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**LOUISIANA STATE BOARD OF PHYSICAL THERAPY
EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

**BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

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 9-13-06

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006**

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BASIC FINANCIAL STATEMENTS

JOHN D. BUTLER & COMPANY
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 30
BAKER, LOUISIANA 70704-0030

(225) 775-4982

INDEPENDENT ACCOUNTANTS' REPORT

To the Board Members of the
Louisiana State Board of Physical Therapy Examiners
104 Fairlane Drive
Lafayette, Louisiana 70507

We have reviewed the accompanying basic financial statements of the Louisiana State Board of Physical Therapy Examiners as of and for the year ended June 30, 2006, as listed in the table of contents. These basic financial statements are the responsibility of the Louisiana State Board of Physical Therapy Examiners' management.

Our review was conducted in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States of America. A review consists principally of inquiries of Board personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

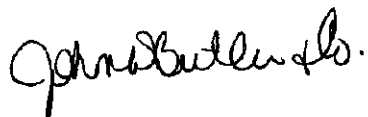
Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated August 21, 2006, on the results of our agreed-upon procedures.

The management's discussion and analysis and budgetary comparison 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. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but were compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

To the Board Members of the
Louisiana State Board of Physical Therapy Examiners
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The accompanying supplemental information listed in the table of contents under Supplemental Schedules and Information and Other Required Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

A handwritten signature in cursive script that reads "John D. Butler & Co."

John D. Butler & Company
A Professional Accounting Corporation
August 21, 2006

REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006**

The purpose of this section is to offer management's discussion and analysis of the Louisiana State Board of Physical Therapy Examiners of the State of Louisiana's (hereafter referred to as the Board) financial performance during the year ended June 30, 2006. It should be read in conjunction with the financial report taken as a whole.

Overview of the Financial Statement Presentation

These financial statements are comprised of these components – (1) management's discussion and analysis, (2) basic financial statements, (3) notes to the financial statements and (4) required supplementary information. There is also other supplementary information contained in this report provided for additional information.

Highlights of the Board as a Whole

The Board received approximately 50 complaints regarding alleged violations of the Physical Therapy Practice Act and Rules and Regulations. Approximately 90% of complaints are dealt with on an informal basis. These allegations are dealt with either by letter and/or by informal conference with the individual or business after proper investigation. The Board has seen an increase in complaints with allegations of sexual misconduct and substance abuse. David Shapiro, Ph.D., a forensic psychologist was contracted as a consultant and to provide an in-service to Board and Advisory Committee Members as to the Board's role in the licensing of physical therapists and physical therapists assistants.

In October of 2005, the Board's new database was installed. The previous database crashed in early 2005. Improvements to the new database continue as each new program is utilized. The new database was designed to include e-commerce through the Board's updated webpage scheduled for the third quarter of 2006.

The activity of the Board includes:

Federation of State Boards of Physical Therapy (FSBPT)

The FSBPT is a member driven organization who owns and develops the National Physical Therapy Exam for physical therapists and physical therapist assistants. The high-stakes exam tests the basic entry level competency for first time licensure. Board Members and the Executive Director attend the Annual Meeting each year for educational purposes. Due to Hurricanes Katrina and Rita, Mark Brown was the only attendee from the Louisiana State Board of Physical Therapy Examiners (LSBPTE) at the Annual Meeting in September 2005. Mr. Brown presented an educational session titled "Can My Wife be My Chaperone?" The presentation addressed issues concerning sexual boundary issues. Committee members from the LSBPTE are:

- Patricia Adams, PT – Member of Finance Committee
- Mark Brown, PT – Member of Ethics Committee
- Cheryl Gaudin, Executive Director - Education Committee Member

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006**

Federation of Association of Regulatory Boards (FARB)

FARB is an organization of associations of professional licensing boards that provides a forum for cooperation in addressing standards, delivery of services, and performance of regulatory agencies for the protection of the public. At the request of the board, Glenn Ducote, General Counsel to the Board attended the Attorney Certification Seminar held in October 2005. Cheryl Gaudin, Executive Director attended the Annual FARB Forum which addressed ethical issues, complaints, disciplinary actions, and board budgeting.

Governor's Workforce Council Member

- Cheryl Gaudin – Board Representative

Conference and Meeting Presentations

Louisiana State Board of Physical Therapy Examiners conducted their annual presentation on the Practice Act and Rules and Regulations to graduating physical therapists and physical therapist assistant students. The presentation to the LSU Health Science Center physical therapy students was conducted in Baton Rouge instead of in New Orleans because of the temporary relocation of the school due to Hurricane Katrina. The physical therapy and physical therapist assistant student presentations were held at the following schools.

- LSU Health Science Center – Shreveport campus
- LSU Health Science Center – New Orleans campus
- Bossier Parish Community College – Bossier City
- Delgado Community College – New Orleans
- Our Lady of the Lake Community College – Baton Rouge

In March of 2006, Dr. David Shapiro, a professor of forensic psychology at Nova Southeastern University in Florida, presented an in-service to the Louisiana State Board of Physical Therapy Examiners. In attendance were Board Members and Advisory Committee Members. The presentation "Diagnosis and Treatment of Sexually Offending Physical Therapists" was an all day informative session which addressed sexual boundary issues as well as substance abuse issues.

Basic Financial Statements. The basic financial statements present information for the Board as a whole. Statements in this section include the following:

Statement of Net Assets. This statement presents information on all of the Board's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or not.

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006**

Statement of Revenues, Expenses and Changes in Fund Net Assets. This statement presents information showing how the Board's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the Board's financial reliance on general revenues.

Statement of Cash Flows. The change in cash as a result of current year operations is depicted in this statement. The cash flow statement includes a reconciliation of operating income (loss) to the net cash provided by or used for operating activities as required by GASB No. 34.

The basic financial statements begin on page 10 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The index of the notes is found on page 15 with the actual notes beginning immediately afterwards.

Required Supplementary Information. As a component unit of the State of Louisiana, the Board complies with the reporting requirements of the Division of Administration, Office of Statewide Reporting and Accounting. Included as other required supplementary information is the Louisiana Comprehensive Annual Financial Report completed with information relative to the Board.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information that is deemed useful to users of this report.

Financial Analysis of the Board

Net assets are an indicator of the Board's financial position from year to year. A summary of net assets follows.

SUMMARY OF NET ASSETS

	<u>2006</u>	<u>2005</u>
Assets		
Current assets	\$ 44,619.93	\$ 54,257.95
Non-current assets	731,523.47	628,233.83
Capital assets, net	<u>73,705.67</u>	<u>27,974.70</u>
Total Assets	776,143.40	710,466.48
 Liabilities		
Current liabilities	15,408.05	9,108.52
Long-term liabilities	<u>7,812.30</u>	<u>8,176.18</u>
Total Liabilities	<u>23,220.35</u>	<u>17,284.70</u>

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006**

	<u>2006</u>	<u>2005</u>
Net Assets		
Invested in capital assets, net of related debt	\$ 73,705.67	\$ 27,974.70
Unrestricted	<u>679,217.38</u>	<u>665,207.08</u>
Total Net Assets	<u>776,143.40</u>	<u>693,181.78</u>

Net assets of the Board increased by \$82,962 or 12% from June 30, 2005 to June 30, 2006. One reason for the increase is a result of sound management over expenses.

A summary of changes in net assets is as follows:

SUMMARY OF CHANGES IN NET ASSETS

	<u>2006</u>	<u>2005</u>
Operating Revenues	\$ 426,342.24	\$ 431,267.19
Operating Expenses	<u>(387,160.71)</u>	<u>(347,957.56)</u>
Operating Income	39,181.53	83,309.63
Non-operating Revenues (Expenses)	<u>20,559.74</u>	<u>11,293.94</u>
Net Increase in Net Assets	<u>59,741.27</u>	<u>94,603.57</u>

Revenues decreased by \$4,925 or 1% while expenses increased by only \$39,203 or 12%.

Cash flow activity of the Board for the past two years is as follows:

STATEMENT OF CASH FLOWS

	<u>2006</u>	<u>2005</u>
Cash and cash equivalents provided by (used for):		
Operating activities	\$ 71,168.49	\$ 96,211.24
Non-capital financing activities	.00	.00
Capital and related financing activities	(71,782.28)	(26,320.40)
Investing activities	<u>(14,317.89)</u>	<u>(271,800.01)</u>
Net Change in Cash and Cash Equivalents	(14,317.89)	(201,909.17)
Cash and cash equivalents, beginning of year	<u>46,293.79</u>	<u>248,202.96</u>
Cash and cash equivalents, end of year	<u>31,362.11</u>	<u>46,293.79</u>

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006**

Capital Asset and Debt Administration

Capital Assets: The Board's investment in capital assets, net of accumulated depreciation, at June 30, 2006 and 2005, was \$73,705.67 and \$27,974.70, respectively. Additions in the current year included computers and software as well as items associated with the move into a new office such as shelving, computer stations, tables and chairs. All assets were recorded with the State of Louisiana and a detailed list is maintained.

Capital assets at year-end are summarized as follows:

**CAPITAL ASSETS
Net of Accumulated Depreciation**

	<u>2006</u>	<u>2005</u>
Depreciable Assets		
Furniture/fixtures	\$ 9,498.33	\$ 15,393.54
Computers and related assets	63,377.46	11,474.63
Leasehold Improvements	829.88	1,106.53
Total	<u>73,705.67</u>	<u>29,974.70</u>

Debt Administration: Long-term debt of the Board includes compensated absences at amounts of \$7,812.30 and \$8,176.18 at June 30, 2006 and 2005, respectively.

The Board has no other long-term debt.

Request for Information

This financial report is designed to provide a general overview of the Board's finances, comply with finance-related laws and regulations and demonstrate the Board's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Cheryl Gaudin, Executive Director, at 104 Fairlane Drive, Lafayette, Louisiana 70507, 337-262-1043.

FUND FINANCIAL STATEMENTS

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2006**

	<u>Business-type Activities</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 31,362.11
Accrued interest receivable	13,257.82
Total Current Assets	44,619.93
Non-Current Assets	
Investments	657,817.80
Capital assets, net of accumulated depreciation	
Furniture and fixtures	9,498.33
Computer and related assets	63,377.46
Leasehold improvements	829.88
Total Non-Current Assets	731,523.47
TOTAL ASSETS	776,143.40
LIABILITIES	
Current Liabilities	
Accounts payable	14,605.17
Accrued salaries	802.88
Total Current Liabilities	15,408.05
Non-Current Liabilities	
Compensated absences payable	7,812.30
Total Liabilities	23,220.35
NET ASSETS	
Invested in capital assets, net of related debt	73,705.67
Unrestricted	679,217.38
Total Net Assets	752,923.05
TOTAL LIABILITIES AND NET ASSETS	776,143.40

See Accompanying Notes and Accountants' Report

LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2006

	<u>Business-type Activities</u>
OPERATING REVENUES	
Licenses and other fees	\$ 426,342.24
OPERATING EXPENSES	
Professional services	152,742.60
Meetings, conferences and travel	22,668.68
Salaries and related benefits	123,238.15
General and administrative expenses	62,459.97
Depreciation	26,051.31
Total Operating Expenses	<u>387,160.71</u>
Operating Income	39,181.53
NON-OPERATING REVENUES (EXPENSES)	
Interest income	<u>20,559.74</u>
Change in Net Assets	59,741.27
Total Net Assets, beginning	<u>693,181.78</u>
Total Net Assets, ending	<u><u>752,923.05</u></u>

See Accompanying Notes and Accountants' Report

LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2006

	<u>Business-type Activities</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 426,342.24
Cash paid to suppliers for goods and services	(230,094.12)
Cash paid to employees for services	(125,079.63)
Net Cash Provided by Operating Activities	<u>71,168.49</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
-	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(71,782.28)
Net Cash Used for Capital and Related Financing Activities	<u>(71,782.28)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of certificates of deposit	(407,817.80)
Proceeds from certificates of deposit redeemed	378,233.83
Interest earned on certificates of deposit	15,266.08
Net Cash Used for Investing Activities	<u>(14,317.89)</u>
Net Increase in Cash and Cash Equivalents	(14,931.68)
Cash and Cash Equivalents, beginning of year	<u>46,293.79</u>
Cash and Cash Equivalents, end of year	<u><u>31,362.11</u></u>

Continued

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS (Continued)
YEAR ENDED JUNE 30, 2006**

	<u>Business-type Activities</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 39,181.53
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	26,051.31
Increase (decrease) in liabilities	
Accounts payable	7,777.13
Accrued expenses	(1,477.60)
Compensated absences payable	<u>(363.88)</u>
Net Cash Provided by Operating Activities	<u><u>71,168.49</u></u>

See Accompanying Notes and Accountants' Report

NOTES TO FINANCIAL STATEMENTS

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
INDEX TO NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006**

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**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006**

INTRODUCTION

The Louisiana State Board of Physical Therapy Examiners is a component unit of the State of Louisiana. It was created by Act 208 of the Regular Session of the 1987 Legislature within the Department of Health and Hospitals as provided by Louisiana Revised Statute 37:2401.1. The Board serves as a state-wide authority to license and regulate the physical therapists and physical therapist assistants practicing in the State of Louisiana. It is also charged with the responsibility to interpret the scope of practice, write regulations and discipline licensees who have violated the law.

The Board is composed of 5 members that are appointed by the Governor of the State of Louisiana and serve three-year terms. Four of the members are selected from within the profession who possess an unrestricted license to practice physical therapy and who has been practicing within the state for no less than three years, one of which is appointed from a list of names submitted by the Louisiana Hospital Association. The fifth member is a physician who possesses an unrestricted license to practice medicine in the state and who specializes in the practice of orthopedic surgery or the practice of physiatry. This member is appointed from a list of names submitted by the Louisiana Medical Society. Board members, as authorized by Louisiana Revised Statute 38:3304, receive a per diem to attend meetings or conduct board-approved business not to exceed \$50 per day.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the Louisiana State Board of Physical Therapy Examiners conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

Financial 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 within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Board is considered a component unit of the State of Louisiana because the State exercises oversight responsibility in that the Governor appoints the board members and public service is rendered within the State's boundaries. The accompanying financial statements present only the transactions of the Louisiana State Board of Physical Therapy Examiners.

Fund Accounting: The Board uses funds 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 government functions or activities.

LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

A fund is a separate entity with a self-balancing set of accounts. Funds of the Board are classified under one category: proprietary. This category, in turn, is further divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Proprietary Funds – used to account for governmental activities that are similar to activities performed by commercial enterprises in that goods/services are provided for a fee. Proprietary funds of the Board included the following fund types:

1. Enterprise – account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Basis of Accounting/Measurement Focus: 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 and are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy.

Basis of accounting refers to when revenues and expenses are recognized and reported and relates to the time of the measurement, regardless of the measurement focus applied. The fund financial statements of the Board 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 business-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 these statements, capital assets are reported and depreciated in each fund, and long-term debt is reported.

Application of FASB Statements and Interpretations: Reporting on governmental-type and business-type activities are based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Operating/Non-Operating Revenues: Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the Board's licensing activities are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006**

Budgets and Budgetary Accounting: The Board adopts an annual budget prepared in accordance with the basis of accounting utilized by that fund. The Board must approve any revisions that alter the total expenditures. Although budget amounts lapse at year-end, the Board retains its unexpended net assets to fund expenditures of the succeeding year.

The budget is submitted to the Louisiana Department of Health and Hospitals as prescribed by Louisiana Revised Statute 36:803 and submitted to the Legislature in accordance with 39:1331-1342.

Cash and Cash Equivalents: Cash and cash equivalents include amounts in demand deposits. Under state law, the Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings.

Inventory: Inventory of the Board includes only office supplies and printed materials, the amount of which is considered immaterial. Therefore, the acquisition of these items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capital Assets: The Board's assets are recorded at historical cost. Depreciation is recorded using the straight-line method or MACRS over the estimated useful lives of the assets as follows:

Equipment	4-10 years	Office furniture	5-7 years
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Generally, the Board includes all capital acquisitions with a cost of \$1,000 in its fixed asset inventory. However, certain items at a cost below that amount may be capitalized if benefits of the item will extend beyond one year and/or the Board wants to monitor the item.

Compensated Absences: At June 30, 2006, employees of the Board had accumulated and vested \$7,812.30 of employee leave benefits, that was computed in accordance with GASB Codification Section C60.150.

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006**

Net Assets: In the statements of net assets, the difference between a government's assets and liabilities is recorded as net assets. The three components of net assets is as follows:

Invested in Capital Assets, Net of Related Debt

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets

Net Assets that are reserved by external sources such as banks or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, the non-expendable net assets are recorded separately from expendable net assets. These are components of restricted net assets.

Unrestricted Net Assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use. Restricted resources are exhausted before unrestricted net assets are used.

NOTE 2 – CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at June 30, 2006:

	<u>Book Balance</u>	<u>Bank Balance</u>
Demand deposits	<u>\$ 31,362.11</u>	<u>\$ 36,310.16</u>

These deposits are stated at cost, which approximates market. Under state law, they 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 securities are held in the name of the pledging fiscal agent bank in a holding, or custodial bank that is mutually acceptable to both parties.

With the adoption of GASB Statement No. 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The Board does not have any deposits that fall within this category. Deposits of the Board are secured with \$100,000 (Chase Bank) of insurance through FDIC and \$9,888.22 of pledged collateral.

NOTE 3 – INVESTMENTS

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 or are held either by the counter-party or the counter-party's trust department or agent but not in the entity's name. All investments of the Board are certificates of deposit with maturities extending beyond 90 days. They are not subject to custodial credit risk.

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006**

At June 30, 2006, the Board had four certificates whose reported amount equaled its fair value as follows:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
Union Bank	2/17/06	4.65%	\$ 354,124.99
	7/1/05	3.60%	103,672.81
Chase Bank	5/22/06	4.96%	100,000.00
	9/19/05	3.76%	<u>100,000.00</u>
Total			<u>657,797.80</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2006, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, being depreciated				
Furniture and fixtures	\$ 39,292.94	\$ 327.75	\$ (4,298.00)	\$ 35,322.69
Less: accumulated depreciation	<u>23,899.40</u>	<u>6,222.96</u>	<u>4,298.00</u>	<u>25,824.36</u>
Net Furniture and Fixtures	15,393.54	(5,895.21)	.00	9,498.33
Computer and related assets	54,134.31	71,454.53	(1,573.00)	124,015.84
Less: accumulated depreciation	<u>42,659.68</u>	<u>19,551.71</u>	<u>1,573.00</u>	<u>60,638.39</u>
Net Computer and Related Assets	11,474.63	51,902.82	.00	63,377.46
Leasehold improvements	1,383.16	.00	.00	1,383.17
Less: accumulated depreciation	<u>276.63</u>	<u>276.63</u>	<u>.00</u>	<u>553.26</u>
Net Leasehold Improvements	1,106.53	(276.63)	.00	829.90
Net Capital Assets, being depreciated	<u>27,974.70</u>	<u>45,730.98</u>	<u>.00</u>	<u>73,705.69</u>

NOTE 5 – LEAVE

Annual and Sick Leave. The Board's employees earn and accumulate annual and sick leave at varying rates depending on their years of full-time service. Accumulated leave is carried forward to succeeding years without limitation. Upon termination, employees 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.

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006**

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditures when leave is earned. Only annual leave is accrued in the accompanying statements of net assets at \$7,812.30.

Compensatory Leave. Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is 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. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. There was no accrued compensatory leave time recorded at June 30, 2006.

NOTE 6 – RETIREMENT SYSTEM

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

All full-time employees are eligible to participate. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to 2.5% 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 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. An option of reduced benefits at any age with 20 years of service is available. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual financial report that is available to the public including financial statements and required supplementary information of the System. That report may be obtained by contacting the Louisiana State Employees Retirement System, P. O. Box 44213, Baton Rouge, La. 70804-4213, 225-922-0605 or 800-256-3000.

Covered employees are required to contribute 7.5% of gross salary to the plan, and the Board is required to contribute at an actuarially determined rate as required by Louisiana Revised Statute 11:102. That rate for the year ended June 30, 2006, was 19.1%. Contributions to the System for the years ended June 30, 2006, 2005 and 2004, were \$18,478.37, \$12,805.80 and \$10,674, respectively.

NOTE 7 – POST RETIREMENT 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's employees become eligible for those benefits if they reach normal retirement age while working for the Board. Those benefits include joint payment of monthly premiums at 50% Board and 50% retired person. The Board does not currently have any retired persons to which it provides post retirement benefits.

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006**

NOTE 8 – LEASES

Operating Leases. The Board executed a lease for office space beginning on June 1, 2004. It is for a period of ten years payable at \$2,677.50 per month or \$32,130 annually for the next ten years. For the year ended June 30, 2006, lease payments of \$32,130 were made.

A copier is leased on a month-to-month basis from Kyocera Mita of America Inc. for \$194 per month or \$2,328 annually.

Capital Leases. The Board has no capital leases.

NOTE 9 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 2006:

<u>Class of Payables</u>	<u>Amount</u>
Accounts	\$ 14,605.17
Salaries	<u>802.88</u>
Total	<u>15,408.05</u>

NOTE 10 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2006, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated absences	<u>\$ 8,179.18</u>	<u>\$ 6,509.59</u>	<u>\$ 6,876.47</u>	<u>\$ 7,812.30</u>	<u>\$.00</u>

The Board did not have any other long-term debt at June 30, 2006.

NOTE 11 – RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure.

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006**

NOTE 12 – LITIGATION

There is no litigation that would require disclosure in this report.

NOTE 13 – SUBSEQUENT EVENTS

There were no events between the close of the year through issuance of this report that would materially impact these financial statements.

SUPPLEMENTAL SCHEDULES AND INFORMATION

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2006**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
OPERATING REVENUES				
Licenses and other fees	\$ 434,000.00	\$ 434,000.00	\$ 426,342.24	\$ (7,657.76)
OPERATING EXPENSES				
Professional services	199,500.00	199,500.00	152,742.60	46,757.40
Meetings, conferences and travel	46,000.00	46,000.00	22,668.68	23,331.32
Salaries and related benefits	143,000.00	143,000.00	123,238.15	19,761.85
General and administrative expenses	73,130.00	73,130.00	62,459.97	10,670.03
Depreciation	90,000.00	90,000.00	26,051.31	63,948.69
Total Operating Expenses	551,630.00	551,630.00	387,160.71	164,469.29
Operating Income	(117,630.00)	(117,630.00)	39,181.53	156,811.53
NON-OPERATING REVENUES (EXPENSES)				
Interest income	12,000.00	12,000.00	20,559.74	8,559.74
Change in Net Assets	(105,630.00)	(105,630.00)	59,741.27	165,371.27
Fund Balances, beginning	693,181.78	693,181.78	693,181.78	-
Fund Balances, ending	587,551.78	587,551.78	752,923.05	165,371.27

See Accountants' Report

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2006**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, this schedule of per diem paid to board members is presented for the year ended June 30, 2005.

Name

Adams, Patricia	\$ 1,700.00
Adcock, Barbara	1,400.00
Brown, Mark	2,200.00
Drury, Todd	1,450.00
McKenzie, Kenneth	150.00
Reynolds, Charles A.	<u>700.00</u>
 Total	 <u>7,600.00</u>

JOHN D. BUTLER & COMPANY
A PROFESSIONAL ACCOUNTING CORPORATION
P. O. BOX 30
BAKER, LOUISIANA 70704-0030

(225) 775-4982

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Board of Directors of the
Louisiana State Board of Physical Therapy Examiners
104 Fairlane Drive
Lafayette, Louisiana 70507

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Louisiana State Board of Physical Therapy Examiners and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Board's compliance with certain laws and regulations during the year ended June 30, 2006, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures in excess of \$20,000 for material and supplies or \$100,000 for public works made during the year.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. There were no amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a regular meeting.

7. Compare the revenues and expenditures of the final budget to actual expenditures to determine if actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total.

We compared the expenditures of the final budget to actual expenditures. Expenditures for the year did not exceed budgeted amounts by more than 10% in any one category. Expenditures for the year did not exceed budgeted amounts by more than 5% in total.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

All six of the payments were coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Director and Board where applicable.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Board is required to post a notice of each meeting and the accompanying agenda. Management has asserted that such documents were properly posted.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds or like indebtedness.

Advances and Bonuses

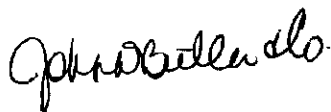
11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances or gifts.

A reading of the minutes of the Board for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances that would indicate payments to employees that would constitute bonuses, advances or gifts.

Our prior year report, dated August 18, 2005, did not include any comments or unresolved matters.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Board and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under LSA-RS 24:513, this report is distributed by the Legislative Auditor as a public document.



John D. Butler & Company
A Professional Accounting Corporation
August 21, 2006

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

6-22-06 (Date Transmitted)

John D. Butler & Co., APAC
P. O. Box 30

Baker, Louisiana 70704-0030 (Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations. We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

<u>Barbara Duvall</u>	Secretary		Date
<u>Mark Brown Jr</u>	Treasurer	6/22/06	Date
<u>Mark Brown Jr</u>	President	6-22-06	Date
	CHAIRMAN		

OTHER REQUIRED SUPPLEMENTARY INFORMATION

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2006**

LOUISIANA'S COMPREHENSIVE ANNUAL FINANCIAL REPORT

As a component unit of the State of Louisiana, the financial statements of the Louisiana State Board of Physical Therapy Examiners are included in Louisiana's Comprehensive Annual Financial Report. Following are the statements being submitted to the Division of Administration. The amounts recorded have been subjected to the same review procedures as those recorded in the accompanying financial statements.

LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2006

C O N T E N T S

TRANSMITTAL LETTER
AFFIDAVIT

Statements

MD&A

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Statement of Revenues, Expenses, and Changes in Fund Net Assets	B
Statement of Activities	C
Statement of Cash Flows	D

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D.	Capital Assets – Including Capital Lease Assets
E.	Inventories
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AA.	Prior-Year Restatement of Net Assets
BB.	Net Assets Restricted by Enabling Legislation (Information in Appendix C)
CC.	Impairment of Capital Assets (Additional Info in Appendix D)
DD.	Employee Termination Benefits

Schedules

- 1 Schedule of Per Diem Paid to Board Members
- 2 Schedule of State Funding
- 3 Schedules of Long-Term Debt
- 4 Schedules of Long-Term Debt Amortization
- 15 Schedule of Comparison Figures and Instructions

Appendix

- A Instructions for the Simplified Statement of Activities
- B Information for Note C - "Deposits with Financial Institutions and Investments"
- C Information for Note BB - "Net Assets Restricted by Enabling Legislation"
- D Information for Note CC - "Impairment of Capital Assets"

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2006

Louisiana State Board of Physical Therapy Examiners

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, Cheryl Gaudin, Executive Director of the Louisiana State Board of Physical Therapy Examiners who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Louisiana State Board of Physical Therapy Examiners at June 30, 2006 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this _____ day of _____, 20____.

Signature of Agency Official

NOTARY PUBLIC

Prepared by: _____

Title: _____

Telephone No.: _____

Date: _____

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2006**

The Management's Discussion and Analysis of the Louisiana State Board of Physical Therapy Examiner's financial performance presents a narrative overview and analysis of Louisiana State Board of Physical Therapy Examiner's financial activities for the year ended June 30, 2006. 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 Louisiana State Board of Physical Therapy Examiner's financial statements, which begin on page 41.

FINANCIAL HIGHLIGHTS

- ★ The Louisiana State Board of Physical Therapy Examiner's assets exceeded its liabilities at the close of fiscal year 2006 by \$762,153, which represents a 10% increase from last fiscal year. The net assets increased by \$68,971.
- ★ The Louisiana State Board of Physical Therapy Examiner's revenue decreased by \$4,925 (or 2%).

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Management's Discussion and Analysis



Basic Financial Statements



Required Supplementary Information
(other than MD&A)

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

Basic Financial Statements

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

**STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF JUNE 30, 2006**

The Balance Sheet (page 41) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Louisiana State Board of Physical Therapy Examiners is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (pages 42 - 43) presents information showing how Louisiana State Board of Physical Therapy Examiner's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 44 - 45) presents information showing how Louisiana State Board of Physical Therapy Examiner'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

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

Operating income(loss)		\$ <u>39,181</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	26,051	
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	7,777	
Increase(decrease) in accrued payroll and related benefits	(1,478)	
Increase(decrease) in compensated absences payable	(364)	
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><u>71,168</u></u>

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

Net assets of Louisiana State Board of Physical Therapy Examiner's increased by \$68,971, or 10%, from June 30, 2005 to June 30, 2006. One reason for the increase is a result of sound management over expenses.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2006**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
for the years ended June 30, 2006
(in thousands)**

	Total	
	2006	2005
Operating revenues	\$ 426.00	\$ 431.00
Operating expenses	<u>387.00</u>	<u>348.00</u>
Operating income(loss)	<u>39.00</u>	<u>83.00</u>
Non-operating revenues(expenses)	<u>21.00</u>	<u>11.00</u>
Income(loss) before transfers	<u>60.00</u>	<u>94.00</u>
Transfers in	-	-
Transfers out	<u>-</u>	<u>-</u>
Net increase(decrease) in net assets	<u>\$ 60.00</u>	<u>\$ 94.00</u>

The Louisiana State Board of Physical Therapy Examiner's total revenues decreased by \$4,925 or 1% while expenses increased by \$39,203 or 12%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2006, the Louisiana State Board of Physical Therapy Examiners had \$73,706 invested in a broad range of capital assets. (See Table below)

**Capital Assets at Year-end
(Net of Depreciation, in thousands)**

	2006	2005
Furniture/fixtures	\$ 10	\$ 15
Computers and related assets	63	11
Leashold improvements	<u>0</u>	<u>1</u>
Totals \$ \$	<u>73</u>	<u>\$ 27</u>

**STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF JUNE 30, 2006**

Debt

The Board (BTA) had \$7,812 in compensated absences at June 30, 2006.

The Board has no other long-term debt.

Outstanding Debt at Year-end (in thousands)		2006	2005
	\$	_____	_____
General Obligation Bonds	\$	_____	_____
Revenue Bonds and Notes		_____	_____
Totals	\$	_____ -	_____ -

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$7,658 over budget and expenditures were less than budget by \$164,469.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

CONTACTING THE BOARD'S (BTA) MANAGEMENT

This financial report is designed to provide a general overview of the Board's finances, comply with finance-related laws and regulations and demonstrate the Board's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Cheryl Gaudin, Executive Director, at 104 Fairland Drive, Lafayette, Louisiana 70507, 337-262-1043.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
BALANCE SHEET
AS OF JUNE 30, 2006**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$	<u>31,362</u>
Investments		
Receivables (net of allowance for doubtful accounts)(Note U)		<u>13,258</u>
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		
Notes receivable		
Other current assets		
Total current assets		<u>44,620</u>

NONCURRENT ASSETS:

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Notes receivable		
Investments		<u>657,818</u>
Capital assets (net of depreciation)(Note D)		
Furniture and fixtures		<u>9,498</u>
Computer and related assets		<u>63,377</u>
Leasehold improvements		<u>830</u>
Infrastructure		
Construction in progress		
Other noncurrent assets		
Total noncurrent assets		<u>731,523</u>
Total assets	\$	<u>776,144</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	<u>15,408</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		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total current liabilities		<u>15,408</u>

NON-CURRENT LIABILITIES:

Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		<u>7,812</u>
Capital lease obligations (Note J)		
Claims and litigation payable (Note K)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total long-term liabilities		<u>7,812</u>
Total liabilities		<u>23,220</u>

NET ASSETS

Invested in capital assets, net of related debt		<u>73,708</u>
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		<u>679,218</u>
Total net assets		<u>752,923</u>
Total liabilities and net assets	\$	<u>776,144</u>

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

**STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2006**

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	426,342
Other	_____
Total operating revenues	<u>426,342</u>
OPERATING EXPENSES	
Cost of sales and services	298,650
Administrative	62,460
Depreciation	26,051
Amortization	_____
Total operating expenses	<u>387,161</u>
Operating income(loss)	<u>39,181</u>
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues (expenses)	_____
Taxes	_____
Use of money and property	20,560
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	_____
Other expense	_____
Total non-operating revenues(expenses)	<u>20,560</u>
Income(loss) before contributions and transfers	<u>59,741</u>
Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	<u>59,741</u>
Total net assets – beginning as restated	<u>693,182</u>
Total net assets – ending	<u>\$ 752,923</u>

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

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2006

See Appendix A for instructions

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
Entity	\$ 387,161	\$ 426,342	\$	\$ 39,181
General revenues:				
Taxes				
State appropriations				
Grants and contributions not restricted to specific programs				
Interest				20,560
Miscellaneous				
Special items				
Extraordinary item - Loss on impairment of capital assets				
Transfers				
Total general revenues, special items, and transfers				20,560
Change in net assets				59,741
Net assets - beginning as restated				693,182
Net assets - ending				\$ 752,923

Statement C

**STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2006**

Cash flows from operating activities	
Cash received from customers	\$ 426,342
Cash payments to suppliers for goods and services	<u>(230,094)</u>
Cash payments to employees for services	<u>(125,080)</u>
Payments in lieu of taxes	<u> </u>
Internal activity-payments to other funds	<u> </u>
Claims paid to outsiders	<u> </u>
Other operating revenues(expenses)	<u> </u>
Net cash provided(used) by operating activities	<u>\$ 71,168</u>
Cash flows from non-capital financing activities	
State appropriations	<u> </u>
Proceeds from sale of bonds	<u> </u>
Principal paid on bonds	<u> </u>
Interest paid on bond maturities	<u> </u>
Proceeds from issuance of notes payable	<u> </u>
Principal paid on notes payable	<u> </u>
Interest paid on notes payable	<u> </u>
Operating grants received	<u> </u>
Transfers in	<u> </u>
Transfers out	<u> </u>
Other	<u> </u>
Net cash provided(used) by non-capital financing activities	<u> -</u>
Cash flows from capital and related financing activities	
Proceeds from sale of bonds	<u> </u>
Principal paid on bonds	<u> </u>
Interest paid on bond maturities	<u> </u>
Proceeds from issuance of notes payable	<u> </u>
Principal paid on notes payable	<u> </u>
Interest paid on notes payable	<u> </u>
Acquisition/construction of capital assets	<u>(71,782)</u>
Proceeds from sale of capital assets	<u> </u>
Capital contributions	<u> </u>
Other	<u> </u>
Net cash provided(used) by capital and related financing activities	<u>(71,782)</u>
Cash flows from investing activities	
Purchases of investment securities	<u>(407,818)</u>
Proceeds from sale of investment securities	<u>378,234</u>
Interest and dividends earned on investment securities	<u>15,266</u>
Net cash provided(used) by investing activities	<u>(14,318)</u>
Net increase(decrease) in cash and cash equivalents	<u>(14,932)</u>
Cash and cash equivalents at beginning of year	<u>46,293.79</u>
Cash and cash equivalents at end of year	<u>\$ 31,362</u>

The accompanying notes are an integral part of this statement.
 Statement D (continued)

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2006

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

Operating income(loss)		\$ 39,181
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	26,051	
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	7,777	
Increase(decrease) in accrued payroll and related benefits	(1,478)	
Increase(decrease) in compensated absences payable	(364)	
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		\$ 71,168

Schedule of noncash investing, capital, and financing activities:

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

The accompanying notes are an integral part of this statement.
 Statement D (concluded)

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2006**

INTRODUCTION

The Board is a component unit of the State of Louisiana. It was created by Act 208 of the Regular Session of the 1987 Legislature within the Department of Health and Hospitals as provided by Louisiana Revised Statute 37:2401.1. The Board serves as a statewide authority to licenses and regulates the physical therapists and physical therapist assistants practicing in the State of Louisiana. It is also charged with the responsibility to interpret the scope of practice, write regulations and discipline licensees who have violated the law.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

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

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

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

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

Revenue Recognition

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

Expense Recognition

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

B. BUDGETARY ACCOUNTING

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

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

**STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
 Notes to the Financial Statement
 As of and for the year ended June 30, 2006**

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>551,630</u>
Amendments:	_____

Final approved budget	\$ <u><u>551,630</u></u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendix B for information related to Note C.

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Board 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; 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.

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

The deposits at June 30, 2006, consisted of the following:

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2006

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in Bank Accounts Per Balance Sheet	\$ 31,362	\$ _____	\$ _____	\$ 31,362.11
Bank Balances of Deposits Exposed to Custodial Credit Risk				
a. Uninsured and uncollateralized	\$ _____	\$ _____	\$ _____	\$ -
b. Uninsured and collateralized with securities held by the pledging institution	_____	_____	_____	-
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	_____	_____	_____	-
Total Bank Balances - All Deposits	\$ 36,310	\$ _____	\$ _____	\$ 36,310.16

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

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.	Chase	Operating	\$ 36,310
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
Total			\$ 36,310

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 Board does maintain investment accounts as authorized by Louisiana Revised Statue 33:2955.

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent but not in the entity's name. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2006

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by the three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

<u>Type of Investment</u>	<u>Investments Exposed to Custodial Credit Risk</u>		<u>All Investments Regardless of Custodial Credit Risk Exposure</u>	
	<u>Uninsured, *Unregistered, and Held by Counterparty</u>	<u>Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name</u>	<u>Reported Amount</u>	<u>Fair Value</u>
Repurchase agreements	\$ _____	\$ _____	\$ _____	\$ _____
U.S. Government securities	_____	_____	_____	_____
U. S. Agency Obligations	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Commercial paper	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____
Certificate of deposits	_____	_____	657,798	657,798
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total investments	\$ _____	\$ _____	\$ 657,798	\$ 657,798

* unregistered - not registered in the name of the government or entity

3. Derivatives N/A

The institution does/does not (circle one) invest in derivatives as part of its investment policy. Accordingly, the exposure to risk from these investments is as follows:

credit risk _____
market risk _____
legal risk _____

4. Credit Risk, Interest Rate Risk, Concentration of Credit Risk, and Foreign Currency Risk Disclosures

A. Credit Risk of Debt Investments N/A

Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end. All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

**STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
 Notes to the Financial Statement
 As of and for the year ended June 30, 2006**

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

B. Interest rate Risk N/A

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	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>_____</u>

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 (e.g. coupon multipliers, reset dates, etc.):

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

C. Concentration of Credit Risk N/A

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

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
 Notes to the Financial Statement
 As of and for the year ended June 30, 2006

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

D. Foreign Currency Risk N/A

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 N/A

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 N/A

- 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. Losses during the year due to default by counterparties to deposit or investment transactions _____

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2006

- 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 as of Year-End

- i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at year end, 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 STATE BOARD OF PHYSICAL THERAPY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2006

- 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 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 is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight-line method over the useful lives of the assets.

	Year ended June 30, 2006						
	Balance 6/30/2005	Prior Period Adjustment	Adjusted Balance 7/1/2005	Additions	Transfers*	Retirements	Balance 6/30/2006
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	\$ 39,293	\$	\$ 39,293	\$ 328	\$	\$ (4,298)	\$ 35,323
Less accumulated depreciation	(23,899)		(23,899)	(6,223)		4,298	(25,824)
Total furniture, fixtures, and equipment	15,394	-	15,394	(5,895)	-	-	9,498
Buildings and improvements	1,383		1,383				1,383
Less accumulated depreciation	(277)		(277)	(277)			(553)
Total buildings and improvements	1,107	-	1,107	(277)	-	-	830
Computer and related assets	54,134		54,134	71,455		(1,573)	124,016
Less accumulated depreciation	(42,660)		(42,660)	(19,552)		1,573	(60,638)
Total depreciable land improvements	11,475	-	11,475	51,903	-	-	63,377
Infrastructure			-				-
Less accumulated depreciation			-				-
Total infrastructure	-	-	-	-	-	-	-
Total other capital assets	\$ 27,975	\$ -	\$ 27,975	\$ 45,731	\$ -	\$ -	\$ 73,706
Capital Asset Summary:							
Capital assets not being depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other capital assets, at cost	94,810	-	94,810	71,782	-	(5,871)	160,722
Total cost of capital assets	94,810	-	94,810	71,782	-	(5,871)	160,722
Less accumulated depreciation	(66,836)	-	(66,836)	(26,051)	-	5,871	(87,016)
Capital assets, net	\$ 27,975	\$ -	\$ 27,975	\$ 45,731	\$ -	\$ -	\$ 73,706

* 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 STATE BOARD OF PHYSICAL THERAPY EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2006

E. INVENTORIES N/A

The BTA's inventories are valued at _____ (method of valuation). These are perpetual inventories and are expensed when used. **NOTE: DO NOT INCLUDE POSTAGE. THIS IS 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, consisting of \$_____ in cash with fiscal agent, \$_____ in receivables, and \$_____ investment in _____ (identify the type of investments held.) State the purpose of the restrictions:

G. LEAVE

1. COMPENSATED ABSENCES

The Board 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 full-time service. Accumulated leave is carried forward to succeeding years without limitation. 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 current year expenditure when the leave is earned. Only annual leave is accrued in the accompanying statements of net assets at \$7,812.30.

2. COMPENSATORY LEAVE

Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is 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. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. There was no accrued compensatory leave time recorded at June 30, 2006.

H. RETIREMENT SYSTEM

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

All full-time employees are eligible to participate. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to 2.5% 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 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. An option of reduced benefits at any age with 20 years of service is available. The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual financial report that is available to the public including financial statements and required supplementary information of the System. That report may be obtained by contacting 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.

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Covered employees are required to contribute 7.5% of gross salary to the plan, and the Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service is required to contribute at an actuarially determined rate as required by R.S. 11:102. That rate for the fiscal year ended June 30, 2006, was 19.1%. Contributions to the System for the years ending June 30, 2006, 2005, and 2004, were \$18,478.37, \$18,478.37, and \$10,674, respectively.

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: **(NOTE: Ensure that the number of retirees is disclosed below)**

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 for retirees 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 (part (b) below).

The _____ (BTA) provides certain continuing health care and life insurance benefits for its retired employees. Substantially all (BTA) employees become eligible for post employment health care 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). Complete (a) below if the cost of retiree post-employment health care benefits can be separated from active employees, otherwise complete part (b).

- a) For 2006, the cost of providing those benefits for the _____ retirees (# of retirees) totaled \$ _____.
- b) 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 (# of retirees) is not separable from the cost of providing benefits for the _____ active employees (# of active employees).

J. LEASES

1. OPERATING LEASES

The Board executed a lease for office space beginning on June 1, 2004. It is for a period of ten years payable at \$2,678 per month or \$32,130 annually for the next ten years. For the year ended June 30, 2006, lease payments of \$32,130 were made.

Nature of lease	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012- 2016	FY 2017- 2021
Office space	\$ 32,130	\$ 32,130	\$ 32,130	\$ 32,130	\$ 32,130	\$ 128,520	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total	\$ 32,130	\$ 32,130	\$ 32,130	\$ 32,130	\$ 32,130	\$ 128,520	\$ _____

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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 should be used to report all capital leases including new leases in effect as of 6/30/06. In Schedule B, report only those new leases entered into during fiscal year 2005-2006.

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 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 FY2026, create additional rows and report these future minimum lease payments in five year increments.)

<u>Year ending June 30 :</u>	<u>Total</u>
2007	\$ _____
2008	_____
2009	_____
2010	_____
2011	_____
2012-2016	_____
2017-2021	_____
2022-2026	_____
Total minimum lease payments	-
Less amounts representing executory costs	_____
Net minimum lease payments	-
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ -

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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 FY2026, create additional rows and report these future minimum lease payments in five year increments.)**

<u>Year ending June 30:</u>	<u>Total</u>
2007	\$ _____
2008	_____
2009	_____
2010	_____
2011	_____
2012-2016	_____
2017-2021	_____
2022-2026	_____
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 C – LEAF CAPITAL LEASES

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<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 FY2026, create additional rows and report these future minimum lease payments in five year increments.)**

<u>Year ending June 30:</u>	<u>Total</u>
2007	\$ _____
2008	_____
2009	_____
2010	_____
2011	_____
2012-2016	_____
2017-2021	_____
2022-2026	_____
Total minimum lease payments	_____
Less amounts representing executory costs	_____
Net minimum lease payments	_____
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____

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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.

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 payment 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 2006 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 FY2026, please create additional rows and report these future minimum lease payment receivables in five year increments.)**

Year ending _____:	
2007	\$ _____
2008	_____
2009	_____
2010	_____
2011	_____
2012-2016	_____
2017-2021	_____
2022-2026	_____
Total	\$ _____

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4. LESSOR – OPERATING LEASE N/A

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.

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__:

	Cost	Accumulated depreciation	Carrying amount
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 FY2021, please create additional columns and report these future minimum lease payment receivables in five year increments.)

Year Ended June 30,	Office Space	Equipment	Land	Other	Total
2007	\$ _____	\$ _____	\$ _____	\$ _____	\$ -
2008					-
2009					-
2010					-
2011					-
2012-2016					-
2017-2021					-
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.

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K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2006:

	<u>Year ended June 30, 2006</u>				Amounts due within one year
	Balance June 30, 2005	Additions	Reductions	Balance June 30, 2006	
Notes and bonds 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	8,179	6,510	6,876	7,812	--
Capital lease obligations					--
Claims and litigation					--
Liabilities payable from restricted assets					--
Other long-term liabilities					--
Total other liabilities	<u>8,179</u>	<u>6,510</u>	<u>6,876</u>	<u>7,812</u>	<u>--</u>
Total long-term liabilities	<u>\$ 8,179</u>	<u>\$ 6,510</u>	<u>\$ 6,876</u>	<u>\$ 7,812</u>	<u>\$ --</u>

(Send OSRAP a copy of the amortization schedule for any new debt issued.)

L. CONTINGENT LIABILITIES N/A

GAAP require that the notes to the financial statements disclose any situation where there is at least a reasonable possibility that assets have been impaired or that a liability has been incurred along with the dollar amount if it can reasonably be estimated. **Do not report impaired capital assets as defined by GASB 42 below, rather disclose GASB 42 impaired capital assets in Note CC.** Losses or ending litigation that is probable should be reflected on the balance sheet.

The _____ (BTA) is a defendant in litigation seeking damages as follows: (Only list litigation not being handled by the Office of Risk Management or the Attorney General.)

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

*Note: Liability for claims and judgments should include should include specific, incremental claim expenses if known or if it can be estimated. For example, the cost of outside legal assistance on a particular claim may be an incremental cost, whereas assistance from internal legal staff on a claim may

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not be incremental because the salary costs for internal staff normally will be incurred regardless of the claim. (See GASB 30, paragraph 9)

Claims and litigation costs of \$_____ (include incremental cost discussed above) were incurred in the current year and are reflected in the accompanying financial statement.

Disclose any cases where it is probable that a liability has been incurred, but the effect of the liability has not been reflected in the financial statements because it can not be estimated. _____

Disclose any guarantee of indebtedness even if there is only a remote chance that the government will be called on to honor its guarantee. _____

M. RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure.

N. ACCOUNTING CHANGES N/A

Accounting changes made during the year involved a change in accounting _____ (principle, estimate 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 \$_____.

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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 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, 2006, by funding source, is as follows:

<u>Funding Source</u>	<u>Balance June 30, 2006</u>
State General Fund	\$ _____
Self-generated revenue	_____
Statutorily dedicated revenue	_____
General obligation bonds	_____
Federal funds	_____
Interagency transfers	_____
Other funds/combination	_____
Total	\$ _____

NOTE: Amounts in excess of contract limits **cannot** be used to reduce the outstanding contract balance at June 30, 2006. 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 ending balances by funding source, you should begin with your balances at June 30, 2005. These amounts will be increased by amounts for new contracts and amendments and decreased for payments and liquidations.

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

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2005-2006:

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

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 purpose(s)

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

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

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

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

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U. DISAGGREGATION OF RECEIVABLE BALANCES

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

Fund	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Enterprise	\$ _____	\$ _____	\$ _____	\$ 13,258.00	\$ 13,258.00
Gross receivables	\$ _____	\$ _____	\$ _____	\$ 13,258.00	\$ 13,258.00
Less allowance for uncollectible accounts	_____	_____	_____	_____	_____
Receivables, net	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 13,258.00</u>	<u>\$ 13,258.00</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2006, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Operating	\$ 14,605	\$ 803	\$ _____	\$ _____	\$ 15,4
Total payables	<u>\$ 14,605</u>	<u>\$ 803</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 15,4</u>

W. SUBSEQUENT EVENTS

There were no events affecting the Board 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 purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another 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 _____.

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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 (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

Condensed Balance sheet:

	<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:

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	<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
- (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 fiscal year end: (Types of funds include general fund, statutory dedicated funds, discrete component unit funds, etc).

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

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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 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 N/A

The following adjustments were made to restate beginning net assets for June 30, 20__.
Each adjustment must be explained in detail on a separate sheet.

<u>Ending net assets</u> <u>July 1, 2005,</u> <u>previously reported</u>	<u>Adjustments</u> <u>+ or (-)</u>	<u>Beginning net</u> <u>assets, July 1, 2005,</u> <u>as restated</u>
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46) N/A

Of the total net assets reported on Statement A at June 30, 20__, \$ _____ are restricted by enabling legislation (which includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation). Refer to Appendix C for more details on the determination of the amount to be reported as required by GASB Statement 46.

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CC. IMPAIRMENT OF CAPITAL ASSETS N/A

GASB 42 establishes accounting and financial reporting standards for the impairment of capital assets. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. **See Appendix D for more information on GASB 42 and the Impairment of Capital Assets.**

The following capital assets are considered impaired: (There are five indicators of impairment described in Appendix D, (1) physical damage, (2) enactment of laws, etc. List the appropriate number (1-5) to identify the indicator of impairment in the second to last column below.)

<u>Type of asset</u>	<u>Amount of Impairment Loss</u>	<u>Indication of Impairment</u>	<u>Insurance Recovery in the same FY</u>	<u>Reason for Impairment (e.g. hurricane)</u>
Buildings				
Movable Property				
Infrastructure				

The carrying amount of impaired capital assets that are idle at year-end should be disclosed, regardless of whether the impairment is considered permanent or temporary. The following capital assets were idle at the end of the fiscal year. (Include the capital assets listed above that were idle at the end of the fiscal year.)

<u>Type of asset</u>	<u>Carrying Value</u>
Buildings	\$ _____
Movable Property	\$ _____
Infrastructure	\$ _____

DD. EMPLOYEE TERMINATION BENEFITS N/A

Termination benefits are benefits, other than salaries and wages that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees. Involuntary termination benefits include benefits such as payment for unused leave balances. Voluntary termination benefits include benefits such as enhanced early retirement options resulting from an approved early retirement plan and payment for unused leave balances. Other termination benefits may include:

1. Early retirement incentives, such as cash payments, enhancement to defined benefit formula
2. Health care coverage when none would otherwise be provided (COBRA)
3. Compensated absences, including payments for leave balances
4. Payments due to early release from employment contracts

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GASB 47 requires the following disclosures about an employer's accounting for employee termination benefits.

1. A description of the termination benefit arrangement(s)
2. Period the employer becomes obligated
3. Number of employees affected
4. Cost of termination benefits
5. Type of benefit(s) provided
6. The period of time over which the benefits are expected to be provided
7. If the termination benefit affects the defined benefit pension (OPEB) obligations, disclose the change in the actuarial accrued liability for the pension or OPEB plan attributable to the termination benefit
8. When termination liabilities are reported, disclose the significant methods and assumptions used to determine the liabilities to be disclosed (for as long as the liability is reported)

The GASB 47 note disclosures listed below are provided as an example and should be modified as necessary.

Substantially all employees are eligible for termination benefits upon separation from the state. The agency recognizes the cost of providing these benefits as expenditures when paid during the year. For 2006, the cost of providing those benefits for _____ (number of) voluntary terminations totaled \$_____. For 2006, the cost of providing those benefits for _____ (number of) involuntary terminations totaled \$_____. [The termination benefits (voluntary and involuntary) paid in FY 2006 should also be included in the Statement of Revenues, Expenses, and Changes in Fund Net Assets on the account line "Administrative" in the Operating Expense Section.]

The liability for the accrued voluntary terminations benefits payable at June 30, _____ is \$_____. This liability consists of _____ (number of) voluntary terminations. The liability for the accrued involuntary terminations benefits payable at June 30, _____ is \$_____. This liability consists of _____ (number of) involuntary terminations.

[The termination benefits (voluntary and involuntary) payable at fiscal year end should also be included on the Balance Sheet in the "compensated absences payable" account line.]

If a termination benefit is not recognized because the expected benefits are not estimable, the employer should disclose that fact. Briefly describe termination benefits provided to employees as discussed above. If none, please state that fact.

A terminated employee can continue to access health benefits, however, if the COBRA participant is paying the ENTIRE premium then there is no state contribution on behalf of this individual. Therefore, when a terminated employee pays 100% of the premium, the state would not have a termination liability.

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SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
 For the Year Ended June 30, 2006
 (Fiscal Close)

<u>Name</u>	<u>Amount</u>
Adams, Patricia	\$ 1,700
Adcock, Barbara	1,400
Brown, Mark	2,200
Drury, Todd	1,450
McKenzie, Kenneth	150
Reynolds, Charles A.	700
Total	<u>7,600</u>

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

STATE OF LOUISIANA

LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS

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>2006</u>	<u>2005</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>426,342</u>	\$ <u>431,267</u>	\$ <u>(4,925)</u>	<u>2.0%</u>
Expenses	<u>387,161</u>	<u>347,958</u>	<u>39,203</u>	<u>12.0%</u>
2) Capital assets	<u>73,706</u>	<u>27,975</u>	<u>45,731</u>	<u>164.0%</u>
Long-term debt	<u>7,812</u>	<u>8,176</u>	<u>364</u>	<u>5.0%</u>
Net Assets	<u>752,923</u>	<u>693,182</u>	<u>59,741</u>	<u>9.0%</u>

Explanation for change:
