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

BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES

AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

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

Release Date 9-8-04

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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BASIC FINANCIAL STATEMENTS

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

(225) 775-4982

INDEPENDENT AUDITORS' REPORT

July 27, 2004

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

We have audited the accompanying basic financial statements of the Louisiana State Board of Physical Therapy Examiners as of and for the year ended June 30, 2004, as listed in the table of contents. These basic financial statements are the responsibility of the Louisiana State Board of Physical Therapy Examiners' management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana State Board of Physical Therapy Examiners as of June 30, 2004, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

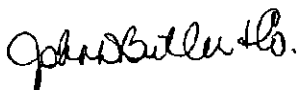
To the Board Members of the
Louisiana State Board of Physical Therapy Examiners
July 27, 2004
Page Two

The required supplemental information, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This required supplemental information is the responsibility of the Louisiana State Board of Physical Therapy Examiners' management. It has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2004, on our consideration of the Louisiana State Board of Physical Therapy Examiners' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying supplemental information listed in the table of contents under Supplemental Information and Other Required Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sincerely,

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

John D. Butler & Company
A Professional Accounting Corporation

**REQUIRED SUPPLEMENTAL INFORMATION
(PART 1 OF 2)**

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2004**

The purpose of this section is to offer management's discussion and analysis of the Louisiana State Board of Physical Therapy Examiners of the State of Louisiana's (hereafter referred to as the Board) financial performance during the year ended June 30, 2004. 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 (3) required supplementary information. There is also other supplementary information contained in this report provided for additional information.

Highlights of the Board as a Whole

The Board received numerous complaints regarding alleged violations of the Physical Therapy Practice Act. A multitude of alleged violations of the Practice Act have been dealt with on an informal basis. These allegations of minor violations of the Practice Act have been dispensed with either by letter to and/or informal conference with the individual after proper investigation.

The activity of the Board includes:

Federation of State Boards of Physical Therapy

- ◆ Patricia Adams, Board Member – Member of Finance Committee
- ◆ Becky Lege', Board Member – Member of Foreign Credentialing Commission on Physical Therapy – Evaluates the credentials of foreign educated physical therapists who wish to immigrate and work in the U.S.
- ◆ Council Board Administrators
 - Cheryl Gaudin, Executive Director – President, Council of Board Administrators
- ◆ Patricia Adams, Mark Brown, Charles Reynolds, Becky Lege' and Cheryl Gaudin attended Spring 2003 Education Meeting in Salt Lake City – topics consisting of Healthcare Integrity & Protection Data Bank, Patient Safety Initiatives, Title Protection, Continuing Education in Health Professions, Restoring a Culture of Honor, Candidates Who Fail the Exam and Assistants and Aides
- ◆ Patricia Adams, Mark Brown, Charles Reynolds, Becky Lege' and Cheryl Gaudin attended the 2003 Annual Meeting in Kansas City – topics included HIPDB Background & Statistics, National Physical Therapy Examiners Commission Report, Foreign Entry and Post Professional Education, Legal Issues in Regulation, Disciplinary Case Discussions, PT and PTA Panel to discuss differences in training, responsibility, requirements for supervision and scope of practice; Continuing Education Certification; Foreign Credentialing Commission on Physical Therapy Update (credentialing agency approved by INS and the board); Querying the HIPDB; What Can Boards Teach PT Students-Law presentation; Collaborating Practice Update; American Model of Reentry; legislation for Post Baccalaureate Degree; Supervised Practice for Foreign Educated Physical Therapists and Medicare Regulations vs. State Regulations.

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2004**

Federation of Association of Regulatory Boards – sharing of information related to professional, regulation, particularly in the area of administration, assessment and law.

- ◆ Annual FARB Forum – Attended by Cheryl Gaudin, Executive Director
- ◆ Annual Attorney Certification Seminar – Attended by Glenn Ducote, General Counsel to the Board and Cheryl Gaudin, Executive Director

Council on Licensure, Enforcement and Regulatory – Includes information on many issues of licensure, regulation and enforcement.

- ◆ National Conference of Investigative Training
 - Basic training – attended by Charles Reynolds, Cheryl Gaudin and Glenn Ducote
 - Specialized training – attended by Patricia Adams

Governor's Workforce Council Member representative

- ◆ Patricia Adams, PT – State Board Chairman
- ◆ Cheryl Gaudin, Executive Director – Alternate representative

Louisiana Physical Therapy Association

- ◆ Attendance of Spring and Fall Forum to respond to questions on Rules
- ◆ Collaboration with Board of Directors regarding regulation issues

Conference and Meeting Presentations

Louisiana State Board of Physical Therapy Examiners presentation on Practice Act and Rules and Regulations to graduating physical therapy and physical therapy assistant students

- ◆ LSU Health Science Center – Shreveport campus
- ◆ LSU Health Science Center – New Orleans campus
- ◆ Bossier Parish Community Collage – with physical therapists at Shreveport campus
- ◆ Delgado Community College – with physical therapists at New Orleans campus
- ◆ Our Lady of the Lake Community College – Baton Rouge campus

Offering of Continuing Education Course

A Continuing Education presentation was offered around the state in 2003 for 2 hours of continuing education credit toward requirement for annual renewal of licensure. This course was offered to Louisiana licensed physical therapists and physical therapist assistants free of charge. Facilities to hold the presentations were provided to the Board free of charge. The following schedule was mailed to all Louisiana licensed physical therapists and physical therapist assistants indicating the Board members presenting at each offering, the date of each presentation, city, time and the location of each presentation.

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2004**

The Board's website at www.laptboard.org offers the option of verification of licensure in two formats:

- ◆ Employers and third party payors have the option of selecting the verification of licensure by license number. In this format information provided such as name, license number, issue date, expiration date, renewal date and any disciplinary action can be printed.
- ◆ The public has the option of selecting the verification of licensure by name. The only information provided by this selection is whether or not that individual is licensed and work city for security purposes.

There is an on-going process to add Declaratory Statements to the web page for licensees and the public to access.

In concluding, the Physical Therapy Board is very pleased with its accomplishments in the regulatory arena. Additionally, the Physical Therapy Board is very optimistic about the future growth of the physical therapy industry in Louisiana and the continued provision of quality physical therapy care for its citizens.

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 can be found on pages 10-13 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 25 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

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2004**

Reporting and Accounting. Included as other required supplementary information is the Louisiana Comprehensive Annual Financial Report completed with information relative to the Board.

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

Financial Analysis of the Board

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

SUMMARY OF NET ASSETS

	<u>2004</u>	<u>2003</u>
Assets		
Current assets	\$ 601,307.00	\$ 524,759.00
Capital assets, net	<u>11,525.28</u>	<u>.00</u>
Total Assets	612,832.28	524,759.00
Liabilities		
Current liabilities	6,897.43	4,036.00
Long-term liabilities	<u>7,356.64</u>	<u>6,231.00</u>
Total Liabilities	<u>14,254.07</u>	<u>10,267.00</u>
Net Assets		
Invested in capital assets, net of related debt	11,525.28	.00
Unrestricted	<u>587,052.93</u>	<u>514,492.00</u>
Total Net Assets	<u>598,578.21</u>	<u>514,492.00</u>

Net assets of the Board increased by \$84,086 or 16% from June 30, 2003 to June 30, 2004. Part of this is due to the inclusion of capital assets that had not been reported in prior years. The remaining increase is a result of sound management over expenses giving rise to an increase of \$71,752 for the current year.

A summary of changes in net assets is as follows:

SUMMARY OF CHANGES IN NET ASSETS

	<u>2004</u>	<u>2003</u>
Operating Revenues	\$ 405,668.00	\$ 385,022.00
Operating Expenses	<u>(344,107.66)</u>	<u>(237,355.00)</u>

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2004**

Operating Income	61,560.34	147,667.00
Non-operating Revenues (Expenses)	<u>10,191.39</u>	<u>10,730.00</u>
Net Increase in Net Assets	71,751.73	<u>158,397.00</u>

Revenues increased by \$20,646 or 5% while expenses increased by \$106,753 or 44%. The significant increase in expenses was primarily due to increase legal fees and the initial use of investigators related to investigative reviews and follow-up to disciplinary actions.

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

STATEMENT OF CASH FLOWS

	<u>2004</u>	<u>2003</u>
Cash and cash equivalents provided by (used for):		
Operating activities	\$ 72,815.98	\$ 148,172.00
Non-capital financing activities	.00	.00
Capital and related financing activities	(6,459.75)	.00
Investing activities	<u>124,587.85</u>	<u>(456,770.00)</u>
Net Increase in Cash and Cash Equivalents	190,944.08	(308,598.00)
 Cash and cash equivalents, beginning of year	 <u>57,258.88</u>	 <u>365,857.00</u>
 Cash and cash equivalents, end of year	 <u>248,202.96</u>	 <u>57,259.00</u>

Capital Asset and Debt Administration

Capital Assets: The Board's investment in capital assets, net of accumulated depreciation, at June 30, 2004 and 2003, was \$11,525.28 and \$10,724.17, respectively. Additions in the current year included computers, printers, software as well as items associated with the move into a new office. All assets were recorded with the State of Louisiana and a detailed list is being reviewed for accuracy.

Capital assets at year-end are summarized as follows:

**CAPITAL ASSETS
Net of Accumulated Depreciation**

Depreciable Assets	<u>2004</u>	<u>2003</u>
Furniture/fixtures	\$ 1,940.56	\$ 132.07
Computers and related assets	<u>9,584.72</u>	<u>10,592.10</u>
Total	<u>11,525.28</u>	<u>10,724.17</u>

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2004**

Debt Administration: Long-term debt of the Board includes compensated absences at amounts of \$7,356.65 and \$6,231.00 at June 30, 2004 and 2003, respectively.

The Board has no other long-term debt.

Economic Environment and Next Year's Budget

The Board is facing a possible replacement of three of its five Board members which will require additional training. A third full-time employee is required to handle the volume of work by the Board. The demand for physical therapists should continue to rise as a result of the number of individuals with disabilities or limited function requiring therapy services.

Request for Information

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

FUND FINANCIAL STATEMENTS

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2004**

	Business-type Activities
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 248,202.96
Investments	350,000.00
Accrued interest receivable	3,104.04
Total Current Assets	601,307.00
Non-Current Assets	
Capital assets, net of accumulated depreciation	
Furniture and fixtures	1,940.56
Computer and related assets	9,584.72
Total Non-Current Assets	11,525.28
TOTAL ASSETS	612,832.28
LIABILITIES	
Current Liabilities	
Accounts payable	6,052.63
Accrued salaries	844.80
Total Current Liabilities	6,897.43
Non-Current Liabilities	
Compensated absences payable	7,356.64
Total Liabilities	14,254.07
NET ASSETS	
Invested in capital assets, net of related debt	11,525.28
Unrestricted	587,052.93
Total Net Assets	598,578.21
TOTAL LIABILITIES AND NET ASSETS	612,832.28

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

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2004**

	<u>Business-type Activities</u>
OPERATING REVENUES	
Licenses and other fees	\$ 405,668.00
OPERATING EXPENSES	
Professional services	129,994.62
Meetings, conferences and travel	33,926.38
Salaries and related benefits	120,168.05
General and administrative expenses	54,359.97
Depreciation	5,658.64
Total Operating Expenses	<u>344,107.66</u>
Operating Income	61,560.34
NON-OPERATING REVENUES (EXPENSES)	
Interest income	<u>10,191.39</u>
Change in Net Assets	71,751.73
Total Net Assets, beginning	514,492.45
Adjustments to Prior Periods:	
Capital assets, net of accumulated depreciation	<u>12,334.03</u>
Total Net Assets, ending	<u><u>598,578.21</u></u>

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

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2004**

	<u>Business-type Activities</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 405,668.00
Cash paid to suppliers for goods and services	(215,887.19)
Cash paid to employees for services	<u>(116,964.83)</u>
Net Cash Provided by Operating Activities	72,815.98
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	<u>(6,459.75)</u>
Net Cash Used for Capital and Related Financing Activities	(6,459.75)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of certificates of deposit	(350,000.00)
Proceeds from certificates of deposit redeemed	467,500.50
Interest earned on certificates of deposit	<u>7,087.35</u>
Net Cash Provided by Investing Activities	<u>124,587.85</u>
Net Increase in Cash and Cash Equivalents	190,944.08
Cash and Cash Equivalents, beginning of year	<u>57,258.88</u>
Cash and Cash Equivalents, end of year	<u><u>248,202.96</u></u>

Continued

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS (Continued)
YEAR ENDED JUNE 30, 2004**

	<u>Business-type Activities</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 61,560.34
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	5,658.64
Loss on leasehold improvements	1,609.86
Increase (decrease) in liabilities	
Accounts payable	2,861.50
Compensated absences payable	<u>1,125.64</u>
Net Cash Provided by Operating Activities	<u><u>72,815.98</u></u>

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

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
INDEX TO NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

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**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

INTRODUCTION

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Board is considered a component unit of the State of Louisiana because the State exercises oversight responsibility in that the Governor appoints the board members and public service is rendered within the State's boundaries. The accompanying financial statements present only the transactions of the Louisiana State Board of Physical Therapy Examiners.

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

LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

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 – accounts for activity for which a fee is charged to external users for goods or services.

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.

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 fund balances 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 and certificates of deposit. 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.

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

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

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

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

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

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

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

Compensated Absences: At June 30, 2004, employees of the Board had accumulated and vested \$7,356.65 of employee leave benefits, that was computed in accordance with GASB Codification Section C60.150.

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

Invested in Capital Assets, Net of Related Debt

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

Restricted Net Assets

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

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

Unrestricted Net Assets

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

NOTE 2 – CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at June 30, 2004:

	<u>Book Balance</u>	<u>Bank Balance</u>
Demand deposits	\$ 248,202.96	\$ 316,017.48

These deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding, or custodial bank that is mutually acceptable to both parties.

Following the issuance of GASB Statement No. 3, deposits are categorized into these categories of credit risk:

1. Deposits that are covered by insurance (FDIC) or collateralized with securities that are held by the entity in the entity's name or registered in the entity's name;
2. Deposits that are not insured but are collateralized with securities that are held by the financial institution's trust department or agent and are in the entity's name; or
3. Deposits that are not covered by insurance and also are not collateralized. Not collateralized includes when the securities (collateral) are held by the financial institution's trust department or agent and they are not in the entity's name.

All deposits of the Board fall within category 1. These deposits are secured with \$200,000 of insurance through FDIC and \$550,000 of pledged collateral.

NOTE 3 – INVESTMENTS

Investments are classified according to the level of risk to the Board. These categories include the following:

1. Insured or registered in the entity's name or securities held by the entity or its agent in the entity's name;
2. Uninsured and unregistered with securities that are held by the counterparty's trust department or agent in the entity's name; or
3. Unsecured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

All investments of the Board are certificates of deposit with maturities extending beyond 90 days and fall within category 1. At June 30, 2004, the Board had two certificates held by Red River Bank in Alexandria in the amounts of \$150,000 and \$200,000. The maturities date are September 9, 2004, and May 7, 2005, respectively.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2004, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital Assets, being depreciated				
Furniture and fixtures	\$ 19,080.72	\$ 2,425.71	\$.00	\$ 21,506.43
Less: accumulated depreciation	<u>18,948.65</u>	<u>617.22</u>	<u>.00</u>	<u>19,565.87</u>
Total Furniture and Fixtures	132.07	1,808.49	.00	1,940.56
Computer and related assets	42,949.55	4,034.05	.00	46,983.60
Less: accumulated depreciation	<u>32,357.45</u>	<u>5,041.43</u>	<u>.00</u>	<u>37,398.88</u>
Total Computer and Related Assets	<u>10,592.10</u>	<u>(1,007.38)</u>	<u>.00</u>	<u>9,584.72</u>
 Total Capital Assets, being depreciated	 <u>10,724.17</u>	 <u>801.11</u>	 <u>.00</u>	 <u>11,525.28</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 \$7,356.64.

Compensatory Leave. Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. There was no accrued compensatory leave time at June 30, 2004.

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE 6 – RETIREMENT SYSTEM

Substantially all of the employees of the Board are members of the Louisiana State Employees Retirement System (System), a 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. 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, 225-922-0600.

Covered employees are required to contribute 7.5% of gross salary to the plan, and the Board contributes an additional 15.8% each year. These requirements are set by state statute and differ from the contribution requirement determined using actuarial methods. Contributions to the System for the years ended June 30, 2004, 2003 and 2002, were \$10,674, \$8,473 and \$7,532, respectively.

NOTE 7 – POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board may provide certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Board's employees become eligible for those benefits if they reach normal retirement age while working for the Board. Those benefits include joint payment of monthly premiums at 50% Board and 50% retired person. The Board does not currently have any retired persons to which it provides post retirement benefits.

NOTE 8 – LEASES

Operating Leases. The Board executed a new lease for office space during the year. This lease, beginning on June 1, 2004, is for a period of ten years payable at \$2,677.50 per month or \$32,130 annually for the next ten years. For the year ended June 30, 2004, lease payments of \$21,377.50 were made.

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

Capital Leases. The Board has no capital leases.

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE 9 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 2004:

Class of Payables

Accounts	\$ 6,052.63
Salaries	<u>844.80</u>
Total	<u>6,897.43</u>

NOTE 10 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2004, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated absences	<u>\$ 6,231.00</u>	<u>\$ 4,486.28</u>	<u>\$ 3,360.64</u>	<u>\$ 7,356.64</u>	<u>\$.00</u>

The Board did not have any other long-term debt at June 30, 2004.

NOTE 11 – RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure.

NOTE 12 – LITIGATION

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

NOTE 13 – PRIOR YEAR RESTATEMENT OF NET ASSETS

In prior years, assets with a value less than \$5,000 were not reported. The Board has adjusted the beginning net assets by \$12,334.03 in order to report its capital assets in compliance with Louisiana Property Assistance reporting requirements.

NOTE 14 – SUBSEQUENT EVENTS

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

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SUPPLEMENTAL INFORMATION

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LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2004

<u>Functions/Programs</u>	Program Revenues			Net Revenues (Expenses)
Business-Type Activities	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
General government	\$ 344,107.66	\$ 398,250.00	\$ -	\$ 54,142.34
Total Business-type Activities/Primary Government	344,107.66	398,250.00	-	54,142.34
General Revenues				
Fines				7,418.00
Investment earnings				10,191.39
Total General Revenues				17,609.39
Change in Net Assets				71,751.73
Net Assets, beginning				514,492.45
Prior period adjustment				12,334.03
Net Assets, ending				598,578.21

The accompanying notes are an integral part of this statement.

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2004**

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, 2004.

Name

Adams, Patricia	\$ 2,850.00
Bicknell, Eric	100.00
Brown, Mark	1,550.00
Foster, W. Stanley	600.00
Lege, Rebecca	1,850.00
Reynolds, Charles A.	<u>2,400.00</u>
 Total	 <u>9,350.00</u>

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

(225) 775-4982

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

July 27, 2004

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

We have audited the financial statements of the Louisiana State Board of Physical Therapy Examiners as of and for the year ended June 30, 2004, and have issued our report thereon dated July 27, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

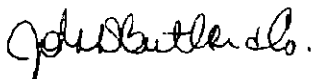
Board of Directors of the
Louisiana State Board of Physical Therapy Examiners
July 27, 2004
Page Two

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana State Board of Physical Therapy Examiners' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute §24:513, the Legislative Auditor distributes this report as a public document.

Sincerely,



John D. Butler & Company
A Professional Accounting Corporation

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004**

We have audited the financial statements of the Louisiana State Board of Physical Therapy Examiners as of and for the year ended June 30, 2004, and have issued our report thereon dated July 27, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2004, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

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

Internal Control	Material Weakness	<input type="checkbox"/> No
	Reportable Condition	<input type="checkbox"/> No
Compliance	Compliance Material to F/S	<input type="checkbox"/> No

2. Federal Awards

N/A

Section II Financial Statement Findings

N/A

Section III Federal Award Findings and Questioned Costs

N/A

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2004**

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2004**

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A

OTHER REQUIRED SUPPLEMENTARY INFORMATION

**LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
JUNE 30, 2004**

LOUISIANA'S COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

BOARD OF PHYSICAL THERAPY EXAMINERS
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2004

C O N T E N T S

TRANSMITTAL LETTER
AFFIDAVIT

Statements

MD&A

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

Notes to the Financial Statements

A.	Summary of Significant Accounting Policies
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C.	Deposits with Financial Institutions and Investments
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M.	Related Party Transactions
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O.	In-Kind Contributions
P.	Defeased Issues
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R.	Government-Mandated Nonexchange Transactions (Grants)
S.	Violations of Finance-Related Legal or Contractual Provisions
T.	Short-Term Debt
U.	Disaggregation of Receivable Balances
V.	Disaggregation of Payable Balances
W.	Subsequent Events
X.	Segment Information
Y.	Due to/Due from and Transfers
Z.	Liabilities Payable from Restricted Assets
AA.	Prior-Year Restatement of Net Assets

Schedules

1	Schedule of Per Diem Paid Board Members
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**STATE OF LOUISIANA
BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004**

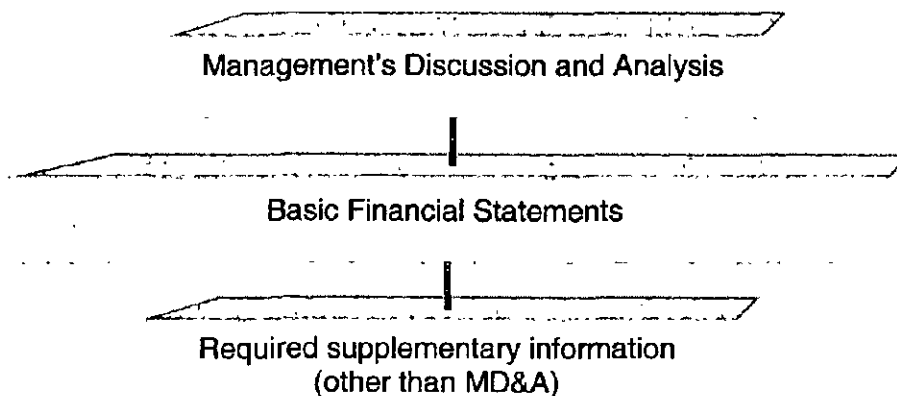
The Management's Discussion and Analysis of the Louisiana State Board of Physical Therapy Examiners' (BTA) financial performance presents a narrative overview and analysis of Louisiana State Board of Physical Therapy Examiners' (BTA) financial activities for the year ended June 30, 2004. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the Louisiana State Board of Physical Therapy Examiners' (BTA) financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

- ★ The Louisiana State Board of Physical Therapy Examiners' (BTA) assets exceeded its liabilities at the close of fiscal year 2004 by \$598,578 which represents a 16% increase from last fiscal year. The net assets increased by \$71,752.
- ★ The Louisiana State Board of Physical Therapy Examiners' (BTA) revenue increased \$20,646 (or 5%) and the net results from activities decreased by \$61,560 (or 42%).

OVERVIEW OF THE FINANCIAL STATEMENTS

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



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

**STATE OF LOUISIANA
BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004**

Basic Financial Statements

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

The Balance Sheet (page 40) presents the current and long term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Louisiana State Board of Physical Therapy Examiners (BTA) is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (page 41) presents information showing how Louisiana State Board of Physical Therapy Examiners' (BTA) assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statement (pages 43 -44) presents information showing how Louisiana State Board of Physical Therapy Examiners' (BTA) cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
as of June 30, 2004
(in thousands)

	Total	
	2004	2003
Current and other assets	\$ 601,307	\$ 524,759
Capital assets	11,525	-
Total assets	<u>612,832</u>	<u>524,759</u>
Other liabilities	6,897	4,036
Long-term debt outstanding	7,357	6,231
Total liabilities	<u>14,254</u>	<u>10,267</u>
Net assets:		
Invested in capital assets, net of debt	11,525	-
Restricted	-	-
Unrestricted	587,053	514,492
Total net assets	<u>\$ 598,578</u>	<u>\$ 514,492</u>

**STATE OF LOUISIANA
BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004**

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

Net assets of Louisiana State Board of Physical Therapy Examiners' (BTA) increased by \$71,752, or 21%, from June 30, 2003 to June 30, 2004. One of the major causes of this increase is the inclusion of infrastructure assets. This class of asset, which includes roads, bridges, and levees, was not included in general fixed assets of Louisiana State Board of Physical Therapy Examiners (BTA) under the basis of accounting prior to adoption of GASB Statement 34.

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
for the year ended June 30, 2004
(in thousands)**

	Total	
	2004	2003
Operating revenues	\$ 405,668	\$ 385,022
Operating expenses	<u>344,108</u>	<u>237,355</u>
Operating income	<u>61,560</u>	<u>147,667</u>
Non-operating revenues	<u>10,191</u>	<u>10,730</u>
Income before transfers	<u>71,751</u>	<u>158,397</u>
Transfers in	-	-
Transfers out	<u>-</u>	<u>-</u>
Net increase(decrease) in net assets	<u>\$ 71,751</u>	<u>\$ 158,397</u>

The Louisiana State Board of Physical Therapy Examiners' (BTA) total revenues increased by \$20,646 or (5%). The total cost of all programs and services increased by \$106,753 or 45%.

STATEMENT OF CASH FLOWS

Another way to assess the financial health of BTA is to look at the Statement of Cash Flows. The Statement of Cash Flows assists readers of this statement to assess:

- The ability to generate future cash flows
- The ability to meet obligations as they come due
- A need for external financing

**STATE OF LOUISIANA
 BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 AS OF JUNE 30, 2004**

**Statement of Cash Flows
 (in thousands)**

	<u>2004</u>	2003
Cash and cash equivalents provided used by:		
Operating activities	\$ 72,816	\$ 148,172
Capital Financial Activities	(6,460)	0
Non-capital financing activities	0	0
Investing activities	<u>124,588</u>	<u>(456,770)</u>
Net increase in cash and cash equivalents	190,944	(308,598)
Cash and cash equivalents		
Beginning of year	<u>57,259</u>	<u>365,857</u>
End of year	<u>\$ 248,203</u>	<u>\$ 57,259</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2004, the Louisiana State Board of Physical Therapy Examiners (BTA) had \$11,525 invested in a broad range of capital assets, including furniture, equipment and technology. (See Table below). This amount represents a net increase (including additions and deductions) of \$6,460, or 11%, over last year.

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

	<u>2004</u>	<u>2003</u>
Furniture and fixtures	\$ 1,941	\$ 132
Computer and related assets	<u>9,585</u>	<u>10,592</u>
Totals \$ \$	<u>11,526</u>	<u>\$ 10,724</u>

This year's major additions included (in thousands):

- o
- o
- o

**STATE OF LOUISIANA
BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004**

Debt

The Louisiana State Board of Physical Therapy Examiners (BTA) has no debt other than accrued annual leave time earned.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$7,162 under budget and expenditures were more than budget by \$6,278 due in part to expenses related to relocation and services required and performed by part-time employees not anticipated.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Louisiana State Board of Physical Therapy Examiners' (BTA) elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Additional training for new Board members
- Additional full-time employee

The Louisiana State Board of Physical Therapy Examiners (BTA) expects that next year's results will improve based on the following :

- Increase on physical therapy services

CONTACTING THE LOUISIANA STATE BOARD OF PHYSICAL THERAPY EXAMINERS' (BTA) MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Louisiana State Board of Physical Therapy Examiners' (BTA) finances and to show the Louisiana State Board of Physical Therapy Examiners' (BTA) accountability for the money it receives. If you have questions about this report or need additional financial information, contact Cheryl Gaudin, Executive Director, at 104 Fairlane Drive, Lafayette, Louisiana 70507, 337-262-1043.

**STATE OF LOUISIANA
BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
BALANCE SHEET
AS OF JUNE 30, 2004**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents (Note C1)	\$	<u>248,203</u>
Investments (Note C2)		<u>350,000</u>
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		<u>3,104</u>
Total current assets		<u>601,307</u>

NONCURRENT ASSETS:

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Notes receivable		
Capital assets (net of depreciation)(Note D)		
Land		
Buildings and improvements		
Machinery and equipment		<u>1,941</u>
Infrastructure		<u>9,585</u>
Construction in progress		
Other noncurrent assets		
Total noncurrent assets		<u>11,526</u>
Total assets	\$	<u>612,833</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	<u>6,053</u>
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		
Amounts held in custody for others		
Other current liabilities		<u>845</u>
Current portion of long-term liabilities:		
Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		
Capital lease obligations - (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total current liabilities		<u>6,898</u>

NON-CURRENT LIABILITIES:

Contracts payable		
Reimbursement contracts payable		
Compensated absences payable (Note K)		<u>7,357</u>
Capital lease obligations (Note J)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total long-term liabilities		<u>7,357</u>
Total liabilities		<u>14,255</u>

NET ASSETS

Invested in capital assets, net of related debt		<u>11,525</u>
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		<u>587,053</u>
Total net assets		<u>598,578</u>
Total liabilities and net assets	\$	<u>612,833</u>

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

Statement A

**STATE OF LOUISIANA
 BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2004**

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	405,668
Other	_____
Total operating revenues	<u>405,668</u>
OPERATING EXPENSES	
Cost of sales and services	284,089
Administrative	54,360
Depreciation	5,659
Amortization	_____
Total operating expenses	<u>344,108</u>
Operating income(loss)	<u>61,560</u>
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues (expenses)	_____
Taxes	_____
Use of money and property	10,191
Gain (loss) on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other	_____
Total non-operating revenues(expenses)	<u>10,191</u>
Income(loss) before contributions and transfers	<u>71,751</u>
Capital contributions	_____
Transfers in	-
Transfers out	-
Change in net assets	<u>71,751</u>
Total net assets – beginning as restated	<u>526,827</u>
Total net assets – ending	<u>\$ 598,578</u>

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

Statement B

STATE OF LOUISIANA
 BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2004

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
Entity	\$ <u>344,108</u>	\$ <u>398,250</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>54,142</u>
General revenues:					
Taxes					<u>-</u>
State appropriations					<u>-</u>
Grants and contributions not restricted to specific programs					<u>-</u>
Interest					<u>10,191</u>
Miscellaneous					<u>7,418</u>
Special items					<u>-</u>
Transfers					<u>-</u>
Total general revenues, special items, and transfers					<u>17,609</u>
Change in net assets					<u>71,751</u>
Net assets - beginning, as restated					<u>526,827</u>
Net assets - ending					\$ <u>598,578</u>

**STATE OF LOUISIANA
BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004**

Cash flows from operating activities		
Cash received from customers	\$	405,668
Cash payments to suppliers for goods and services		<u>(215,887)</u>
Cash payments to employees for services		<u>(116,965)</u>
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		<u>72,816</u>
Cash flows from non-capital financing activities		
State appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Other		
Transfers In		
Transfers Out		
Net cash provided(used) by non-capital financing activities		<u>-</u>
Cash flows from capital and related financing		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		<u>(6,460)</u>
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		<u>(6,460)</u>
Cash flows from investing activities		
Purchases of investment securities		<u>(350,000)</u>
Proceeds from sale of investment securities		<u>467,501</u>
Interest and dividends earned on investment securities		<u>7,087</u>
Net cash provided(used) by investing activities		<u>124,588</u>
Net increase(decrease) in cash and cash equivalents		<u>190,944</u>
Cash and cash equivalents at beginning of year		<u>57,259</u>
Cash and cash equivalents at end of year	\$	<u><u>248,203</u></u>

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA
 BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2004**

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

Operating income(loss)		\$ <u>61,560</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	5,659	
Provision for uncollectible accounts		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net		
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments		
(Increase)decrease in inventories		
(Increase)decrease in other assets	1,610	
Increase(decrease) in accounts payable and accruals	2,861	
Increase(decrease) in accrued payroll and related benefits		
Increase(decrease) in compensated absences payable		
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues	1,126	
Increase(decrease) in other liabilities		
 Net cash provided(used) by operating activities		 \$ <u><u>72,816</u></u>

Schedule of noncash investing, capital, and financing activities:

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

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

STATE OF LOUISIANA
BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004_____

INTRODUCTION

The Louisiana State Board of Physical Therapy Examiners (BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute §37:240.1. The following is a brief description of the operations of Louisiana State Board of Physical Therapy Examiners (BTA) which includes the parish/parishes in which the (BTA) is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

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

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

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

STATE OF LOUISIANA
BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>337,830</u>
Amendments:	_____

Final approved budget	\$ <u><u>337,830</u></u>

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

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

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

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

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

Following the issuance of GASB Statement 3, deposits were classified into three categories of custodial credit risk depending on whether they were insured or collateralized, and who held the collateral and how it was held.

Category 1 – Deposits that are covered by insurance (FDIC) or collateralized with securities that are held by the entity in the entity's name or registered in the entity's name.

Category 2 – Deposits that are not insured but are collateralized with securities that are held by the financial institution's trust department or agent and are in the entity's name.

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

**STATE OF LOUISIANA
 BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004**

The deposits at June 30, 2004, consisted of the following:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ 316,017	\$ _____	\$ _____	\$ 316,017.00
Bank balances (category 3 only, if any)				
Identify amounts reported as category 3 by the descriptions below:				
a. Uninsured and uncollateralized	\$ _____	\$ _____	\$ _____	\$ -
b. Uninsured and collateralized with securities held by the pledging institution	_____	_____	_____	-
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	_____	_____	_____	-
Total category 3 bank balances	\$ -	\$ -	\$ -	\$ -
Total bank balances (All categories including category 3 reported above)	\$ 316,017	\$ _____	\$ _____	\$ 316,017.00

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

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

	<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1.	<u>Bank One</u>	<u>General</u>	\$ <u>242,935</u>
2.	<u>Mid South Bank</u>	<u>General</u>	<u>73,082</u>
3.	_____	_____	_____
4.	_____	_____	_____
Total			\$ <u>316,017</u>

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

Cash in State Treasury	\$ <u>0</u>
Petty cash	\$ <u>0</u>

2. INVESTMENTS

The Louisiana State Board of Physical Therapy Examiners (BTA) does maintain investment accounts as authorized by Louisiana Revised Statute §33:2955 (Note legal provisions authorizing investments by (BTA)).

**STATE OF LOUISIANA
 BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004**

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

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

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

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

<u>Type of Investment</u>	<u>Amount Reported in Risk</u>		<u>Total Reported Amount - All Categories (Including Category 3)</u>	<u>Total Fair Value - All Categories (Including Category 3)</u>
	<u>Category 3, if Any</u>	<u>Category 3, if Any</u>		
	<u>Held by Counterparty</u>	<u>Held by Counterparty's Trust Dept. or Agent <u>Not in Entity's Name</u></u>		
Repurchase agreements	\$ _____	\$ _____	\$ _____	\$ _____
U.S. Government securities	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Commercial paper	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total investments	-	-	\$ -	\$ -

The institution does not invest in **derivatives** as part of its investment policy.

STATE OF LOUISIANA
BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

3. Other Disclosures Required for Investments

- a. Investments in pools managed by other governments or mutual funds _____ 0 _____
- b. Securities underlying reverse repurchase agreements _____ 0 _____
- c. Unrealized investment losses _____ 0 _____
- d. Commitments as of June 30, 2004 (fiscal close), to resell securities under yield maintenance repurchase agreements:
 - 1. Carrying amount and market value at June 30 of securities to be resold _____ 0 _____
 - 2. Description of the terms of the agreement _____ N/A _____
- e. Losses during the year due to default by counterparties to deposit or investment transactions _____ 0 _____
- f. Amounts recovered from prior-period losses, which are not shown separately on the balance sheet _____ 0 _____

Legal or Contractual Provisions for Reverse Repurchase Agreements

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

Reverse Repurchase Agreements as of Year-End

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

**STATE OF LOUISIANA
 BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004**

Fair Value Disclosures

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices
 _____ based on cost _____
- p. Basis for determining which investments, if any, are reported at amortized cost N/A _____
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool N/A _____
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares N/A _____
- s. Any involuntary participation in an external investment pool N/A _____
- t. Whether you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate N/A _____
- u. Any income from investments associated with one fund that is assigned to another fund N/A _____

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

- v. **Briefly describe the deposit and /or investment policies related to the custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.**
N/A
- w. **List, by amount and issuer (not including U.S. government securities, mutual funds, and investment pools), investments in any one issuer that represents 5% or more of total investments** N/A
- x. **List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms of the investment (eg. coupon multipliers, reset dates, etc.)**
N/A
- y. **Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end. All debt investments regardless of type can be aggregated by credit quality rating (if any are unrated, disclose that amount).**
N/A
- z. **Disclose the interest rate risk of debt investments by listing the investment type and the method that is used to identify and manage the interest rate risk of those investments (by, using one of the following 5 methods that is used to identify and manage interest rate risk: a) segmented time distribution, b) specific identification, c) weighted average maturity, d) duration, or e) simulation model.)**
N/A

STATE OF LOUISIANA
BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

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

N/A

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASES ASSETS

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

	Year ended June 30, 2004						
	Balance 6/30/2003	Prior Period Adjustment	Adjusted Balance 7/1/2003	Additions	Transfers*	Retirements	Balance 6/30/2004
Capital assets not being depreciated							
Land	--	--	--	--	--	--	--
Non-depreciable land improvements	--	--	--	--	--	--	--
Capitalized collections	--	--	--	--	--	--	--
Construction in progress	--	--	--	--	--	--	--
Total capital assets not being depreciated	--	--	--	--	--	--	--
Other capital assets							
Furniture, fixtures, and equipment	19,081	--	19,081	2,426	--	--	21,506
Less accumulated depreciation	18,949	--	18,949	617	--	--	19,566
Total furniture, fixtures, and equipment	132	--	132	1,808	--	--	1,941
Computer and related assets	42,950	--	42,950	4,034	--	--	46,984
Less accumulated depreciation	32,357	--	32,357	5,041	--	--	37,399
Total buildings and improvements	10,592	--	10,592	(1,007)	--	--	9,585
Depreciable land improvements	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total depreciable land improvements	--	--	--	--	--	--	--
Infrastructure	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Total infrastructure	--	--	--	--	--	--	--
Total other capital assets	10,724	--	10,724	801	--	--	11,525
Capital Asset Summary:							
Capital assets not being depreciated	--	--	--	--	--	--	--
Other capital assets, at cost	62,030	--	62,030	6,460	--	--	68,490
Total cost of capital assets	62,030	--	62,030	6,460	--	--	68,490
Less accumulated depreciation	51,306	--	51,306	5,659	--	--	56,965
Capital assets, net	113,336	--	113,336	12,118	--	--	125,455

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

STATE OF LOUISIANA
BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

E. INVENTORIES

The unit's inventories are valued at zero. These are perpetual inventories and are expensed when used.

F. RESTRICTED ASSETS

Restricted assets in the Louisiana State Board of Physical Therapy Examiners (BTA) at June 30, 2004, reflected at \$0 in the non-current assets section on Statement A, consist of \$0 in cash with fiscal agent, \$0 in receivables, and \$0 investment in ____ (identify the type investments held.) State the purpose of the restrictions:_____.

G. 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 o 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 \$7,356.64.

Compensatory Leave. Non-exempt employees, according to the guidelines contained in the Fair Labors Standards Act, may be paid for compensatory leave earned. Upon termination or transfer, an employee is paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. This pay is based on the employee's hourly rate of pay at the time of termination or transfer. There was no accrued compensatory leave time at June 30, 2004.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Board are members of the Louisiana State Employees Retirement System (System), a multiple-employer, and 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. 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, 225-922-0600.

Covered employees are required to contribute 7.5% of gross salary to the plan, and the Board contributes an additional 15.8% each year. These requirements are set by state statute and differ from the contribution requirement determined using actuarial methods. Contributions to the System for the years ended June 30, 2004, 2003 and 2002, were \$10,674, \$8,473 and \$7,532, respectively.

STATE OF LOUISIANA
BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2004

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board may provide certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Board's employees become eligible for those benefits if they reach normal retirement age while working for the Board. Those benefits include joint payment of monthly premiums at 50% Board and 50% retired person. The Board does not currently have any retired persons to which it provides post retirement benefits.

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year June 30, 2004 amounted to \$23,706. A schedule of payments for operating leases follows:

<u>Nature of lease</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010- 2014</u>	<u>FY2015- 2019</u>
Office space	\$ 32,130	\$ 32,130	\$ 32,130	\$ 32,130	\$ 32,130	\$ 160,650	\$ 0
Total	\$ 32,130	\$ 32,130	\$ 32,130	\$ 32,130	\$ 32,130	\$ 160,650	\$ -

2. CAPITAL LEASES

Capital leases are not recognized in the accompanying financial statements.

3. LESSOR DIRECT FINANCING LEASES

The Board has no lessor direct financing leases.

4. LESSOR – OPERATING LEASE

The Board has no lessor – operating leases.

**STATE OF LOUISIANA
 BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004**

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2004:

	Balance June 30, 2003	Year ended June 30, 2004		Balance June 30, 2004	Amounts due within one year
		Additions	Reductions		
Bonds and notes payable:					
Notes payable	\$	\$	\$	\$	--
Reimbursement contracts payable					--
Bonds payable					--
Total notes and bonds	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other liabilities:					
Contracts payable					--
Compensated absences payable	6,231	4,486	360	7,357	--
Capital lease obligations					--
Liabilities payable from restricted assets					--
Claims and litigation					--
Other long-term liabilities					--
Total other liabilities	<u>6,231</u>	<u>4,486</u>	<u>360</u>	<u>7,357</u>	<u>--</u>
Total long-term liabilities	<u>6,231</u>	<u>4,486</u>	<u>360</u>	<u>7,357</u>	<u>--</u>

L. LITIGATION

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

M. RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure.

N. ACCOUNTING CHANGES

There were no accounting changes made during the year.

O. IN-KIND CONTRIBUTIONS

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

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

**STATE OF LOUISIANA
 BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004**

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2004, were as follows:

Activity	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Interest	\$ -	\$ -	\$ -	\$ 3,104.00	\$ 3,104.00
					-
Gross receivables	\$ -	\$ -	\$ -	\$ 3,104.00	\$ 3,104.00
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ -	\$ -	\$ -	\$ 3,104.00	\$ 3,104.00
Amounts not scheduled for collection during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2004, were as follows:

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Operations	\$ 6,053	\$ 845	\$ -	\$ -	\$ 6,898
					-
Total payables	\$ 6,053	\$ 845	\$ -	\$ -	\$ 6,898

W. SUBSEQUENT EVENTS

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

X. SEGMENT INFORMATION

The Board has no reportable segments.

**STATE OF LOUISIANA
 BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
 Notes to the Financial Statement
 As of and for the year ended June 30, 2004**

Y. DUE TO/DUE FROM AND TRANSFERS

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

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due from other funds		\$ <u>0</u>

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

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due to other funds		\$ <u>0</u>

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

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers from other funds		\$ <u>0</u>

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

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers to other funds		\$ <u>0</u>

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

There were no payables from restricted assets.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for June 30, 2004.

<u>Ending net assets July 1, 2003, previously reported</u>	<u>Adjustments + or (-)</u>	<u>Beginning net assets, July 1, 2003, As restated</u>
514,493	\$ 12,334	\$ 526,827
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

In prior years, assets with a value less than \$5,000 were not reported. The Board has adjusted the beginning net assets by \$12,334.03 in order to report its capital assets in compliance with Louisiana Property Assistance reporting requirements.

STATE OF LOUISIANA
BOARD OF PHYSICAL THERAPY EXAMINERS (BTA)
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the Year Ended JUNE 30, 2004

Name

Adams, Patricia	\$ 2,850.00
Bicknell, Eric	100.00
Brown, Mark	1,550.00
Foster, W. Stanley	600.00
Lege, Rebecca	1,850.00
Reynolds, Charles A.	<u>2,400.00</u>
Total	<u>9,350.00</u>