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

BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

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 NOV 28 2012

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

I have reviewed the accompanying statement of net assets of the Louisiana Physical Therapy Board, a component unit of the State of Louisiana, as of June 30, 2012, and the related statements of revenues, expenses and changes in fund net assets, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.


Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am 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 of America.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated August 22, 2012, on the results of my 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 accounting principles generally accepted in the United States of America. 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, I do not express an opinion or any other form of assurance on the supplementary information.



John L. McKowen, CPA
August 22, 2012

Member

American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

The purpose of this section is to offer management's discussion and analysis of the Louisiana Physical Therapy Board of the State of Louisiana's (hereafter referred to as the Board) financial performance during the year ended June 30, 2012. 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 Louisiana Physical Therapy Board, which consists of seven members, met for a total of twenty four days for board meetings during fiscal year 2012. Board Meetings last for two days and have very full agendas. A board member must document a minimum of two hours of board business to be paid a per diem. The Physical Therapy Board receives no state appropriations and operates solely on the fees which it collects pursuant to the La Physical Therapy Practice Act.

Board and Advisory Committee Members interview new applicants wishing to be licensed in the state to welcome and educate them about the rules in Louisiana and how our rules differ from other states.

For consistency and to save time, continuing education course prior approval is no longer reviewed at board meetings. A Committee of two Board Members routinely reviews requests for Continuing Education Course Sponsor Prior Approval between meetings. Staff collects appropriate documentation and forwards these documents to each committee member for review. The result of the review is then returned to board staff to report to the vendor and/or licensee who submitted the course for prior approval.

Financial and investment data is reviewed monthly by the board to determine expenses versus budgeted amounts. In fiscal year 2012, Board revenues, the majority from licensure fees, totaled \$536,482 while spending in the fiscal year was \$539,013. As a whole, the board manages a sound financial status. Annual attestations/audits are conducted by a contract CPA firm reporting compliance without findings.

As a result of the continued economic downturn during FY 11/12, the board's certificates of deposit earned a modest \$5,868. This earning came in at one-third the anticipated \$20,000 budgeted amount. Under the state requirement of investing in a Louisiana based bank and a maximum of a 12 month investment in a certificate of deposit, the board found better interest rates offered in small town banks. The current Certificates of Deposit at Montgomery Bank are paying interest compounded monthly as opposed to previous earnings at maturity.

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A major responsibility of the Board is on-going review of the statutes and administrative rules governing the practice of physical therapy. Act 139 of the 2011 Regular Session of the Louisiana Legislature (La. R.S. 37:2418F) rewrote the Physical Therapy Practice Act as applied to supervision of physical therapist assistants by physical therapists.

Act 139 became effective in August of 2011. After Act 535, the La Physical Therapy Practice Act, became law in 2009, the board began the process of drafting proposed comprehensive rule language to further define the duties and authority of the Board. During fiscal year 2011, the board spent countless hours reviewing rules language and discussing the language on conference calls with staff and attorneys to provide guidance for drafting proposed language. This language would then be reviewed and decided upon at board meetings. Initial publication of the Comprehensive Rule Revision was printed in the December 20, 2010 issue of the La Register. This publication of the comprehensive rule revision for adoption occurred on October 20, 2011 which became the effective date.

The Board received approximately 40 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. During the month, board members who are assigned as the Case Manager for a complaint, may meet with the licensee for an Informal Conference requiring time away from work and often travel. Currently, the board does not have statutory authority to assess a fine to a disciplined licensee; however, a partial reimbursement of administrative costs is included in the Informal Agreement with the licensee to recoup expenses.

CONFERENCES AND MEETING PRESENTATIONS

The activity of the Board includes:

Federation of State Boards of Physical Therapy (FSBPT) - The FSBPT develops and administers the National Physical Therapy Examination (NPTE) for both physical therapists and physical therapist assistants in 53 jurisdictions and/or territories.

Annually, the Federation provides educational programs for member boards and other bodies interested in effective licensure, regulation, and enforcement in the practice of physical therapy. As an active participant in Federation activities, the Board approved Board members and its Executive Director to participate on Federation business at its annual meeting. This is done to assure broad and active participation in the governance of the organization and in educational presentations.

**LOUISIANA PHYSICAL THERAPY BOARD
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Board Members attending the Federation's Annual Meeting in Charlotte, NC in September 2011 were Jerry Jones, Jr., Donna "Dee" Cochran, Al Moreau, III, Dan Wood, Teresa Maize, and Danny Landry. Board Executive Director Cheryl Gaudin also attended. Educational topics included:

- PT clinical educational models
- Expungement of Disciplinary Orders
- Government Enforcement Actions
- Licensure Portability
- Where Reimbursement Drive Practice
- Temporary Permits
- Supervised Clinical Practice
- Public Member Perspective

Cheryl Gaudin is a member of the Council of Board Administrators (CBA). The CBA has a one day meeting as part of the Annual Meeting with an educational agenda designed to discuss licensing issues from an administrative view point.

Council on Licensure, Enforcement and Regulation (CLEAR) - "CLEAR promotes regulatory excellence through conferences, educational programs, networking opportunities, publication, and research services for those involved with, or affected by, professional and occupational regulation. There are three core areas of substantive inquiry that CLEAR supports through its annual conference and other venues: compliance and discipline; credentialing and licensing/examination issues; and legislative and policy issues/regulatory administration."

CLEAR offers two levels of investigatory training – Basic and Advanced. All Board Members and Advisory Committee Members are encouraged to complete the Basic Investigatory Training course which teaches techniques when monitoring disciplined licensees. Board Member attending the April 2012 NCIT Basic Training offering in Austin, TX was Al Moreau, III. Advisory Committee Members who also attended were Anna Smith, Arma Veneracion, Nicholas Butler, and Wayne Campbell.

Federation of Association of Regulatory Boards (FARB) - shares information related to professional, regulation, particularly in the area of administration, assessment and law.

FARB offers an Annual Forum which is generally held in January. The Forum is open to Board Members and board staff. Board Members attending the Federation's Annual Meeting in Sarasota, FL in January 2012 were Jerry Jones, Jr., Donna "Dee" Cochran, Al Moreau, III, Dan Wood, Teresa Maize, and Danny Landry. Board Executive Director Cheryl Gaudin also attended. Educational topics addressed at the Forum were:

- A Critical Review of State-Based Regulation: Pros & Cons Australian Model
- An Update on Exam Breaches: Use of Data Forensics
- New Legislation Affecting the Regulatory Community

- Federal Trade Commission Complaint: *In the Matter of the North Carolina State Board of Dental Examiners*, A Review of Federal Government Role in State-Based Licensure
- Social Networking and Regulatory Boards
- Role of Education in Licensure Eligibility
- Branding Regulation: What are boards doing?

Louisiana Physical Therapy Association

- The Board was represented at the 2012 Spring Meeting and available to respond to questions on proposed Rules and Regulations language. Board representatives, Donna “Dee” Cochran, Danny P. Landry, and Cheryl Gaudin attended the LPTA Board of Directors meeting and responded to proposed rules and regulations and the progress and/or adoption through the APA process.

Louisiana University/College New Graduate Group Interviews

Annually, the Physical Therapy Board conducts a group interview with all Louisiana graduating physical therapists and physical therapist assistant students. This group interview is in lieu of the personal interview required by the La Physical Therapy Practice Act and Rules and Regulations. The interview consists of compliance issues with the rules and provides information regarding application for licensure. The Board conducted these group interviews at the following locations:

- 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
- Louisiana Community College -- Pineville

COMPREHENSIVE RULE REVISION TRAVELING JURISPRUDENCE

On October 20, 2011, the board published for adoption the Comprehensive Rule Revision which took a year to complete. In January 2012, all licensees were mailed a copy of the new La Physical Therapy Practice Act and Rules governing the practice of physical therapy in the state of Louisiana.

One of the continuing education requirements for license renewal is completion of a 2 hours jurisprudence course. In an effort to educate the licenses of the numerous rule changes, the Board scheduled 7 locations around the state to offer the jurisprudence to licensees free of charge. This course would meet the 2 hour requirement for renewal purposes. The attendance was overwhelming and caused the board to add four additional opportunities to attend the course. Since the adoption of the new rules, licensees voiced numerous questions for clarification. The board made a point to address key concerns of licensees during the jurisprudence course. These traveling Jurisprudence continuing education programs were presented by at least two Board members and the Board Executive Director in Alexandria, two in Shreveport, Monroe, Lafayette, two in Baton Rouge, Lake Charles, New Orleans, Houma, and Mandeville. Eleven locations/dates were attended by 2,068 licensees.

The Board continually strives to comply with its legislative mandate to protect the public while interpreting the scope of practice for physical therapy in the state of Louisiana. In doing so, the Board is very conscientious of its fiduciary responsibilities.

**LOUISIANA PHYSICAL THERAPY BOARD
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MANAGEMENT'S DISCUSSION AND ANALYSIS
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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.

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 9 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 14 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. The Louisiana Comprehensive Annual Financial Report completed with information relative to the Board is included as other required supplementary information.

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.

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

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>2012</u>	<u>2011</u>
Assets		
Current assets	\$ 253,413.94	\$ 371,146.31
Non-current assets	658,268.24	602,512.86
Capital assets, net	<u>94,692.31</u>	<u>24,889.13</u>
Total Assets	1,006,374.49	998,548.30
Liabilities		
Current liabilities	24,119.52	38,430.54
Long-term liabilities	<u>126,629.10</u>	<u>107,829.10</u>
Total Liabilities	<u>150,748.62</u>	<u>146,259.64</u>
Net Assets		
Invested in capital assets, net of related debt	94,692.31	24,889.13
Unrestricted	<u>760,933.56</u>	<u>827,399.53</u>
Total Net Assets	<u>855,625.87</u>	<u>852,288.66</u>

Net assets increased by \$3,337.21 or 0.4% in the current year.

A summary of changes in net assets is as follows:

SUMMARY OF CHANGES IN NET ASSETS

	<u>2012</u>	<u>2011</u>
Operating Revenues	\$ 536,482.15	\$ 513,865.13
Operating Expenses	<u>(539,013.03)</u>	<u>(549,423.39)</u>
Operating Income (Loss)	(2,530.88)	(35,558.26)
Non-operating Revenues (Expenses)	<u>5,868.09</u>	<u>12,664.90</u>
Net Increase (Decrease) in Net Assets	<u>3,337.21</u>	<u>(22,913.36)</u>

Operating revenues increased by \$22,617.02 or 4.4% while expenses decreased by \$10,410.36 or 1.9%.

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DEPARTMENT OF HEALTH AND HOSPITALS
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The Board transferred additional cash to certificates of deposit, but nonetheless interest income decreased by \$6,776.81 or 53.5%.

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

STATEMENT OF CASH FLOWS

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents provided by (used for):		
Operating activities	\$ 8,931.61	\$ 25,620.52
Capital and related financing activities	(76,568.52)	(17,976.92)
Investing activities	<u>(49,887.29)</u>	<u>295,289.01</u>
Net Change in Cash and Cash Equivalents	(117,524.20)	302,932.61
Cash and cash equivalents, beginning of year	<u>370,938.14</u>	<u>68,005.53</u>
Cash and cash equivalents, end of year	<u>253,413.94</u>	<u>370,938.14</u>

Capital Asset and Debt Administration

Capital Assets: The Board's investment in capital assets, net of accumulated depreciation, at June 30, 2012 and 2011, was \$94,692.31 and \$24,889.13, respectively. Additions in the current year included the purchase of land upon which to build a future office building for the Board's use. 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>2012</u>	<u>2011</u>
Depreciable Assets		
Furniture/fixtures	\$ 4,974.92	\$ 6,333.88
Computers and related assets	13,148.87	18,555.25
Land	<u>76,568.52</u>	<u>0.00</u>
Total	<u>94,692.31</u>	<u>24,889.13</u>

Debt Administration: Long-term debt of the Board includes compensated absences at amounts of \$11,789 and \$11,789 at June 30, 2012 and 2011, respectively. It also includes unfunded other post-employment benefits plan obligations anticipated at \$114,840 and \$96,040 as of June 30, 2012 and 2011, respectively, based on actuarially determined amounts.

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
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MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

Budget

Operating revenues were greater than budgeted amounts by \$20,482 or 4%, and operating expenses were \$163,517 or 23% less than anticipated. Interest income of \$5,868 was \$14,132 less than the Board anticipated for the fiscal year. The favorable net variance allowed net assets to remain \$169,867 above budgeted ending balances.

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.

BASIC FINANCIAL STATEMENTS

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2012**

ASSETS	<u>Business-type Activities</u>
Current Assets	
Cash and cash equivalents	\$ 253,413.94
Total Current Assets	<u>253,413.94</u>
Non-Current Assets	
Investments	658,268.24
Capital assets, net of accumulated depreciation:	
Furniture and fixtures	4,974.92
Computer and related assets	13,148.87
Land	76,568.52
Total Non-Current Assets	<u>752,960.55</u>
TOTAL ASSETS	<u><u>1,006,374.49</u></u>
 LIABILITIES	
Current Liabilities	
Accounts payable	11,283.73
Payroll and related payables	7,479.79
Accrued salaries	5,356.00
Total Current Liabilities	<u>24,119.52</u>
Non-Current Liabilities	
Compensated absences payable	11,789.10
Other post-employment benefits plan payable	114,840.00
Total Non-Current Liabilities	<u>126,629.10</u>
Total Liabilities	<u>150,748.62</u>
 NET ASSETS	
Invested in capital assets, net of related debt	94,692.31
Unrestricted	760,933.56
Total Net Assets	<u><u>855,625.87</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>1,006,374.49</u></u>

See Accompanying Notes and Accountants' Report

LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2012

	<u>Business-type Activities</u>
OPERATING REVENUES	
Licenses and other fees	\$ 536,482.15
OPERATING EXPENSES	
Professional services	111,418.92
Meetings, conferences and travel	69,977.05
Salaries and related benefits	245,884.40
General and administrative expenses	104,967.32
Depreciation	6,765.34
Total Operating Expenses	<u>539,013.03</u>
Operating Income	(2,530.88)
NON-OPERATING REVENUES (EXPENSES)	
Interest income	<u>5,868.09</u>
Change in Net Assets	3,337.21
Total Net Assets, beginning	<u>852,288.66</u>
Total Net Assets, ending	<u><u>855,625.87</u></u>

See Accompanying Notes and Accountants' Report

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012**

	<u>Business-type Activities</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 536,482.15
Cash paid to suppliers for goods and services	(294,060.41)
Cash paid to employees for services	<u>(233,490.13)</u>
Net Cash Provided by Operating Activities	8,931.61
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	<u>(76,568.52)</u>
Net Cash Used for Capital and Related Financing Activities	(76,568.52)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of certificates of deposit	(55,755.38)
Interest earned on certificates of deposit	<u>5,868.09</u>
Net Cash Used for Investing Activities	<u>(49,887.29)</u>
Net Decrease in Cash and Cash Equivalents	(117,524.20)
Cash and Cash Equivalents, beginning of year	<u>370,938.14</u>
Cash and Cash Equivalents, end of year	<u><u>253,413.94</u></u>

Continued

LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS (Continued)
YEAR ENDED JUNE 30, 2012

	<u>Business-type Activities</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ (2,530.88)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
(Increase) decrease in receivables	208.17
Depreciation	6,765.34
Increase (decrease) in liabilities	
Accounts payable	(7,905.29)
Payroll and related payables	(8,608.13)
Accrued salaries	2,202.40
Compensated absences payable	-
Other post-employment benefits plan payable	<u>18,800.00</u>
Net Cash Provided by Operating Activities	<u><u>8,931.61</u></u>

See Accompanying Notes and Accountants' Report

NOTES TO FINANCIAL STATEMENTS

**LOUISIANA PHYSICAL THERAPY BOARD
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INDEX TO NOTES TO FINANCIAL STATEMENTS
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**LOUISIANA PHYSICAL THERAPY BOARD
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NOTES TO FINANCIAL STATEMENTS
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INTRODUCTION

The Louisiana Physical Therapy Board is a component unit of the State of Louisiana. It was created as the Louisiana State Board of Physical Therapy Examiners 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 et seq. The Board serves as a statewide 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.

Act 535 of the Regular Session of the 2009 Louisiana Legislature amended and restated Act 208 of 1987 to change the name of the Board to the Louisiana Physical Therapy Board, to increase the size of Board membership from 5 to 7, to entitle a per diem of \$150 to each Board and Committee member, and to further define the duties and authority of the Board.

The Board is composed of 7 members appointed by the Governor of the State of Louisiana to serve three-year terms. Five 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 whom is appointed from a list of names submitted by the Louisiana Hospital Association, and two of whom are appointed from a list of names submitted by the Louisiana Physical Therapy Association. Another member is selected from within the profession who possesses an unrestricted license to assist in the practice of physical therapy as a physical therapy assistant and who has been practicing in the state for no less than three years. The seventh 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 \$150 per day.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the Louisiana Physical Therapy Board 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.

**LOUISIANA PHYSICAL THERAPY BOARD
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STATE OF LOUISIANA
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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 Physical Therapy Board.

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.

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.

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

Application of FASB Statements and Interpretations: Reporting on governmental-type and business-type activities is 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.

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.

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

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
Land	Not depreciated		

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: Employees of the Board had accumulated and vested \$11,789.10 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.150, at June 30, 2012.

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 are 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, 2012:

	<u>Book Balance</u>	<u>Bank Balance</u>
Demand deposits	\$ 226,438.72	230,011.02
Savings accounts	<u>26,975.22</u>	<u>26,975.22</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

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

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 insurance through FDIC and collateral pledged by the agent bank.

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. Investments of the Board are secured with insurance through FDIC and collateral pledged by the agent bank.

At June 30, 2012, the Board had two certificates whose reported amount equaled its fair value as follows:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
Bank of Montgomery	9/29/12	0.50%	\$ 152,582.14
Bank of Montgomery	12/27/12	0.75%	<u>505,686.10</u>
Total			<u>658,268.24</u>

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, being depreciated				
Furniture and fixtures	\$ 44,514.61	\$.00	\$.00	\$ 44,514.61
Less: accumulated depreciation	(38,180.73)	(1,358.96)	.00	(39,539.69)
Net Furniture and Fixtures	6,333.88	(1,358.96)	.00	4,974.92
Computer and related assets	153,258.32	.00	.00	153,258.32
Less: accumulated depreciation	(134,703.07)	(5,406.38)	.00	(140,109.45)
Net Computer and Related Assets	18,555.25	(5,406.38)	.00	13,148.87
Leasehold improvements	1,383.16	.00	.00	1,383.16
Less: accumulated depreciation	(1,383.16)	.00	.00	(1,383.16)
Net Leasehold Improvements	.00	.00	.00	.00
Land	.00	76,568.52	.00	76,568.52
Net Capital Assets, being depreciated	<u>24,889.13</u>	<u>69,803.18</u>	<u>.00</u>	<u>94,692.31</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.

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 \$11,789.10.

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 compensatory leave time accrued at June 30, 2012.

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

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 if hired prior to July 1, 2006, and 8% if hired thereafter. 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, 2012, was 25.6%.

Contributions to the System for the years ended June 30, 2012, 2011 and 2010, were \$30,539.57, \$24,052.60 and \$23,748.60, 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 through the Louisiana Office of Group Benefits. Substantially all of the Board's employees become eligible for those benefits if they reach normal retirement age while working for the Board and were covered by the Board's active medical plan immediately prior to retirement. Those benefits include joint payment of monthly premiums for the coverage provided.

Plan Description. The State of Louisiana's Other Post-Employment Benefit Plan (OPEB Plan) is an agent multiple-employer plan administered by the Louisiana Office of Group Benefits (OGB). There are three plans available to eligible retirees for health care – OGB Preferred Provider Organization (PPO), Humana Health Maintenance Organization (HMO) and United Exclusive Provider Organization (EPO). Participants eligible for Medicare coverage can choose one of two OGB Medicare Advantage Plans, either an HMO or a private fee-for-service (PFFS) plan. Life insurance benefits include basic term life, basic plus supplemental term life, dependent term life and employee accidental death and dismemberment coverage. The policy is underwritten by The Prudential Insurance Co. of America.

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

LRS 42:801-883 provides for the authority under which benefit provisions are established and may be amended. The OGB does not issue a stand-alone report; however, it is included in the Louisiana Comprehensive Annual Financial Report (CAFR). The CAFR may be obtained from Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap, writing to P. O. Box 94095, Baton Rouge, LA 70804-9095 or by calling 225-342-0708.

Funding Policy. LRS 42:801-883 provides for the authority under which the obligations of the plan members and the system are established and may be amended. For employees hired prior to January 1, 2002, the cost of coverage is shared 25% by the participant and 75% by the Board with the exception of single retirees under age 65. He/she must pay 25% of the active employee cost. Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate based on his/her years of service at retirement (under 10 yrs. – 81%; 10-14 yrs. – 62%; 15-19 yrs. – 44%; 20+ yrs. – 25%). A lifetime maximum for healthcare benefits is set at \$5,000,000 for the PPO, HMO and EPO plans. The retiree must pay 50% of the life insurance premiums for him or her and 88% for his/her spouse. Maximum coverage is capped at \$50,000.

Premiums paid for healthcare coverage vary depending on the plan chosen. For the year ended June 30, 2012, this amount ranges from \$585 to \$619 per month for single active.

Premiums paid for retiree and spouse range from \$673 to \$648 per month for those with Medicare, or \$1,928 to \$2,034 per month for those without Medicare. The rates for retirees with children are slightly higher than the single rates and family coverage is slightly higher than the retiree/spouse rates. The plan is currently financed on a pay-as-you-go basis by the Board.

OPEB Cost/Obligation. The Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the year beginning July 1, 2011, is as follows:

Annual Required Contribution/OPEB Cost	\$ 18,700
Adjustment for interest and amortization	100
Contributions made	<u>0</u>
Change in net OPEB Obligation	18,800
Net OPEB obligation – beginning of year	<u>96,040</u>
Net OPEB obligation – end of year	<u>\$114,840</u>

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

The Board's annual OPEB cost, the percentage of OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year June 30, 2012, 2011, 2010, 2009, and 2008 was as follows:

Fiscal Year End	Annual OPEB Cost	% of OPEB Cost Contributed	Net OPEB Obligation
6/30/08	\$ 22,240	0%	\$ 22,240
6/30/09	23,400	0%	45,640
6/30/10	27,100	0%	72,740
6/30/11	23,300	0%	96,040
6/30/12	18,800	0%	114,840

Utilizing the pay-as-you-go method, the Board contributed 0% of the annual post-employment benefits cost during the current year.

Funding Status and Funding Progress. As of June 30, 2012, the Board had not made any contributions to its post-employment benefits plan trust. Thus, it has no plan assets and a funding ratio of zero. Funding status and progress is summarized below.

Unfunded actuarial accrued liability (UAAL)	\$ 114,840
Covered payroll (active employees)	119,295
UAAL as a percentage of covered payroll	96%

Actuarial Methods/Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
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In the July 1, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 7.0% and 8.1% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at July 1, 2011, was thirty years

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 year ended June 30, 2012, lease payments of \$32,130 were made.

Capital Leases. The Board has no capital leases.

NOTE 9 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 2012:

<u>Class of Payables</u>	<u>Amount</u>
Accounts	\$ 11,283.73
Payroll and related	7,479.79
Salaries	<u>5,356.00</u>
Total	<u>24,119.52</u>

NOTE 10 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2012, 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	\$ 11,789.10	\$.00	\$.00	\$ 11,789.10	\$.00
Other post- employment benefits plan	96,040.00	18,800.00	.00	114,840.00	.00
Total	<u>107,829.10</u>	<u>18,800.00</u>	<u>.00</u>	<u>126,629.10</u>	<u>.00</u>

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 11- RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure.

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.

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2012**

	<u>Budgeted</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable <u>(Unfavorable)</u>
OPERATING REVENUES				
Licenses and other fees	\$ 516,000.00	\$ 516,000.00	\$ 536,482.15	\$ 20,482.15
OPERATING EXPENSES				
Professional services	203,100.00	203,100.00	111,418.92	91,681.08
Meetings, conferences and travel	124,500.00	124,500.00	69,977.05	54,522.95
Salaries and related benefits	238,000.00	238,000.00	245,884.40	(7,884.40)
General and administrative expense:	116,930.00	116,930.00	104,967.32	11,962.68
Depreciation	20,000.00	20,000.00	6,765.34	13,234.66
Total Operating Expenses	702,530.00	702,530.00	539,013.03	163,516.97
Operating Income (Loss)	(186,530.00)	(186,530.00)	(2,530.88)	183,999.12
NON-OPERATING REVENUES (EXPENSES)				
Interest income	20,000.00	20,000.00	5,868.09	(14,131.91)
Change in Net Assets	(166,530.00)	(166,530.00)	3,337.21	169,867.21
Net Assets, beginning	852,288.66	852,288.66	852,288.66	-
Net Assets, ending	685,758.66	685,758.66	855,625.87	169,867.21

See Accountants' Report

SUPPLEMENTAL SCHEDULES AND INFORMATION

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2012**

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, 2012.

Name

Board Members

Cochran, Donna	\$ 9,975.00
Jones, Jerry J.	5,700.00
Landry, Danny P.	10,950.00
Leglue, Gerald J.	3,150.00
Maize, Teresa	11,175.00
Moreau, Alvin C.	11,250.00
Wood, Dan	<u>5,100.00</u>
 Total	 <u>57,300.00</u>

Committee Members

Campbell, Wayne A.	\$ 600.00
Francois, Dionne	675.00
Gunaldo, Tina	2,475.00
Lowery, Craig	450.00
Roux, Allison	2,850.00
Smith, Anna	2,025.00
Touchet, Kevin	300.00
Veneracion, Armafe	1,425.00
Wilson, Peggy	<u>975.00</u>
 Total	 <u>11,775.00</u>

See Accountants' Report

**John L. McKowen, CPA
2178 Myrtle Avenue
Baton Rouge, Louisiana 70806**

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

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

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Louisiana Physical Therapy Board 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, 2012, 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, I 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 \$30,000, 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 \$30,000 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 me 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 me 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 me 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.

I traced the adoption of the original budget to the minutes of a regular meeting held on December 3, 2010, which indicated that the budget had been adopted by the Board.

7. Compare the 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.

I compared the expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5% in total or 10% in any one category.

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;

I 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.

I 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

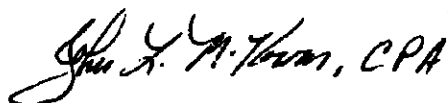
11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances or gifts.

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

The prior year report, dated August 31, 2011, did not include any comments or unresolved matters.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my 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 L. McKower, CPA
August 22, 2012

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

8/22/12 (Date Transmitted)

John L. McKowen, CPA

(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, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the 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 R.S. 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 R.S. 42:1119.

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

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 R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:1 through 42:13.

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 R.S. 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, R.S. 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 that may occur subsequent to the issuance of your report.

Secretary

_Date

8/22/12 Jerush Mauge, PT Treasurer

_Date

8/22/12 Jeremy Jones President Chairman

Date

OTHER REQUIRED SUPPLEMENTARY INFORMATION

**LOUISIANA PHYSICAL THERAPY BOARD
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2012**

LOUISIANA'S COMPREHENSIVE ANNUAL FINANCIAL REPORT

As a component unit of the State of Louisiana, the financial statements of the Louisiana Physical Therapy Board 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.

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ended June 30, 2012

Louisiana Physical Therapy Board
104 Fairlane Drive
Lafayette, Louisiana 70507

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

LLAFileroom@lla.la.gov

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

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

AFFIDAVIT

Personally came and appeared before the undersigned authority, Cheryl Gaudin, Executive Director of the Louisiana Physical Therapy Board who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Louisiana Physical Therapy Board at June 30, 2012 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 21st day of August, 2012.

Cheryl Gaudin
Signature of Agency Official

Henry M. Pascale
NOTARY PUBLIC
ID # 22584

Prepared by: Cheryl Gaudin

Title: Executive Director

Telephone No.: (337) 262-1043 x102

Date: 8/21/12

Email Address: cgaudin@laptboard.org

**STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
BALANCE SHEET
AS OF JUNE 30, 2012**

Statement A

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 253,414
Restricted Cash and Cash Equivalents	
Investments	
Derivative instrument	
Deferred outflow of resources	
Receivables (net of allowance for doubtful accounts)(Note U)	
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Other current assets	
Total current assets	253,414

NONCURRENT ASSETS:

Restricted assets (Note F):	
Cash	
Investments	658,268
Receivables	
Investments	
Notes receivable	
Capital assets, net of depreciation (Note D)	
Land and non-depreciable easements	76,569
Buildings and improvements	
Machinery and equipment	18,123
Infrastructure	
Intangible assets	
Construction/Development-in-progress	
Other noncurrent assets	752,960
Total noncurrent assets	752,960
Total assets	\$ 1,006,374

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 24,120
Derivative instrument	
Deferred inflow of resources	
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: (Note K)	
Contracts payable	
Compensated absences payable	
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remediation obligation	
Bonds payable (include unamortized costs)	
Other long-term liabilities	
Total current liabilities	24,120

NONCURRENT LIABILITIES: (Note K)

Contracts payable	
Compensated absences payable	11,789
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remediation obligation	
Bonds payable (include unamortized costs)	
OPEB payable	114,840
Other long-term liabilities	
Total noncurrent liabilities	126,629
Total liabilities	150,749

NET ASSETS

Invested in capital assets, net of related debt	
Restricted for:	
Capital projects	94,692
Debt Service	
Unemployment compensation	
Other specific purposes	
Unrestricted	760,933
Total net assets	855,625
Total liabilities and net assets	\$ 1,006,374

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

**STATE OF LOUISIANA
 LOUISIANA PHYSICAL THERAPY BOARD
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2012**

Statement B

OPERATING REVENUE	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	536,482
Other	_____
Total operating revenues	536,482
OPERATING EXPENSES	
Cost of sales and services	427,281
Administrative	104,967
Depreciation	6,765
Amortization	_____
Total operating expenses	539,013
Operating income(loss)	(2,531)
NON-OPERATING REVENUES (EXPENSES)	
State appropriations	_____
Intergovernmental revenues(expenses)	_____
Taxes	_____
Use of money and property	_____
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	5,868
Other expense	_____
Total non-operating revenues(expenses)	5,868
Income(loss) before contributions, extraordinary items, & transfers	3,337
Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	3,337
Total net assets – beginning	852,288
Total net assets – ending	\$ 855,625

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

**STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

Statement C

			Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Entity	\$ 539,013	\$ 536,482	\$	\$	\$ (2,531)
General revenues:					
Taxes					
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					5,868
Miscellaneous					
Special items					
Extraordinary item - Loss on impairment of capital assets					
Transfers					
Total general revenues, special items, and transfers					5,868
Change in net assets					3,337
Net assets - beginning as restated					852,288
Net assets - ending					\$ 855,625

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012**

**Statement D
(continued)**

Cash flows from operating activities		
Cash receipts from customers	\$ 536,482	
Cash receipts from interfund services provided		
Other operating cash receipts, if any		
Cash payments to suppliers for goods or services	(294,060)	
Cash payments to employees for services		
Cash payments for interfund services used, including payments "In Lieu of Taxes"		
Other operating cash payments, if any	(233,490)	
Net cash provided(used) by operating activities		<u>8,932</u>
Cash flows from non-capital financing activities		
State appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing activities		<u>-</u>
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(76,569)	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		<u>(76,569)</u>
Cash flows from investing activities		
Purchases of investment securities	(55,755)	
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities	5,868	
Net cash provided(used) by investing activities		<u>(49,887)</u>
Net increase(decrease) in cash and cash equivalents		<u>(117,524)</u>

**STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012**

**Statement D
(concluded)**

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

Operating income(loss)		\$ <u>(2,531)</u>
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization	<u>6,765</u>	
Provision for uncollectible accounts	<u> </u>	
Other	<u> </u>	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	<u>208</u>	
(Increase)decrease in due from other funds	<u> </u>	
(Increase)decrease in prepayments	<u> </u>	
(Increase)decrease in inventories	<u> </u>	
(Increase)decrease in other assets	<u> </u>	
Increase(decrease) in accounts payable and accruals	<u>(14,310)</u>	
Increase(decrease) in compensated absences payable	<u> </u>	
Increase(decrease) in due to other funds	<u> </u>	
Increase(decrease) in deferred revenues	<u> </u>	
Increase(decrease) in OPEB payable	<u>18,800</u>	
Increase(decrease) in other liabilities	<u> </u>	
Net cash provided(used) by operating activities		\$ <u><u>8,932</u></u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	\$ <u> </u>
Contributions of fixed assets	<u> </u>
Purchases of equipment on account	<u> </u>
Asset trade-ins	<u> </u>
Other (specify)	<u> </u>
Acquisition of land	<u>(76,569)</u>
Purchase of investment securities	<u>(55,755)</u>
Interest earned	<u>5,868</u>
Total noncash investing, capital, and financing activities:	\$ <u><u>(126,456)</u></u>

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2012**

INTRODUCTION

The Louisiana Physical Therapy Board was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:2401 et seq. The following is a brief description of the operations of and includes the parish/parishes in which the Louisiana Physical Therapy Board is located:

The Board serves as a statewide 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 located in Lafayette Parish.

Act 535 of the Regular Session of the 2009 Louisiana Legislature amended and restated Act 208 of 1987 to change the name of the Board to the Louisiana Physical Therapy Board, to increase the size of Board membership from 5 to 7, to entitle a per diem of \$150 to each Board and Committee member, and to further define the duties and authority of the Board.

The Board is composed of 7 members appointed by the Governor of the State of Louisiana to serve three-year terms. Five 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 whom is appointed from a list of names submitted by the Louisiana Hospital Association, and two of whom are appointed from a list of names submitted by the Louisiana Physical Therapy Association. Another member is selected from within the profession who possesses an unrestricted license to assist in the practice of physical therapy as a physical therapy assistant and who has been practicing in the state for no less than three years. The seventh 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 psychiatry. 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 \$150 per day.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2012

The accompanying financial statements of the Louisiana Physical Therapy Board present information only as to the transactions of the programs of the Louisiana Physical Therapy 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 Louisiana Physical Therapy 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 Louisiana Physical Therapy Board are annual lapsing appropriations.

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

		<u>APPROPRIATIONS</u>
Original approved budget	\$	<u>516,000</u>
Amendments:		-
		<u> </u>
		<u> </u>
Final approved budget	\$	<u>516,000</u>

STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2012

- C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Memo 13-01, Appendix A, 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 Louisiana Physical Therapy 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 and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

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

**STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2012**

The deposits at June 30, 2012, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per Balance Sheet (Reconciled bank balance)	\$ 253,414	\$ 658,268	\$	\$ 911,682
Deposits in bank accounts per bank	\$ 256,986	\$ 658,268	\$	\$ 915,254
Bank balances 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				

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

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

Banking Institution	Program	Amount
1. JPMorgan Chase Bank	operating account	\$ 226,439
2. JPMorgan Chase Bank	savings account	26,975
3. Bank of Montgomery	CD's	658,268
4. _____	_____	_____
Total		\$ 911,682

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 \$ _____

**STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2012**

2. INVESTMENTS

The Louisiana Physical Therapy Board does maintain investment accounts as authorized by La. Revised Statute 33:2955. All are long term certificates of deposit as noted above in 1.

Custodial Credit Risk

None of the investments of the Board are exposed to custodial risk.

3. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

A. Credit Risk of Debt Investments

N/A

B. Interest Rate Risk of Debt Investments

N/A

C. Concentration of Credit Risk

N/A

D. Foreign Currency Risk

N/A

4. DERIVATIVES (GASB 53)

N/A

5. POLICIES

N/A

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

N/A

**STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2012**

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. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2012

Construction in progress							
Total capital assets not depreciated	\$ -	\$ -	\$ -	\$ 76,569	\$ -	\$ -	\$ 76,569
Other capital assets:							
Depreciable land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
** Accumulated depreciation							
Total land improvements	-	-	-	-	-	-	-
Buildings							
** Accumulated depreciation							
Total buildings	-	-	-	-	-	-	-
Machinery & equipment	199,157	-	199,157	-	-	-	199,157
** Accumulated depreciation	(174,268)	-	(174,268)	(6,765)	-	-	(181,033)
Total machinery & equipment	24,889	-	24,889	(6,765)	-	-	18,124
Infrastructure							
** Accumulated depreciation							
Total infrastructure	-	-	-	-	-	-	-
Software (internally generated & purchased)							
Other intangibles							
** Accumulated amortization - software							
** Accumulated amortization - other intangibles							
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	\$ 24,889	\$ -	\$ 24,889	\$ (6,765)	\$ -	\$ -	\$ 18,124
Capital asset summary:							
Capital assets not depreciated	\$ -	\$ -	\$ -	\$ 76,569	\$ -	\$ -	\$ 76,569
Other capital assets, book value	199,157	-	199,157	-	-	-	199,157
Total cost of capital assets	199,157	-	199,157	76,569	-	-	275,726
Accumulated depreciation/amortization	(174,268)	-	(174,268)	(6,765)	-	-	(181,033)
Capital assets, net	\$ 24,889	\$ -	\$ 24,889	\$ 69,804	\$ -	\$ -	\$ 94,693

* Should only be used for those completed projects coming out of construction-in-progress to capital assets.

** Enter a negative number except for accumulated depreciation in the retirement column

**STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2012**

E. INVENTORIES

N/A

F. RESTRICTED ASSETS

N/A

G. LEAVE

1. COMPENSATED ABSENCES

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

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations. Only annual leave is accrued in the accompanying statement of net assets at \$11,789 and \$11,789 for June 30, 2012 and 2011, respectively.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. There was no compensatory leave time accrued at June, 30, 2011.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Louisiana Physical Therapy 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)

STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2012

for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Louisiana Physical Therapy Board employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2011 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. A copy of the report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0600 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:
http://www.lasersonline.org/uploads/2011_CAFR_web_version.pdf

All members are required by state statute to contribute with the vast majority of employees of the state who became members before July 1, 2006 contributing 7.5% of gross salary. Act 75 of the 2005 Regular Session increases the member contribution rate from 7.5% to 8% for new members hired after June 30, 2006. The (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2012, increased to 25.6% of annual covered payroll from the 22.0% and 18.6% required in fiscal years ended June 30, 2011 and 2010 respectively. The (BTA) contributions to the System for the years ending June 30, 2012, 2011, and 2010, were \$30,540, \$24,053, and \$23,749, respectively, equal to the required contributions for each year.

**STATE OF LOUISIANA
LOUISIANA PHYSICAL THERAPY BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2012**

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement No. 45 note disclosures requirements in section 2 of this note.

1. Calculation of Net OPEB Obligation

Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits. The ARC, NOO at the beginning of the year, interest, ARC adjustment, and Annual OPEB Expense have been computed for OGB participants (see OSRAP's website - <http://www.doa.louisiana.gov/OSRAP/afipackets.htm>) and select "GASB 45 OPEB Valuation Report as of July 1, 2011, to be used for fiscal year ending June 30, 2012." Report note disclosures for other plans, not administrated by OGB, separately.

Fiscal year ending	Annual OPEB expense and net OPEB Obligation	6/30/2012
1. * ARC		\$18,700
2. * Interest on NOO		<u>\$3,800</u>
3. * ARC adjustment		<u>(\$3,700)</u>
4. * Annual OPEB Expense (1. + 2. - 3.)		<u>\$18,800</u>
5. Contributions (employer prmts. to OGB for retirees' cost of 2012 insurance premiums)		<u>\$0</u>
6. Increase in Net OPEB Obligation (4. - 5.)		<u>\$18,800</u>
7. *NOO, beginning of year (see actuarial valuation report on OSRAP's website)		<u>\$96,040</u>
8. **NOO, end of year (6. + 7.)		<u>\$114,840</u>

STATE OF LOUISIANA
 LOUISIANA PHYSICAL THERAPY BOARD
 Notes to the Financial Statement
 As of and for the year ended June 30, 2012

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year ended June 30, 2012 amounted to \$23,130.

Nature of lease	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018-2022	FY 2023-2027
Office Space	\$ 23,130	\$ 23,130	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	\$ 23,130	\$ 23,130	\$ -	\$ -	\$ -	\$ -	\$ -

2. CAPITAL LEASES

Capital leases are not recognized in the accompanying financial statements.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2012:

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012	Amounts due within one year
Notes and bonds payable:					
Notes payable	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds payable	-	-	-	-	-
Total notes and bonds	-	-	-	-	-
Other liabilities:					
Contracts payable	-	-	-	-	-
Compensated absences payable	-	-	-	-	-
Capital lease obligations	-	-	-	-	-
Claims and litigation	-	-	-	-	-
Pollution remediation obligation	11,789	-	-	11,789	-
OPEB payable	96,040	18,800	-	114,840	-
Other long-term liabilities	-	-	-	-	-
Total other liabilities	107,829	18,800	-	126,629	-
Total long-term liabilities	\$ 107,829	\$ 18,800	\$ -	\$ 126,629	\$ -

**STATE OF LOUISIANA
 LOUISIANA PHYSICAL THERAPY BOARD
 Notes to the Financial Statement
 As of and for the year ended June 30, 2012**

L. CONTINGENT LIABILITIES

N/A

M. RELATED PARTY TRANSACTIONS

N/A

N. ACCOUNTING CHANGES

N/A

O. IN-KIND CONTRIBUTIONS

N/A

P. DEFEASED ISSUES

N/A

Q. REVENUES – PLEDGED OR SOLD (GASB 48)

N/A

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

N/A

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

**STATE OF LOUISIANA
 LOUISIANA PHYSICAL THERAPY BOARD
 Notes to the Financial Statement
 As of and for the year ended June 30, 2012**

T. SHORT-TERM DEBT

N/A

U. DISAGGREGATION OF RECEIVABLE BALANCES

N/A

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2012, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General	\$ 11,284	\$ 12,836	\$ -	\$ -	\$ 24,120
Total payables	\$ 11,284	\$ 12,836	\$ -	\$ -	\$ 24,120

W. SUBSEQUENT EVENTS

N/A

X. SEGMENT INFORMATION

N/A

Y. DUE TO/DUE FROM AND TRANSFERS

N/A

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

N/A

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

N/A

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46)

N/A

STATE OF LOUISIANA
 LOUISIANA PHYSICAL THERAPY BOARD
 Notes to the Financial Statement
 As of and for the year ended June 30, 2012

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES

N/A

<u>Type of asset</u>	<u>Carrying Value of Idle Impaired Assets</u>	<u>Reason for Impairment</u>
Buildings - permanently impaired	\$ _____	_____
Buildings - temporarily impaired	_____	_____
Movable Property - permanently impaired	_____	_____
Movable Property - temporarily impaired	_____	_____
Infrastructure - permanently impaired	_____	_____
Infrastructure - temporarily impaired	_____	_____

DD. EMPLOYEE TERMINATION BENEFITS

N/A

EE. POLLUTION REMEDIATION OBLIGATIONS

N/A

STATE OF LOUISIANA
Louisiana Physical Therapy Board
Notes to the Financial Statement
As of and for the year ended June 30, 2012

 ^a (agency/department)
GASB 49
Inventory Log
FYE 6/30/12

e	f	g	h	i	j	k	l	m	n	o	p	q	
Project Name	FP&C/ DEQ Project Number	Trigger Year	6/30/11 Ending Balance	Increases	Decreases (expenditures) (including accruals)	Decreases (other adjustments)	6/30/12 Ending Balance (including accruals)	Percent Complete	Current Portion of L/T Debt	Non-Current Portion of L/T Debt	Realizable Recoveries	13th Period Expenditures	Notes
<u>Projects Reported @ 6/30/11: b</u>							0						
							0						
							0						
							0						
							0						
							0						
			0	0	0	0	0		0	0	0	0	
<u>Projects NOT Previously Reported: c</u>							0						
							0						
							0						
							0						
							0						
			0	0	0	0	0		0	0	0	0	
<u>Projects Begun after 7/1/11: d</u>							0						
							0						
							0						
							0						
							0						
			0	0	0	0	0		0	0	0	0	
Totals			0	0	0	0	0		0	0	0	0	

Explanations for GASB 49 Worksheet

- a Enter agency/department name
- b List projects reported in the prior fiscal year that had an outstanding liability at 6/30/11
- c List projects that were overlooked or not included as remediation projects in previous fiscal years
- d List remediation projects that were begun/identified in the fiscal year ending 6/30/2012
- e Enter project number assigned by FP&C, DEQ, or other number assigned to identify project
- f Year the project was begun--this is not necessarily the year remediation began; it should be the year the pollution was identified and includes time involved to develop a remediation plan and the actual remediation process
- g This column is used to report those projects that were included/added in the previous fiscal year and had a balance outstanding at the end of that year
- h This column is for reporting increases in the estimated remediation cost, whether from expanding the scope of the project to contracting for a specific service.
- i Record total expenditures related to the project made during the fiscal year, including those made in the 13th period (13th period expenditures are also shown separately in column AB (p))
- j Record activities that decrease the estimated remediation liability that are **not** expenditures--for example, amounts included in original estimate were overstated and actual was less than what was recorded; scope of project not as extensive as originally estimated.
- k The formula in this column sums columns J, L, N, and P (g, h, i, and j)
- l Indicate percentage of project completion in this column
- m Amounts in this column represent the portion of the ending liability that are due and payable within the next 12 months
- n Amounts in this column represent the portion of the ending liability that are not due and payable until after 6/30/13. This amount plus the amount in column V (m) must total the amount in column R (k)
- o This column is to identify any amounts that have been or will be received from other sources such as other responsible parties or insurance proceeds to help cover the cost of remediation
- p Record amounts expended on pollution remediation projects during the 13th accounting period in this column--this amount should be included in column N (i)
- q Provide reference and note explanations on an extra page, for example: (1) awaiting court decision

FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

N/A

GG. RESTRICTED NET ASSETS – OTHER SPECIFIC PURPOSES

N/A

**STATE OF LOUISIANA
 LOUISIANA PHYSICAL THERAPY BOARD
 SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
 JUNE 30, 2012**

Name	Amount
<u>Donna Cochran</u>	\$ <u>9,975</u>
<u>Jerry J. Jones</u>	<u>5,700</u>
<u>Danny P. Landry</u>	<u>10,950</u>
<u>Gerald J. Leglue</u>	<u>3,150</u>
<u>Teresa Maize</u>	<u>11,175</u>
<u>Alvin Moreau, III</u>	<u>11,250</u>
<u>Dan Wood</u>	<u>5,100</u>
Total	\$ <u><u>57,300</u></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 PHYSICAL THERAPY BOARD
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 \$3 million, explain the reason for the change.

	<u>2012</u>	<u>2011</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 542,338	\$ 526,510	\$ 15,828	\$ 3.0%
Expenses	539,013	549,423	(10,410)	(1.9%)
2) Capital assets	94,692	24,889	69,803	180.5%
Long-term debt	126,629	85,589	44,040	51.5%
Net Assets	855,626	874,528	18,902	2.2%