
 (Fiscal Close)

N/A

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

*Send copies of new amortization schedules

STATE OF LOUISIANA
Hearing Aid Dealers (BTA)
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
 For The Year Ended 6/30/03
 (Fiscal Close)

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

STATE OF LOUISIANA
Hearing Aid Dealers (BTA)
SCHEDULE OF CAPITAL LEASE AMORTIZATION
 For The Year Ended June 30, 2003

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

STATE OF LOUISIANA
Hearing Aid Dealers (BTA)
SCHEDULE OF NOTES PAYABLE AMORTIZATION
 For The Year Ended June 30, 2003

N/A

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

STATE OF LOUISIANA
Hearing Aid Dealers (BTA)
SCHEDULE OF BONDS PAYABLE AMORTIZATION
 For The Year Ended June 30, 2003

N/A

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

STATE OF LOUISIANA
Hearing Aid Dealers (BTA)
 SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
 BUDGETARY COMPARISON OF CURRENT APPROPRIATION
 NON-GAAP BASIS
 JUNE 30, 2003

	Financial Statement	Adjustments	ISIS Appropriation Report-08/14/03	Revised Budget	Variance Positive/(Negative)
Operating Revenues:					
Intergovernmental Revenues	\$ -		\$ -		\$ -
Sales of Commodities and Services					
Other	16,609		-	21,450	54,841
Total Operating revenues	16,609	-	-	21,450	54,841
Operating Expenses:					
Personal services	\$ 8,700		\$ -	\$ 8,700	\$ -
Travel	4,826		-	5,000	174
Operating Services	4,158		-	4,950	792
Supplies	1,235		-	2,000	765
Professional services	8,797		-	800	7,997
Capital outlay					
Interagency transfers					
Other charges					
Total Operating Expenses	27,716	-	-	21,450	6,266
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	\$ 51,107	\$ -	\$ -	\$ -	\$ 51,107

Continued

Schedule 5

STATE OF LOUISIANA

Hearing Aid Dealers (BTA)

SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES

BUDGETARY COMPARISON OF CURRENT APPROPRIATION

NON-GAAP BASIS

JUNE 30, 2003

Budgeted Income (Loss) \$ -0-

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 \$ -0-

Concluded

SCHEDULE 5

STATE OF LOUISIANA

Hearing Aid Dealers (BTA)

COMPARISON FIGURES

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

	<u>2003</u>	<u>2002</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>16,609</u>	\$ <u>14,807</u>	\$ <u>1,802-</u>	\$ <u>12%</u> <i>more exams taken</i>
Expenses	<u>27,716</u>	<u>23,409</u>	<u>4,307-</u>	<u>18%</u> <i>Litigation Cost</i>
2) Capital assets	_____	_____	_____	_____
Long-term debt	_____	_____	_____	_____
Net Assets	_____	_____	_____	_____
Explanation for change:	_____			

3)	<u>2003 Original Budget</u>	<u>2003 Final Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$ <u>21,450</u>	\$ <u>21,450</u>	\$ <u>-0-</u>	\$ _____
Expenditures	<u>21,450</u>	<u>21,450</u>	<u>-0-</u>	_____
Explanation of change:	<u>N/A</u>			

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