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

COMPONENT UNIT FINANCIAL STATEMENT  
AND  
INDEPENDENT AUDITOR'S REPORT

AS OF AND FOR THE YEARS ENDED JUNE 30, 2005 AND 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

9/14/05

LOUISIANA BOARD FOR HEARING AID DEALERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
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JUNE 30, 2005 AND 2004

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# MARCUS, ROBINSON and HASSELL

CERTIFIED PUBLIC ACCOUNTANTS

P. O. BOX 2896

TELEPHONE 322-8106

FAX 387-5015

MONROE, LOUISIANA 71207-2896

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

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying component unit financial statements of the governmental activities and each fund of the Louisiana Board for Hearing Aid Dealers, a component unit of the State of Louisiana, as of and for the years ended June 30, 2005 and 2004, which collectively comprise the Board's basic financial statements as listed in the table of contents. These component unit financial statements are the responsibility of the management of the Louisiana Board for Hearing Aid Dealers. Our responsibility is to express an opinion on these component unit financial statements based on our audit.

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

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each fund of the Louisiana Board for Hearing Aid Dealers, as of June 30, 2005 and 2004, and the respective changes in financial position for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 16, 2005, on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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

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

*Marcus, Robinson & Hassell*

Marcus, Robinson and Hassell  
August 16, 2005

Required Supplementary Information (Part 1 of 2)

LOUISIANA BOARD FOR HEARING AID DEALERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2005

The management's discussion and analysis (MDA) of the Louisiana Board For Hearing Aid Dealer's financial performance presents a narrative overview and analysis of the Board's financial activities for the two years ended June 30, 2005. This document focuses on the current years activities, resulting changes, and currently known facts in comparison with the prior reporting period's information.

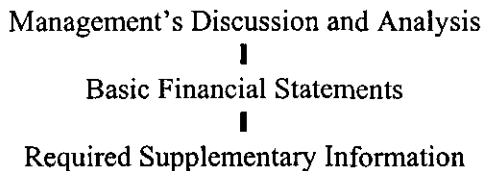
FINANCIAL HIGHLIGHTS

The Board's assets exceeded its liabilities at the close of fiscal year 2005 by \$4,133 which represents a 23% decrease from the last reporting period (June 30, 2003). The net assets decreased by \$4,131.

The Board's revenue increased \$10,036 (60%) and the net results from activities increased by \$19,989. Included in revenues is a \$12,000 unrestricted donation from La Society of Hearing Aid Specialists.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



BASIC FINANCIAL STATEMENTS

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

Government-Wide Statements

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

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

Fund Financial Statements

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

LOUISIANA BOARD FOR HEARING AID DEALERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2005

FINANCIAL ANALYSIS

	<u>2005</u>	<u>2004</u>
<u>Statement of Net Assets</u>		
Current Assets	13,224	4,578
Capital Assets	<u>260</u>	<u>521</u>
<u>Total Assets</u>	<u>13,484</u>	<u>5,099</u>
<u>Liabilities</u>	<u>764</u>	<u>759</u>
<u>Net Assets</u>		
Invested in Capital Assets	260	521
Unrestricted	<u>12,460</u>	<u>3,819</u>
<u>Total Net Assets</u>	<u>12,720</u>	<u>4,340</u>

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

Summary of Capital Assets

	<u>2005</u>	<u>2004</u>
(Net of Depreciation)		
Office Equipment	<u>260</u>	<u>521</u>

There were no additions during 2005 and 2004.

Debt - The Board has no debt.

Variation Between Actual and Budget

Revenues were \$8,145 over budget due primarily to a donation from the La Society of Hearing Aid Specialists. Expenditures were \$496 less than the budget.

ECONOMIC FACTORS AND NEXT YEARS BUDGET

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

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

CONTACTING THE BOARD'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and any interested party with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional information, contact Resa Brady, Administrative Secretary, The Louisiana Board for Hearing Aid Dealers, 220 Justice St, Monroe, Louisiana, 71201.

Basic Financial Statements



LOUISIANA BOARD FOR HEARING AID DEALERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
STATEMENT OF NET ASSETS  
JUNE 30, 2005 AND 2004

	Governmental Activities <u>June 30, 2005</u>	Governmental Activities <u>June 30, 2004</u>
<u>ASSETS</u>		
Cash	13,224	4,578
Capital Assets, net of depreciation	<u>260</u>	<u>521</u>
<u>TOTAL ASSETS</u>	<u>13,484</u>	<u>5,099</u>
<u>LIABILITIES</u>		
Accounts Payable	<u>764</u>	<u>759</u>
<u>NET ASSETS</u>		
Investment in Capital Assets	260	521
Unrestricted	<u>12,460</u>	<u>3,819</u>
<u>TOTAL NET ASSETS</u>	<u>12,720</u>	<u>4,340</u>

See Notes to Financial Statements

LOUISIANA BOARD FOR HEARING AID DEALERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

<u>Functions/Programs</u>	2005				<u>Net (Expense) Revenue and Changes in Net Assets</u>	
	<u>Expenses</u>	<u>Program Revenues</u>		<u>Governmental Activities</u>	<u>Total</u>	
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>			
Governmental Activities						
Public Safety	18,004	0	12,000	(6,004)	(6,004)	
Depreciation	<u>261</u>	<u>0</u>	<u>0</u>	<u>( 261)</u>	<u>( 261)</u>	
<u>TOTAL</u>	<u>18,265</u>	<u>0</u>	<u>12,000</u>	<u>(6,265)</u>	<u>(6,265)</u>	

GENERAL REVENUES

License Renewals and Applications	13,290
Exam Registration and Fees	1,355
Interest	<u>0</u>

TOTAL GENERAL REVENUES

14,645

CHANGES IN NET ASSETS

8,380

NET ASSETS, BEGINNING

4,340

NET ASSETS, ENDING

12,720

2004

<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Nets Assets</u>	
	<u>Charges For Services</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
27,108	0	0	(27,108)	(27,108)
<u>499</u>	<u>0</u>	<u>0</u>	<u>( 499)</u>	<u>( 499)</u>
<u>27,607</u>	<u>0</u>	<u>0</u>	<u>(27,607)</u>	<u>(27,607)</u>
				12,570
				2,495
				<u>31</u>
				15,096
				(12,511)
				<u>16,851</u>
				<u>4,340</u>

See Notes to Financial Statements

LOUISIANA BOARD FOR HEARING AID DEALERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
	<u>General</u>	<u>General</u>
	<u>Fund</u>	<u>Fund</u>
<u>ASSETS</u>		
Cash	13,224	4,578
<u>TOTAL ASSETS</u>	<u>13,224</u>	<u>4,578</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts Payable	764	759
<u>TOTAL LIABILITIES</u>	764	759
Fund Balance:		
Unreserved and Undesignated	12,460	3,819
<u>TOTAL FUND BALANCE</u>	<u>12,460</u>	<u>3,819</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>13,224</u>	<u>4,578</u>

See Notes to Financial Statements

LOUISIANA BOARD FOR HEARING AID DEALERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

	2005	2004
	General	General
	<u>Fund</u>	<u>Fund</u>
<u>REVENUES</u>		
License Renewals and Applications	13,290	12,570
Exam Registration and Fees	1,355	2,495
Interest	0	31
Donations	<u>12,000</u>	<u>0</u>
	26,645	15,096
<u>EXPENDITURES</u>		
Public Safety - Other Protection- Examination of Licensed Operations		
Personal Services and Related Benefits	8,700	8,700
Other Services	4,092	4,316
Materials and Supplies	380	950
Travel	1,551	1,989
Legal and Accounting	<u>3,281</u>	<u>11,153</u>
	18,004	27,108
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	8,641	(12,012)
<u>FUND BALANCE - BEGINNING</u>	<u>3,819</u>	<u>15,831</u>
<u>FUND BALANCE - ENDING</u>	<u>12,460</u>	<u>3,819</u>

See Notes to Financial Statements

LOUISIANA BOARD FOR HEARING AID DEALERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
RECONCILIATION OF GOVERNMENT FUNDS BALANCE SHEET  
TO GOVERNMENT - WIDE STATEMENT OF NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Total Fund Balances - Governmental Funds Balance Sheet	12,460	3,819
<p>Amounts reported for governmental activities in statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Governmental Capital Assets	3,028	3,028
Less: Accumulated Depreciation	<u>(2,768)</u>	<u>(2,507)</u>
Net Assets of Governmental Activities	<u>12,720</u>	<u>4,340</u>

See Notes to Financial Statements

LOUISIANA BOARD FOR HEARING AID DEALERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
RECONCILIATION OF GOVERNMENTAL FUND STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO  
GOVERNMENT - WIDE STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Net Change in Fund Balances - Governmental Funds	8,641	(12,012)
<p>Amounts reported for governmental activities in statement of activities are different because:</p> <p style="margin-left: 40px;">Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>		
Capital Outlay	0	0
Less: Current Year Depreciation Expense	( 261)	( 499)
Change in Net Assets of Governmental Activities	<u>8,380</u>	<u>(12,511)</u>

See Notes to Financial Statements

LOUISIANA BOARD FOR HEARING AID DEALERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The Louisiana Board for Hearing Aid Dealers is a component unit of the State of Louisiana created within the Louisiana Department of Health and Hospitals, as provided by Louisiana Revised Statutes 37:2441-2465. The Board is composed of nine members who are appointed by the governor, seven of whom serve four-year terms and two who serve at the pleasure of the governor. The board members serve without compensation. Board members are selected from a list of names submitted by the Louisiana Society of Hearing Aid Specialists. The Board administers examinations and issues, renews, suspends, or revokes licenses of persons engaged in the selling and fitting of hearing aids in the State of Louisiana. Operations of the Board are funded entirely through self-generated revenues. As of June 30, 2005 and 2004, there were 118 and 117 licensed hearing aid dealers in the state, respectively.

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

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

C. FUND ACCOUNTING

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

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



LOUISIANA BOARD FOR HEARING AID DEALERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. MEASUREMENT FOCUS; BASIS OF ACCOUNTING

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

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

E. BUDGET PRACTICES

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

F. CASH

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

G. USE OF ESTIMATES

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

LOUISIANA BOARD FOR HEARING AID DEALERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. CAPITAL ASSETS

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

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

I. COMPENSATED ABSENCES, POSTRETIREMENT BENEFITS, AND PENSION PLAN

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

NOTE 2 - CASH

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

At June 30, 2005 and 2004, the Board had cash totaling \$13,224 and \$4,578 as follows:

	<u>2005</u>	<u>2004</u>
Cash in Checking	<u>13,224</u>	<u>4,578</u>

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

At June 30, 2005 and 2004, the Board had \$13,224 and \$4,578 in deposits (collected bank balances). These deposits were entirely secured from risk by federal deposit insurance.

NOTE 3 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the years ended June 30, 2005 and 2004 are as follows:

Governmental Activities:	<u>2005</u>	<u>2004</u>
Office Equipment		
Beginning Balance	3,028	3,028
Additions	0	0
Retirements	<u>0</u>	<u>0</u>
Totals at Historical Cost	3,028	3,028
Less: Accumulated Depreciation	<u>(2,768)</u>	<u>(2,507)</u>
Capital Assets, Net	<u>260</u>	<u>521</u>

Depreciation expense of \$261 and \$499 is reported as a separate line item in the statement of activities.

LOUISIANA BOARD FOR HEARING AID DEALERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

NOTE 4 - LEASE OBLIGATIONS/RELATED PARTY TRANSACTIONS

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

NOTE 5 - PENDING LITIGATION

At June 30, 2005, there is no litigation pending against the Board.

Required Supplementary Information (Part 2)

LOUISIANA BOARD FOR HEARING AID DEALERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
GOVERNMENTAL FUND - GENERAL FUND  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

	<u>2005</u>		
	Original and Final Budgeted Amounts	Actual	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
License Renewals and Applications	14,600	13,290	(1,310)
Exam Registration and Fees	3,900	1,355	(2,545)
Donation	<u>0</u>	<u>12,000</u>	<u>12,000</u>
	18,500	26,645	8,145
<u>EXPENDITURES</u>			
Public Safety - Other Protection- Examination of Licensed Operations			
Personal Services & Related Benefits	8,700	8,700	0
Other Services	3,600	4,092	(492)
Materials and Supplies	1,300	380	920
Travel	3,900	1,551	2,349
Legal and Accounting	<u>1,000</u>	<u>3,281</u>	<u>(2,281)</u>
	<u>18,500</u>	<u>18,004</u>	<u>496</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	0	8,641	8,641
<u>FUND BALANCE - BEGINNING</u>	<u>3,819</u>	<u>3,819</u>	<u>0</u>
<u>FUND BALANCE - ENDING</u>	<u>3,819</u>	<u>12,460</u>	<u>8,641</u>

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

	<u>2005</u>	<u>2004</u>
Actual Expenditures - Modified Accrual	18,004	27,108
Add: Prior Year Payables	759	766
Less: Current Year Payables	<u>764</u>	<u>759</u>
Actual Expenditures - Cash Basis	<u>17,999</u>	<u>27,115</u>

2004		
Original and Final Budgeted <u>Amounts</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
16,880	12,470	(4,410)
7,640	2,595	(5,045)
<u>0</u>	<u>31</u>	<u>31</u>
24,520	15,096	(9,424)
8,700	8,700	0
3,650	4,316	(666)
2,500	950	1,550
5,100	1,989	3,111
<u>4,570</u>	<u>11,153</u>	<u>( 6,583)</u>
<u>24,520</u>	<u>27,108</u>	<u>( 2,588)</u>
0	(12,012)	(12,012)
<u>15,831</u>	<u>15,831</u>	<u>0</u>
<u>15,831</u>	<u>3,819</u>	<u>(12,012)</u>

See Auditor's Report

**MARCUS, ROBINSON and HASSELL**

CERTIFIED PUBLIC ACCOUNTANTS

P. O. BOX 2896

TELEPHONE 322-8106

FAX 387-5015

MONROE, LOUISIANA 71207-2896

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

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited the component unit financial statements of the Louisiana Board for Hearing Aid Dealers, as of and for the years ended June 30, 2005 and 2004, and have issued our report thereon dated August 16, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards, which are described in the accompanying schedule of findings and questioned cost as items 2005-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the *internal control over financial reporting and its operation that we consider to be reportable conditions*. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2005-1.

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

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

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

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell  
August 16, 2005



LOUISIANA BOARD FOR HEARING AID DEALERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
WITH MANAGEMENT PLANNED CORRECTIVE ACTIONS  
AS OF AND FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

We have audited the component unit financial statements of the Louisiana Board for Hearing Aid Dealers as of, and for the years ended June 30, 2005 and 2004, and have issued our report thereon dated August 16, 2005. 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, 2005 and 2004, resulted in an unqualified opinion.

Section I - Summary of Auditor's Report

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

Compliance

Compliance Material to Financial Statements        X   Yes           No

Internal Control

Material Weakness        X   Yes           No

Reportable Conditions        X   Yes           No

Federal Awards

None

Section II - Financial Statement Findings

2005-1-Budget Variances

Criteria - Excess budget variances to actual.

Condition - Actual revenue in 2005 exceeded budgeted revenue by 44%. Budgeted revenue in 2004 exceeded actual revenue by 38%. Actual expenditures in 2004 exceeded budgeted expenditures by 11%.

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

Response - Budgeted amounts for revenues will be monitored to reflect accurate expectations.

LOUISIANA BOARD FOR HEARING AID DEALERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

Finding 2003-01-Excess Cash Balance

Resolved

Finding 2003-02 Budget Variances

Unresolved - See Finding 2005-1

Other Supplementary Information

LOUISIANA BOARD FOR HEARING AID DEALERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

There were no per diem payments or compensation paid to members of the Board for the years ended June 30, 2005 and June 30, 2004.

See Auditor's Report

Hearing Aid Dealers  
(Agency Name)  
STATE OF LOUISIANA  
Annual Financial Statements  
June 30, 2005

C O N T E N T S

TRANSMITTAL LETTER  
AFFIDAVIT

Statements

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STATE OF LOUISIANA  
Annual Financial Statements  
Fiscal Year Ending June 30, 2005

LA Board for Hearing Aid Dealers  
(Agency Name)

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

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

AFFIDAVIT

Personally came and appeared before the undersigned authority, Resa F. Brady (Name)  
(Title) of Administrative Secretary (Agency) who duly sworn, deposes and says, that the  
financial statements herewith given present fairly the financial position of  
(agency) at June 30, 05, and the results of operations for the year then ended in accordance with  
policies and practices established by the Division of Administration or in accordance with Generally  
Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board.  
Sworn and subscribed before me, this 22<sup>ND</sup> day of August, 2005.

Resa F. Brady  
Signature of Agency Official

Donna R. Taylor  
NOTARY PUBLIC DONNA R. TAYLOR #16095

Prepared by: Resa F. Brady  
Title: Administrative Secretary  
Telephone No.: (318) 362-3014  
Date: 8/22/05

STATE OF LOUISIANA  
Annual Financial Statements  
Fiscal Year Ending June 30, 2005

LA Board for Hearing Aid Dealers  
(Agency Name)

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

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

AFFIDAVIT

Personally came and appeared before the undersigned authority, Resa F. Brady (Name)  
Administrative Secretary  
(Title) of LA Board for Hearing Aid Dealers (Agency) who duly sworn, deposes and says, that the  
financial statements herewith given present fairly the financial position of  
(agency) at June 30, 05 and the results of operations for the year then ended in accordance with  
policies and practices established by the Division of Administration or in accordance with Generally  
Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board.

Sworn and subscribed before me, this 22<sup>ND</sup> day of August, 2005.

Resa F. Brady  
Signature of Agency Official

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NOTARY PUBLIC DONNA R. TAYLOR #16095

Prepared by: Resa F. Brady  
Title: Administrative Secretary  
Telephone No.: (318) 362-3014  
Date: 8/22/05

STATE OF LOUISIANA  
Hearing Aid Dealers (BTA)  
**BALANCE SHEET**  
AS OF 6/30, 2005

<b>ASSETS</b>	
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents (Note C1)	\$ <u>13,224</u>
Investments (Note C2)	_____
Receivables (net of allowance for doubtful accounts)(Note U)	_____
Due from other funds (Note Y)	_____
Due from federal government	_____
Inventories	_____
Prepayments	_____
Notes receivable	_____
Other current assets	_____
<b>Total current assets</b>	<u>13,224</u>
<b>NONCURRENT ASSETS:</b>	
Restricted assets (Note F):	
Cash	_____
Investments	_____
Receivables	_____
Notes receivable	_____
Capital assets (net of depreciation)(Note D)	_____
Land	_____
Buildings and improvements	_____
Machinery and equipment	<u>260</u>
Infrastructure	_____
Construction in progress	_____
Other noncurrent assets	_____
<b>Total noncurrent assets</b>	<u>260</u>
<b>Total assets</b>	\$ <u>13,484</u>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable and accruals (Note V)	\$ <u>764</u>
Due to other funds (Note Y)	_____
Due to federal government	_____
Deferred revenues	_____
Amounts held in custody for others	_____
Other current liabilities	_____
Current portion of long-term liabilities:	
Contracts payable	_____
Reimbursement contracts payable	_____
Compensated absences payable (Note K)	_____
Capital lease obligations - (Note J)	_____
Notes payable	_____
Liabilities payable from restricted assets (Note Z)	_____
Bonds payable	_____
Other long-term liabilities	_____
<b>Total current liabilities</b>	<u>764</u>
<b>NON-CURRENT LIABILITIES:</b>	
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	_____
<b>Total long-term liabilities</b>	<u>764</u>
<b>Total liabilities</b>	<u>764</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	<u>260</u>
Restricted for:	
Capital projects	_____
Debt service	_____
Unemployment compensation	_____
Other specific purposes	_____
Unrestricted	<u>12,460</u>
<b>Total net assets</b>	<u>12,720</u>
<b>Total liabilities and net assets</b>	\$ <u>13,484</u>

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



STATE OF LOUISIANA

Hearing Aid Dealers (BTA)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED 6/30, 2005

**OPERATING REVENUES**

Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	<u>14,645</u>
Other	_____
Total operating revenues	<u>14,645 -</u>

**OPERATING EXPENSES**

Cost of sales and services	_____
Administrative	<u>18,004</u>
Depreciation	<u>261</u>
Amortization	_____
Total operating expenses	<u>18,265 -</u>

Operating income(loss) 3,620 -

**NON-OPERATING REVENUES(EXPENSES)**

State appropriations	_____
Intergovernmental revenues (expenses)	_____
Taxes	_____
Use of money and property	_____
Gain (loss) on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other <u>operating Donation</u>	<u>12,000</u>
Total non-operating revenues(expenses)	<u>12,000 -</u>

Income(loss) before contributions and transfers 8,380 -

Capital contributions	_____
Transfers in	_____
Transfers out	_____

Change in net assets 8,380 -

Total net assets – beginning as restated 4,340

Total net assets – ending \$ 12,720 -

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

STATE OF LOUISIANA  
Hearing Aid Dealers (BTA)  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED 6/30, 2005

	<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>	
BTA	\$ <u>18,265</u>	\$ <u>12,000</u>		\$ <u>&lt;6,225&gt;</u> -

General revenues:

Taxes	<u>                    </u>
State appropriations	<u>                    </u>
Grants and contributions not restricted to specific programs	<u>                    </u>
Interest	<u>                    </u>
Miscellaneous <i>Renewals, Registrations &amp; Fees</i>	<u>14,645</u>
Special items	<u>                    </u>
Transfers	<u>                    </u>
Total general revenues, special items, and transfers	<u>                    </u>
Change in net assets	<u>8,380</u> -
Net assets - beginning	<u>4,320</u>
Net assets - ending	\$ <u>12,720</u> -

STATE OF LOUISIANA  
Hearing Aid Dealers (BTA)  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 6/30, 2005

**Cash flows from operating activities**

Cash received from customers	\$ 14,645
Cash payments to suppliers for goods and services	<u>&lt;9,299&gt;</u>
Cash payments to employees for services	<u>&lt;8,700&gt;</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>&lt;3,354&gt;</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	12,000
Other	
Transfers In	
Transfers Out	
Net cash provided(used) by non-capital financing activities	<u>12,000 -</u>

**Cash flows from capital and related financing activities**

Proceeds from sale of bonds	
Principal paid on bonds	
Interest paid on bond maturities	
Proceeds from issuance of notes payable	
Principal paid on notes payable	
Interest paid on notes payable	
Acquisition/construction of capital assets	
Proceeds from sale of capital assets	
Capital contributions	
Other	
Net cash provided(used) by capital and related financing activities	<u>-</u>

**Cash flows from investing activities**

Purchases of investment securities	
Proceeds from sale of investment securities	
Interest and dividends earned on investment securities	
Net cash provided(used) by investing activities	<u>-</u>

Net increase(decrease) in cash and cash equivalents	<u>8,646 -</u>
Cash and cash equivalents at beginning of year	<u>4,578</u>
Cash and cash equivalents at end of year	\$ <u><u>13,224 -</u></u>

The accompanying notes are an integral part of this statement.

Statement D

STATE OF LOUISIANA  
Hearing Aid Dealers (BTA)  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 6/30, 2005

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

Operating income(loss)		\$ <u>3,620</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	<u>261</u>	
Provision for uncollectible accounts		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net		
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments		
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals	<u>5</u>	
Increase(decrease) in accrued payroll and related benefits		
Increase(decrease) in compensated absences payable		
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		\$ <u>(3,354)</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)	_____
_____	_____
_____	_____
<b>Total noncash investing, capital, and financing activities:</b>	\$ _____

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

STATE OF LOUISIANA

Hearing Aid Dealers (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 2005

INTRODUCTION

The Hearing Aid Dealers (BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute R.S. 37:244-2465. The following is a brief description of the operations of Hearing Aid Dealers (BTA) which includes the parish/parishes in which the (BTA) is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

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

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

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

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

Revenue Recognition

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

Expense Recognition

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

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Hearing Aid Dealers (BTA) are annual lapsing appropriations.

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

STATE OF LOUISIANA

Hearing Aid Dealers (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 2006

APPROPRIATIONS

Original approved budget	\$ _____
Amendments:	_____
	_____
	_____
Final approved budget	\$ _____

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

**1. DEPOSITS WITH FINANCIAL INSTITUTIONS**

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

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

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

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

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

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

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

The deposits at \_\_\_\_\_, 20\_\_\_\_, consisted of the following:

STATE OF LOUISIANA  
Hearing Aid Dealers (BTA)  
 Notes to the Financial Statement  
 As of and for the year ended June 30, 2005

	Cash	Certificates of Deposit	Other (Describe)	Total
Deposits in Bank Accounts Per Balance Sheet	\$ <u>13,224</u>	\$ _____	\$ _____	\$ <u>13,224</u>
Bank Balances of Deposits Exposed to Custodial Credit Risk:				
a. Uninsured and uncollateralized	_____	_____	_____	_____
b. Uninsured and collateralized with securities held by the pledging institution	_____	_____	_____	_____
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entities name	_____	_____	_____	_____
Total Bank Balances - All Deposits	\$ <u>13,224</u>	\$ _____	\$ _____	\$ <u>13,224</u>

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

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

	Banking institution	Program	Amount
1.	<u>Bank One</u>	<u>Checking</u>	\$ <u>13,224</u>
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
Total			\$ <u>13,224</u>

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

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

2. INVESTMENTS

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

**Custodial Credit Risk**

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

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

STATE OF LOUISIANA

Hearing Aid Dealers (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 2005

by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name.

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

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

3. Derivatives  
 The institution does/does not (circle one) invest in derivatives as part of its investment policy. Accordingly, the exposure to risks from these investments is as follows:  
 credit risk \_\_\_\_\_  
 market risk \_\_\_\_\_  
 legal risk \_\_\_\_\_

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

A. Credit Risk of Debt Investments

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



STATE OF LOUISIANA  
Hearing Aid Dealers (BTA)  
 Notes to the Financial Statement  
 As of and for the year ended June 30, 2005

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

**B. Interest rate Risk**

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

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

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

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

**C. Concentration of Credit Risk**

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

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

D. Foreign Currency Risk

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

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

5. Policies

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

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

6. Other Disclosures Required for Investments

- a. Investments in pools managed by other governments or mutual funds \_\_\_\_\_
- b. Securities underlying reverse repurchase agreements \_\_\_\_\_
- c. Unrealized investment losses \_\_\_\_\_
- d. Commitments as of \_\_\_\_\_ (fiscal close), to resell securities under yield maintenance repurchase agreements:
  - 1. Carrying amount and market value at June 30 of securities to be resold \_\_\_\_\_
  - 2. Description of the terms of the agreement \_\_\_\_\_

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

Legal or Contractual Provisions for Reverse Repurchase Agreements

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

Reverse Repurchase Agreements at Year-End

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

Fair Value Disclosures

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

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- t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate \_\_\_\_\_
- u. Any income from investments associated with one fund that is assigned to another fund \_\_\_\_\_

**D. CAPITAL ASSETS-INCLUDING CAPITAL LEASE ASSETS**

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

Year ended June 30, 2005

	Balance 6/30/2004	Prior Period Adjustment	Adjusted Balance 6/30/2004	Additions	Transfers*	Retirements	Balance 6/30/2005
<b>Capital assets not being depreciated</b>							
Land	\$	\$	\$ --	\$	\$	\$	\$ --
Non-depreciable land improvements			--				--
Capitalized collections			--				--
Construction in progress			--				--
Total capital assets not being depreciated	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
<b>Other capital assets</b>							
Furniture, fixtures, and equipment	\$	\$	\$ 521	\$	\$	\$	\$ 260
Less accumulated depreciation	521		521				260
Total furniture, fixtures, and equipment	--	--	--	--	--	--	--
Buildings and improvements			--				--
Less accumulated depreciation			--				--
Total buildings and improvements	--	--	--	--	--	--	--
Depreciable land improvements			--				--
Less accumulated depreciation			--				--
Total depreciable land improvements	--	--	--	--	--	--	--
Infrastructure			--				--
Less accumulated depreciation			--				--
Total infrastructure	--	--	--	--	--	--	--
Total other capital assets	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
<b>Capital Asset Summary:</b>							
Capital assets not being depreciated	\$ 3028	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 3028
Other capital assets, at cost	--	--	--	--	--	--	--
Total cost of capital assets	2507	--	--	--	--	--	2768
Less accumulated depreciation	--	--	--	--	--	--	--
Capital assets, net	\$ 521	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 260

\* 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.

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E. INVENTORIES N/A

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

F. RESTRICTED ASSETS N/A

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

G. LEAVE

1. COMPENSATED ABSENCES

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

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

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

2. COMPENSATORY LEAVE

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

H. RETIREMENT SYSTEM N/A

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

All full-time (BTA) employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service.

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

Members are required by state statute to contribute 7.5% of gross salary, and the (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 20\_\_, decreased to \_\_% of annual covered payroll from the \_\_% and \_\_% required in fiscal years ended June 30, 2004 and 2003, respectively. The (BTA) contributions to the System for the years ending June 30, 2005, 2004, and 2003, were \$\_\_\_\_\_, \$\_\_\_\_\_, and \$\_\_\_\_\_, respectively, equal to the required contributions for each year.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

GASB 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits: No post retirement health care or life insurance benefits.

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

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

Substantially all (BTA) employees become eligible for post employment health care, dental and life insurance benefits if they reach normal retirement age while working for the (BTA). These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the (BTA). For 2004, the cost of providing those benefits for the \_\_\_\_\_ retirees totaled \$\_\_\_\_\_.

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

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year \_\_\_\_\_ amounted to \$\_\_\_\_\_. (Note: If lease payments extend past FY2020, please create additional columns and report these future minimum lease

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payments in five year increments.) A schedule of payments for operating leases follows:

Nature of lease	FY2006	FY2007	FY2008	FY2009	FY20010	FY2011- 2015	FY2016- 2020
<u>Office Space</u>	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$
Total	\$ <u>1,800</u>	\$ <u>1,800</u>	\$ <u>1,800</u>	\$ <u>1,800</u>	\$ <u>1,800</u>	\$ <u>1,800</u>	\$ -

2. CAPITAL LEASES N/A

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

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

SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

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

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

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

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

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

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

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



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SCHEDULE C – LEAF CAPITAL LEASES

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

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

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

3. LESSOR DIRECT FINANCING LEASES

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

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

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

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

Minimum lease payments, receivables do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if for example the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2005 were \$ \_\_\_\_\_ for office space, \$ \_\_\_\_\_ for equipment, and \$ \_\_\_\_\_ for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of \_\_\_\_\_ (the last day of your fiscal year): (Note: If lease receivables extend past FY2025, please create additional rows and report these future minimum lease payment receivables in five year increments.)

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

4. LESSOR – OPERATING LEASE

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

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

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

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

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

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

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

K. LONG-TERM LIABILITIES N/A

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

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	Balance June 30, 2004	Year ended June 30, 2005		Balance June 30, 2005	Amounts due within one year
		Additions	Reductions		
<b>Bonds and notes payable:</b>					
Notes payable	\$	\$	\$	\$	--
Reimbursement contracts payable					--
Bonds payable					--
Total notes and bonds	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Other liabilities:</b>					
Contracts payable					--
Compensated absences payable					--
Capital lease obligations					--
Liabilities payable from restricted assets					--
Claims and litigation					--
Other long-term liabilities					--
Total other liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total long-term liabilities	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

A detailed summary, by issues, of all debt outstanding at June 30, 2005, including outstanding interest of \$ \_\_\_\_\_ is shown on schedule 4. Schedule 5 is an amortization schedule of the outstanding debt. (Send OSRAP a copy of the amortization schedule for any new debt issued.)

L. LITIGATION N/A

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

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

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

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

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M. RELATED PARTY TRANSACTIONS N/A

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

N. ACCOUNTING CHANGES N/A

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

O. IN-KIND CONTRIBUTIONS N/A

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

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

P. DEFEASED ISSUES N/A

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

Q. COOPERATIVE ENDEAVORS N/A

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

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

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

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

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

NOTE: Amounts in excess of contract limits **cannot** be used to reduce the outstanding contract balance at June 30, 2005. For example, if a contract specifies a percentage of usage for each month (25%) and usage exceeds that percentage (75%), you cannot claim actual usage that exceeds contract requirements (50%).

NOTE: In order to compute your ending balances by funding source, you should begin with your balances at June 30, 2004. These amounts will be increased by amounts for new contracts and amendments and decreased for payments as well as for liquidations.

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

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

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

STATE OF LOUISIANA

Hearing Aid Dealers (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 2005

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

At June 30, 20\_\_, the \_\_\_\_\_ (BTA) was not in compliance with the provisions of \_\_\_\_\_ Bond. Reserve Covenant that requires \_\_\_\_\_ The \_\_\_\_\_ (BTA) did \_\_\_\_\_ to correct this deficiency.

T. SHORT-TERM DEBT N/A

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

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

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

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

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

U. DISAGGREGATION OF RECEIVABLE BALANCES N/A

Receivables at June 30, 20\_\_, were as follows:

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

STATE OF LOUISIANA  
Hearing Aid Dealers (BTA)  
 Notes to the Financial Statement  
 As of and for the year ended June 30, 2005

V. DISAGGREGATION OF PAYABLE BALANCES N/A

Payables at June 30, 2005, were as follows:

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

W. SUBSEQUENT EVENTS N/A

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

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X. SEGMENT INFORMATION N/A

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

Type of goods or services provided by the segment \_\_\_\_\_

A. Condensed Balance Sheet:

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

Condensed Balance Sheet:



STATE OF LOUISIANA

Hearing Aid Dealers (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 20 05

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

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

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

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

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

C. Condensed statement of cash flows:

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

STATE OF LOUISIANA

Hearing Aid Dealers (BTA)

Notes to the Financial Statement

As of and for the year ended June 30, 20 05

- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

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

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

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

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

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS N/A

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

**STATE OF LOUISIANA**  
Hearing Aid Dealers (BTA)  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2005**

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

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

**AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS**

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

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

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

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

STATE OF LOUISIANA  
Hearing Aid Dealers (BTA)  
 SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
 For the Year Ended 6/30/05  
 (Fiscal Close)

N/A

<u>Name</u>	<u>Amount</u>
	\$ _____
	\$ _____

STATE OF LOUISIANA  
Hearing Aid Dealers (BTA)  
SCHEDULE OF STATE FUNDING  
For the Year Ended 6/30/05  
(Fiscal Close)

N/A

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

STATE OF LOUISIANA  
*Hearing Aid Dealers* (BTA)  
 SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE  
6/30, 2005  
 (Fiscal Close)

N/A

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

\*Send copies of new amortization schedules

STATE OF LOUISIANA  
*Hearing Aid Dealers* (BTA)  
 SCHEDULE OF NOTES PAYABLE  
 6/30, 2005  
 (Fiscal close)

N/A

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

\*Send copies of new amortization schedules

STATE OF LOUISIANA  
*Hearing Aid Dealers* (BTA)  
 SCHEDULE OF BONDS PAYABLE  
6/30, 2006  
 (Fiscal close)

N/A

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

\*Send copies of new amortization schedules



STATE OF LOUISIANA  
*Hearing Aid Dealers* (BTA)  
 SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION  
 For The Year Ended 6/30/05  
 (Fiscal Close)

N/A

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

STATE OF LOUISIANA  
*Hearing Aid Dealers* (BTA)  
 SCHEDULE OF CAPITAL LEASE AMORTIZATION  
 For The Year Ended June 30, 2005

N/A

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

STATE OF LOUISIANA  
*Hearing Aid Dealers* (BTA)  
 SCHEDULE OF NOTES PAYABLE AMORTIZATION  
 For The Year Ended June 30, 2008

N/A

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

STATE OF LOUISIANA  
Hearing Aid Dealers (BTA)  
 SCHEDULE OF BONDS PAYABLE AMORTIZATION  
 For The Year Ended June 30, 2005

N/A

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

STATE OF LOUISIANA  
Hearing Aid Dealers (BTA)  
 SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES  
 BUDGETARY COMPARISON OF CURRENT APPROPRIATION  
 NON-GAAP BASIS  
 JUNE 30, 2005

	Financial Statement	Adjustments	ISIS Appropriation Report-06/14/05	Original + Revised Budget	Variance Positive/(Negative)
Operating Revenues:					
Intergovernmental Revenues	\$	\$	\$	\$	\$
Sales of Commodities and Services	14,645			18,500	(3,855)
Other	12,000			12,000	
Total Operating revenues	26,645			18,500	8,145
Operating Expenses:					
Personal services	\$ 8,700	\$	\$	8,700	-0-
Travel	1,551			3,900	2,349
Operating Services	4,092			3,600	\$492
Supplies	380			1,300	920
Professional services	3,281			1,000	(2,281)
Capital outlay					
Interagency transfers					
Other charges					
Total Operating Expenses	18,004			18,500	496
Nonoperating Expenses:					
Use of Money and Property					
Gain (Loss) on Disposal of Fixed Assets					
Federal Grants					
Interest Expense					
Other					
Total Nonoperating Expenses					
Capital Contributions					
Operating Transfers In					
Operating Transfers Out					
Change in Net Assets	\$ 8,641	\$	\$	-0-	\$ 8,641

STATE OF LOUISIANA  
Hearing Aid Dealers (BTA)  
**SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES**  
**BUDGETARY COMPARISON OF CURRENT APPROPRIATION**  
**NON-GAAP BASIS**  
**JUNE 30, 2005**

Budgeted Income (Loss)	\$	
Reconciling items:		
Cash carryover		
Depreciation		
Payroll accrual		
Compensated absences adjustment		
Capital outlay		
Change in inventory		
Bad debts expense		
Prepaid expenses		
Principal payment		
Loan Principal Repayments included in Revenue		
Loan Disbursements included in Expenses		
Accounts receivable adjustment		
Accounts payable/estimated liabilities adjustment		
Other		
Change in Net Assets	\$	-

STATE OF LOUISIANA

Hearing Aid Dealers (BTA)

COMPARISON FIGURES

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

	<u>2005</u>	<u>2004</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>26,645</u>	\$ <u>15,096</u>	\$ <u>11,549</u>	\$ <u>77%</u>
Expenses	<u>18,265</u>	<u>27,607</u>	<u>9,342</u>	<u>34%</u>
2) Capital assets	_____	_____	_____	_____
Long-term debt	_____	_____	_____	_____
Net Assets	<u>12,720</u>	<u>4,340</u>	<u>8,380</u>	<u>192%</u>
Explanation for change:	_____			
	_____			
	_____			
	_____			