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LOUISIANA LICENSED PROFESSIONAL VOCATIONAL REHABILITATION COUSELORS BOARD OF EXAMINERS STATE OF LOUISIANA

FINANCIAL STATEMENTS

JUNE 30, 2006

LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2006

CONTENTS

DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

ERIC J. VICKNAIR, CPA (APC)

GLYNN R. DYER, CPA (APC), (RETIRED)

To the Board Members
Louisiana Licensed Professional
Vocational Rehabilitation Counselors
Board of Examiners

We have compiled the accompanying Division of Administration, Office of Statewide Reporting and Accounting Policy's Annual Fiscal Report (AFR) as of and for the year ended June 30, 2006, in accordance with *Statements and Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management of the Louisiana Licensed Professional Vocational Rehabilitation Counselors Board of Examiners. We have not audited or reviewed the accompanying Division of Administration. Office of Statewide Reporting and Accounting Policy's Annual Fiscal Report (AFR) and, accordingly, do not express an opinion or any other form of assurance on them.

Baton Rouge, Louisiana
August 06, 2006

Dyer & Vicknair

(SEND ALL CORRESPONDENCE TO THE BATON ROUGE ADDRESS)

2933 BRAKLEY DRIVE, SUITE B — BATON ROUGE, LOUISIANA, 70816 — PHONE: (225) 292-1040 — FAX: (225) 292-1041

564 FERDNAND STREET — ST. FRANCISVILLE, LOUISIANA, 70775 — PHONE: (225) 635-4204

Affidavit and Revenue Certification

LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
EAST BATON ROUGE PARISH
BATON ROUGE, LOUISIANA

ANNUAL SWORN FINANCIAL STATEMENTS AND CERTIFICATION OF REVENUES $50,000 OR LESS (if applicable)

The annual sworn financial statements are required by Louisiana Revised Statute 24:514 to be filed with the Legislative Auditor within 90 days after the close of the fiscal year. If applicable, the certification of revenues $50,000 or less is required by Louisiana Revised Statute 24:513(I)(1)(c)(i). (The threshold is $200,000 for Justices of the Peace and Constables.)

****

Personally came and appeared before the undersigned authority, Ashley Bryars, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of Louisiana Licensed Professional Rehabilitation Counselors Board of Examiners as of June 30, 2006, and the results of operations for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

In addition, Ashley Bryars, who, duly sworn, deposes and says that Louisiana Licensed Professional Rehabilitation Counselors Board of Examiners received $50,000 or less in revenues and other sources for the year ended June 30, 2006, and accordingly, is not required to have an audit for the previously mentioned year.

Signature

Sworn to and subscribed before me this 28th day of AUGUST, 2006.

Nanak S. Rai
NOTARY PUBLIC - NANAK S. RAI
LA. BAR NO. 22852

****

Officer Name	Ashley Bryars
Title	Chair
Address	P O Box 41594
	Baton Rouge, LA 70835
Telephone No.	225-922-1435
Fax No.	225-922-1352

Schedule Number

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

LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS

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

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

AFFIDAVIT

Personally came and appeared before the undersigned authority Ashley Bryars, Chair of Louisiana Licensed Professional Vocational Rehabilitation Counselors who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Louisiana Licensed Professional Vocational Rehabilitation Counselors at June 30, 2006 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 28th day of August, 2006.

Signature of Agency Official

NOTARY PUBLIC
NANAK S. RAI
LA. BAR NO. 22852

Prepared by: Eric J. Vicknair

Title: CPA

Telephone No.: 225-292-1040

Date: August 6, 2006

STATE OF LOUISIANA
LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
BALANCE SHEET
AS OF JUNE 30, 2006

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents (Note C1)	$ 33,310
Investments (Note C2)	
Receivables (net of allowance for doubtful accounts)(Note U)	
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Other current assets	
Total current assets	33,310
NONCURRENT ASSETS:	
Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	
Buildings and improvements	
Machinery and equipment	
Infrastructure	
Construction in progress	
Other noncurrent assets	
Total noncurrent assets	
Total assets	$ 33,310
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable and accruals (Note V)	$ 960
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities:	
Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	
Capital lease obligations - (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total current liabilities	960
NON-CURRENT LIABILITIES:	
Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	
Capital lease obligations (Note J)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total long-term liabilities	
Total liabilities	960
NET ASSETS	
Invested in capital assets, net of related debt	
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	32,350
Total net assets	32,350
Total liabilities and net assets	$ 33,310

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

STATE OF LOUISIANA
LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006

OPERATING REVENUES	
Sales of commodities and services	$
Assessments	
Use of money and property	-
Licenses, permits, and fees	33,429
Other	
Total operating revenues	33,429
OPERATING EXPENSES	
Cost of sales and services	
Administrative	16,594
Depreciation	
Amortization	
Total operating expenses	16,594
Operating income(loss)	16,835
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	
Intergovernmental revenues (expenses)	
Taxes	
Use of money and property	
Gain (loss) on disposal of fixed assets	
Federal grants	
Interest expense	
Other	
Total non-operating revenues(expenses)	-
Income(loss) before contributions and transfers	16,835
Capital contributions	
Transfers in	
Transfers out	
Change in net assets	16,835
Total net assets – beginning as restated	15,515
Total net assets – ending	$ 32,350

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

STATE OF LOUISIANA
LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Business - type activities	$ 16,594	$ 33,429	$	$	$ 16,835
General revenues:					
Taxes					
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					
Miscellaneous					
Special items					
Transfers					
Total general revenues, special items, and transfers					
Change in net assets					16,835
Net assets - beginning					15,515
Net assets - ending					$ 32,350

Statement C

STATE OF LOUISIANA
LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006

Cash flows from operating activities		
Cash received from customers	$ 33,429	
Cash payments to suppliers for goods and services	(17,208)	
Cash payments to employees for services		
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		$ 16,221
Cash flows from non-capital financing activities		
State appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Other		
Transfers In		
Transfers Out		
Net cash provided(used) by non-capital financing activities		-
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		-
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		-
Net increase(decrease) in cash and cash equivalents		16,221
Cash and cash equivalents at beginning of year		17,089
Cash and cash equivalents at end of year		$ 33,310

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

STATE OF LOUISIANA
LOUISIANA LICENSED PROFESSIONAL
VACATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2005

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

Operating income(loss)		$ 16,835
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization		
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	(614)	
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		$ 16,221

Schedule of noncash investing, capital, and financing activities:

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

(Concluded)

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

STATE OF LOUISIANA
LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2006

INTRODUCTION

The Louisiana Licensed Professional Vocational Rehabilitation Counselors Board of Examiners (the Board) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:3441-3452. The following is a brief description of the operations of the Board.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

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

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

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

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

Revenue Recognition

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

Expense Recognition

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

B. BUDGETARY ACCOUNTING

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

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative 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:

		APPROPRIATIONS
Original approved budget	$	26,589
Amendments:		
Final approved budget	$	26,589

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Board may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Board 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.

Beginning in FY 2004, the implementation of GASB Statement 40 (which amended GASB Statement 3) eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40requires only the disclosure of deposits 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 institutions' trust department or agent, but not in the entity's name.

STATE OF LOUISIANA
LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2006

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

	Cash	Certificates of Deposit	Other (Describe)	Total
Deposits in Bank Accounts Per Balance Sheet	$ 33,660	$	$	$ 33,660
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 held by the pledging institution's trust department or agent, <u>but not in the entities name</u>				-
Total Bank Balances - All Deposits	$ 33,660	$	$	$ 33,660

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.	Regions Bank	Checking	$ 33,660
2.			
3.			
4.			
Total			$ 33,660

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	$ 0
Petty cash	$ 0

2. INVESTMENTS N/A

3. Derivatives N/A

4. **Credit Risk, Concentration of Credit Risk, Interest Rate Risk, and Foreign Currency Risk Disclosures N/A**

5. **Policies**

The Board does not have a deposit policy for custodial credit risk.

STATE OF LOUISIANA
LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2006

6 Other Disclosures Required for Investments N/A

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

E. INVENTORIES **N/A**

F. RESTRICTED ASSETS **N/A**

G. LEAVE **N/A**

H. RETIREMENT SYSTEM **N/A**

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS **N/A**

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2006 amounted to $4,550.

Nature of lease	FY2006	FY2007	FY2008	FY2009	FY20010	FY2011-2015	FY2016-2020
	$	$	$	$	$	$	$
Total	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

2. CAPITAL LEASES N/A

3. LESSOR DIRECT FINANCING LEASES N/A

4. LESSOR – OPERATING LEASE N/A

K. LONG-TERM LIABILITIES **N/A**

L. LITIGATION **N/A**

M. RELATED PARTY TRANSACTIONS **N/A**

N. ACCOUNTING CHANGES **N/A**

O. IN-KIND CONTRIBUTIONS **N/A**

P. DEFEASED ISSUES **N/A**

Q. COOPERATIVE ENDEAVORS **N/A**

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

STATE OF LOUISIANA
LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2006

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

T. SHORT-TERM DEBT N/A

U. DISAGGREGATION OF RECEIVABLE BALANCES N/A

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2006 are as follows:

Activity	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Operating	$ 960	$	$	$	$ 960
					-
Total payables	$ 960	$ -	$ -	$ -	$ 960

W. SUBSEQUENT EVENTS N/A

X. SEGMENT INFORMATION N/A

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

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS N/A

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS N/A

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

CC. IMPAIRMENT OF CAPITAL ASSETS N/A

DD. EMPLOYEE TERMINATION BENEFITS N/A

STATE OF LOUISIANA
LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the Year Ended June 30, 2006

Name	Amount
	$
	$ 0

SCHEDULE 1

STATE OF LOUISIANA
LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
SCHEDULE OF STATE FUNDING
For the Year Ended June 30, 2006

	Description of Funding	Amount
1.		$
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
	Total	$ 0

SCHEDULE 2

STATE OF LOUISIANA
LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
JUNE 30, 2006

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		$ 0	$ 0	$ 0	$ 0		$ 0

*Send copies of new amortization schedules

SCHEDULE 3-A

STATE OF LOUISIANA
LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
SCHEDULE OF NOTES PAYABLE
JUNE 30, 2006

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		$ 0	$ 0	$ 0	$ 0		$ 0

*Send copies of new amortization schedules

SCHEDULE 3-B

STATE OF LOUISIANA
LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
SCHEDULE OF BONDS PAYABLE
JUNE 30, 2006

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		$ 0	$ 0	$ 0	$ 0		$ 0

*Send copies of new amortization schedules

SCHEDULE 3-C

STATE OF LOUISIANA
LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
For The Year Ended June 30, 2006

Fiscal Year Ending:	Principal	Interest
2007	$	$
2008		
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
Total	$ 0	$ 0

SCHEDULE 4-A

STATE OF LOUISIANA
LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 2006

Fiscal Year Ending:	Payment	Interest	Principal	Balance
2007	$	$	$	$ -
2008				-
2009				-
2010				-
2011				-
2012-2016				-
2017-2021				-
2022-2026				-
2027-2031				-
Total	$ 0	$ 0	$ 0	$ 0

SCHEDULE 4-B

STATE OF LOUISIANA
LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For The Year Ended June 30, 2006

Fiscal Year Ending:	Principal	Interest
2007	$	$
2008		
2009		
2010		
2011		
2012-2016		
2017-2021		
2022-2026		
2027-2031		
Total	$ 0	$ 0

STATE OF LOUISIANA
LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2006

Fiscal Year Ending:	Principal	Interest
2007	$	$
2008		
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
Total	$ 0	$ 0

SCHEDULE 4-D

STATE OF LOUISIANA
LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
JUNE 30, 2006

	Financial Statement	Adjustments	ISIS Appropriation Report-08/14/05	Revised Budget	Variance Postive/(Negative)
Operating Revenues:					
Intergovernmental Revenues	$	$	$ -	$	$ -
Sales of Commodities and Services			-		-
Other			-		-
Total Operating revenues	-	-	-	-	-
Operating Expenses:					
Personal services	$	$	$ -	$	$ -
Travel			-		-
Operating Services			-		-
Supplies			-		-
Professional services			-		-
Capital outlay			-		-
Interagency transfers			-		-
Other charges			-		-
Total Operating Expenses	-	-	-	-	-
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	$ 0	$ 0	$ 0	$ 0	$ 0

STATE OF LOUISIANA

LOUISIANA LICENSED PROFESSIONAL

VOCATIONAL REHABILITATION COUNSELORS

BOARD OF EXAMINERS

SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES

BUDGETARY COMPARISON OF CURRENT APPROPRIATION

NON-GAAP BASIS

JUNE 30, 2006

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	$ ______

Schedule 5

LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS

Cash Basis
Schedule of expendiures of Federal Aw
For the Year Ended June 30, 2006

Budget Schedule No. ______________

Preparer: ______________

Phone Number: (   ) -

NOTE: If other than cash basis, please attach description of basis used.

DUNS Number: ______________

EIN Number: 72-

Federal Grantor	Pass-Through Entity	Program Name/Title and Cluster Name	CFDA or Other Identifying No.	Pass-through Entity's Number	Project Name	Award ID Number	Award Period	Cash Disbursements	Receipts/ Issues	Total
Direct Awards:								$	$	$
Awards from a Pass-Through Entity:								$	$	$
						Total		$	$	$ 0

Federal Grantor = the federal agency that provided the federal award to your entity or a pass-through entity.

Pass-Through Entity = the quasi-public agency, local government, other state government, public college or university in another state, et cetera, that provided the federal award to carry out a federal program, if applicable.

Program Name/Title and Cluster Name = the program name from the CFDA catalog; if not available, the name should be taken from the federal award document; the cluster name should come from these instructions if a program falls within a cluster, see pages 3 and 4 of instructions.

CFDA or Other Identifying No. = number presented on the federal award document; if a CFDA number is not available, an other identifying number **must** be provided along with the 2-digit federal agency prefix, i.e., federal award no., etc. (a list of 2-digit federal agency prefixes is attached, p. 14).

Pass-Through Entity Number = identifying number assigned by the pass-through entity, if applicable.

Project Name = the name of the grant or project as identified in the accounting records; if the project name is the same as the program, enter SAME.

Award ID = the grant, contract, etc., number that was assigned by the Federal grantor; this number is the number that is used when corresponding with the grantor.

Award Period = the period during which the assistance is available to your entity.

Cash Disbursements = the amount of indirect costs and actual cash disbursements made during the 12 months ended June 30, 2006, which have or will be funded with Federal funds.

Issues = the dollar value of food stamps, federal commodities, or other nonmonetary assistance issued during the 12 months ended June 30, 2006.

Total = the total amounts in the cash disbursements and issues columns.

Receipts = the receipt of property or the receipt of surplus property.

LOUISIANA LICENSED PROFESSIONAL VOCATIONAL REHABILITATION COUNSELORS BOARD OF EXAMINERS

Schedule 8

Preparer: ______________________

Phone Number: (   )   -

DUNS Number: ______________________

EIN Number: 72-

Loan Information (If applicable):

Federal Grantor	Program Name/Title and Cluster Name	CFDA or Other Identifying No.	Project Name	Outstanding Loan Balance
				$
			Total	$ 0

STATE OF LOUISIANA
LOUISIANA LICENSED PROFESSIONAL
VOCATIONAL REHABILITATION COUNSELORS
BOARD OF EXAMINERS
COMPARISON FIGURES

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

	2006	2005	Difference	Percentage Change
1) Revenues	$ 33,429	$ 32,108	$ 1,321	4
Expenses	16,594	26,002	(9,408)	(36)
2) Capital assets	0	0	0	-
Long-term debt	0	0	0	-
Net Assets	32,350	15,515	16,835	108

Explanation for change:

SCHEDULE 15

INSTRUCTIONS FOR THE SIMPLIFIED STATEMENT OF ACTIVITIES

Expenses - include all expenses, both operating and non-operating.

Program Revenues - include revenues derived from the program itself. These revenues reduce the net cost of the BTA's activities that must be financed from its general revenues. Program revenues should be reported in the following three categories:

Charges for services - include revenues based on exchange or exchange-like transactions. (An exchange transaction is one in which each party receives and gives up essentially equal values.) These revenues arise from charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. Revenues in this category include fees charged for specific services.

Operating grants and contributions - *revenue arising from mandatory and voluntary nonexchange* transactions with other governments, organizations, or individuals that are restricted for use in a particular program **and** that may be used **either for operating or capital expenses** at the discretion of the BTA. (A *non-exchange transaction is one in which an entity gives or receives value without directly receiving or* giving equal value in return.)

Capital grants and contributions - revenue arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program **and** that are **restricted for capital purposes only** - to purchase, construct, or renovate capital assets associated with a specific program.

Net (Expense) Revenue - Program revenues minus expenses.

General Revenues - all revenues are general revenues unless they are specifically required to be reported as program revenues.

Taxes - *include all taxes received here, as all are considered general revenues, even those levied for a* specific purpose.

State appropriations - include warrants drawn during the fiscal year and the 13th period, plus 14th period if applicable.

Grants and contributions not restricted to specific programs - revenue arising from mandatory and voluntary nonexchange transactions with other governments, organizations or individuals that are not restricted to a specific program.

Interest - any interest earned that is not required to be reported as program revenue (earnings on investments legally restricted to use by a specific program should be reported as program revenue).

Miscellaneous - *any general revenues that do not specifically fall under one of the categories listed.*

Special Items - are significant items subject to management's control, that meet one of the following criteria:

1) unusual in nature – possessing a high degree of abnormality and clearly unrelated or only incidentally related to the ordinary and typical activities of the entity.

2) infrequent in occurrence- not reasonably expected to recur in the foreseeable future, taking into account the environment in which the entity operates.

Extraordinary items - are both significant in nature and infrequent in occurrence.

Transfers - All Interfund activities involving the flow of resources between funds.

Change in net assets - *net (expense) revenue plus general revenues and special items.*

Net assets – beginning - net assets at the beginning of the fiscal year.

Net assets – ending – beginning net assets plus change in net assets.

INFORMATION FOR NOTE C "DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS" (GASB Statement 3 Amended by GASB Statement 40)

I. Purpose:
Note C provides the required disclosures about the governmental entities' deposits with financial institutions and investments. The disclosures required for deposits and investments as of the fiscal year ended date provides information about the credit risk and market risk of the deposits and investments and are designed to provide users of the financial statements information about the potential for losses associated with the deposits and investments. GASB Statement 40 has modified or eliminated portions of GASB Statement 3 including:

- modified the custodial credit risk disclosures of Statement 3 for deposits and investments to limit the required disclosure to only those exposed to custodial credit risk (similar to GASB 3's category 3).
- established or modified disclosure requirements related to concentrations of credit risk of investments, credit risk of debt investments, and interest rate risks of debt investments (including sensitivity to changes in interest rates), and
- established disclosure requirements for foreign currency risks for both deposits and investments.

Although GASB Statement 40 eliminated some of the disclosures required for custodial credit risk (the 3 categories for example), the total reported amounts of all deposits and investments must still be reported.

II. Comparison of amounts disclosed per requirements in Note C to amounts shown on the Balance Sheet (if Balance Sheet is required as part of AFR packet):

- Generally, the amounts of cash and investments on the balance sheet will not be classified exactly the way they would be classified in Note C.
- "Deposits with Financial Institutions" and "Investments" in Note C may be reported on the balance sheet using titles or line items that are different than those in Note C, or they may be combinations of titles or line items. For instance, "Deposits" in Note C may come from several line items on the balance sheet such as "Cash in Bank" and "CD's", or even "Investments" (See section III below that gives further guidance on what should be considered "Deposits" in note C).
- Line items on the balance sheet may include amounts that would be deposits in Note C, and may also include amounts that would be investments in Note C. Also, cash and cash equivalents line items on the balance sheet may include amounts that are not deposited in bank accounts of the entity and therefore would not be reported in Note C as deposits but as separate line items such as petty cash, cash on hand, and treasury cash. These amounts must be reported separately from the deposits in Note C.
- Each line item on the balance sheet that involves cash or investments, including any restricted cash and/or investments, needs to be analyzed to determine what is included in the item and how it should be disclosed in Note C.

III. "Deposits with Financial Institutions" section of Note C:

- Generally, this section of the Note C disclosure refers to the various examples of "Deposits with Financial Institutions" (See "A" below for examples). The term "cash and cash equivalents" is used in reference to GASB Statement 9 that affects presentation for the balance sheet and statement of cash flows, not the note disclosures required by GASB Statement 3 & 40. "Deposits with Financial Institutions" include deposit accounts in banks, savings and loan associations, and credit unions. They can be demand, savings, or time accounts, including negotiable order of withdrawal (NOW) accounts and non-negotiable CD's. As stated previously, deposits for Note C may be a combination of balance sheet line items or titles.
- Do not include treasury cash, petty cash not in a bank account, or cash on hand in Note C as part of the deposits in bank accounts. As mentioned previously, these amounts would be reported separately.

A. Examples and/or definitions:
Nonnegotiable Certificates of Deposit – Nonnegotiable CDs are time deposits that are placed by depositors directly with financial institutions and generally are subject to a penalty if redeemed

before maturity. These are treated as deposits for GASB 3 Note C disclosures. (Negotiable CDs are securities that are normally sold in $1 million units that are traded in a secondary market. These are treated as investments for Note C disclosures.)

Money Market Accounts – financial institution "money market" accounts are simply deposits that pay interest at a rate set to make the accounts competitive with money market mutual funds. They should be treated like any other deposit account for Note C disclosures.

Bank Investment Contracts (BICs) – A BIC is a general obligation instrument issued by a bank, typically to a pension plan, that provides for a guaranteed return on principal over a specified period . Since these are issued by a bank, they are treated as deposits for Note C disclosures.

B. Other definitions as applied to deposits:

Insured (Insurance) – deposits are insured by federal deposit insurance (FDIC), state deposit insurance, multiple financial institution collateral pools that insure public deposits, and even commercial insurance (if scope of coverage would be substantially the same as FDIC).

Collateral – Security pledged by a financial institution to a government entity for its deposits.

IV. "Investments" section of Note C:

- Types of investments for listing investments by type definitions/examples:

  1. Repurchase Agreements – An agreement in which a governmental entity (buyer-lender) transfers cash to a broker-dealer or financial institution (seller-borrower): the broker-dealer or financial institution transfers securities to the entity and promises to repay the cash plus interest in *exchange for a) the same securities, or for* b) *different securities.*

  2. U.S. Government Obligations – examples include treasury bills, treasury notes and treasury strips; obligations of certain U.S. Government Agencies such as FNMA, FHLB, or SLMA.

  3. Common & Preferred Stock – *a security that represents an ownership interest in an entity.*

  4. Commercial Paper (mortgages, notes, etc.) – An unsecured promissory note issued primarily by corporations for a specific amount and maturing on a specific day. Almost all commercial paper is rated as to credit risk by rating services.

  5. Corporate Bonds

  6. Other (identify) – It is not appropriate to present material amounts of investments as "Other", unless the note disclosure describes the composition of the "Other" category. The following are examples of other investments:

     a. Closed-end Mutual Fund – The investment company sells shares of its stock to investors and it invests on the shareholders' behalf in a diversified portfolio of securities. A closed-end mutual fund has a constant number of shares, the value depends on the market supply and demand for the shares rather than directly on the value of the portfolio, the fund does issue certificates, and the securities are traded on a stock exchange.

     b. Open-end Mutual Funds – The investment company sells shares of its stock to investors and it invests on the shareholders' behalf in a diversified portfolio of securities. In contrast to a closed-end mutual fund, the open-end mutual fund creates new shares to meet investor demand, the value depends directly on the value of the portfolio, and the fund does not issue certificates but sends out periodic statements showing account activity. These investments are not evidenced by securities that exist in physical or book entry form.

     c. Reverse Repurchase Agreements - An agreement in which a broker-dealer or financial institution (buyer-lender) transfers cash to a governmental entity (seller-borrower); the entity transfers securities to the broker-dealer or financial institution and promises to repay the cash plus interest in exchange for a) the same securities, or for b) different securities.

     d. Investments in pools managed by another government - Generally, these investments would not be exposed to custodial credit risk because the investments themselves are not evidenced *by securities that exist in physical or book entry form.*

     e. Private placements, such as venture capital and limited partnerships

     f. Investments in real estate, annuity contracts, and direct investments in mortgages

V. Risk Disclosures for Deposits and Investments:

- Deposits and investments are subject to several types of risks, mainly credit risk, market risk, interest rate risk, and foreign currency risk.

Credit risk - defined as the risk that a counterparty to an investment transaction will not fulfill its obligations and can be associated with the issuer of securities, with a financial institution holding deposits, or with a party holding investment or collateral securities.
Concentration of credit risk – defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer.
Market risk – defined as the risk that the market value of investment securities, collateral securities protecting a deposit, or securities of a repurchase agreement will decline.
Interest rate risk – defined as the risk that changes in interest rates will adversely affect the fair value of an investment.
Foreign currency risk – defined as the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit.

A. Custodial Credit Risk Disclosures for Deposits:

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

Collateral – Securities pledged by the financial institution for the purpose of securing the governmental entity's deposits.
Collateralized – When the entity's deposits are secured with securities pledged by the financial institution holding the deposits.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all deposits by the 3 categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are 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.

B. Custodial Credit Risk Disclosures for Investments:

Following GASB Statement 3, investments (listed by type) were either classified into three categories (depending on whether they are insured or registered and who holds the securities and how they are held), or listed as non-classified investments.

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. However, 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 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.

C. Additional Risk Disclosures for Required by GASB Statement 40:

Credit Risk - 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).
Interest Rate Risk - Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years of those investments. In addition, list the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms of the investment (e.g. coupon multipliers, reset dates, etc.).
Concentration of Credit Risk - List, by amount and issuer (not including U.S. government securities, mutual funds, and investment pools), investments in any one issuer that represents 5% or more of total investments.

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 these by currency denomination and investment type, if applicable.
Deposits and Investments Policies Relating to Risk - 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, that fact should be stated.

VI. Securities as Applied to Credit Risk of Deposits and Investments:
Securities defined – a transferable financial instrument that evidences ownership or creditorship. Securities can be in either paper or book-entry form.

1. Examples of securities that are often held by or pledged to (as collateral) governmental entities include:
a. treasury bills, treasury notes, treasury bonds
b. federal agency obligations
c. corporate debt instruments (including commercial paper)
d. corporate equity instruments
e. negotiable CD's (keyword here is negotiable)
f. bankers' acceptances
g. shares of closed-end mutual funds (keyword here is closed-end)
h. shares of unit investment trusts

2. Instruments or investments that are not securities include:
a. investments made directly with another party (such as limited partnerships)
b. real estate
c. direct investments in mortgages and other loans
d. investments in open-ended mutual funds (keyword here is open-ended)
e. pools managed by other governments
f. annuity contracts

INFORMATION FOR NOTE BB. - NET ASSETS RESTRICTED BY ENABLING LEGISLATION

Summary of GASB Statement No. 46 *Net Assets Restricted by Enabling Legislation*

Introduction
The purpose of this GASB Statement 46 is to clear up a confusing area of GASB Statement 34 by giving a more clear definition of enabling legislation and legally enforceability and giving better guidance on how it should be reflected in net assets. The goal is to reduce the difficulty of interpreting the requirement in GASB 34 that the restrictions of net assets be "legally enforceable". This statement specifies the reporting requirements if new enabling legislation replaces existing enabling legislation, or if the legal enforceability evaluation changes. Further, the statement requires that governments disclose the portion of total net assets that is restricted by enabling legislation in the notes to the financial statements.

Enabling Legislation
Enabling legislation authorizes a government to assess, levy, charge, or otherwise mandate payment of resources from external providers. In addition, it includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

Legal Enforceability
Per Statement 46, legal enforceability means that a party external to the government (citizens, public interest groups, judiciary) can compel the government to use the resources created by enabling legislation only for the purposes specified by the legislation. What is considered legally enforceable is a matter of professional judgment. Since enforceability cannot ultimately be proven unless tested through the judicial process, which may never occur, the determination should be based on the facts and circumstances surrounding each individual restriction. A "blanket" or general determination regarding the legal enforceability of enabling legislation should not be used.

New Enabling Legislation Replacing Original Enabling Legislation
If new enabling legislation replaces original enabling legislation by establishing new legally enforceable restrictions on the resources raised by the original legislation, then the resources accumulated from that period forward should be reported as restricted for that purpose. However, existing resources accumulated under the original enabling legislation could be restricted for the original purpose, restricted for the purpose specified in the new legislation, or unrestricted. This determination would be a matter of professional judgment.

Reevaluation of Legal Enforceability
If resources are used for a purpose other than the purpose stipulated in the enabling legislation or some other factor causes a reconsideration, then the legal enforceability of those restricted resources should be reevaluated to determine if they should continue to be reported as restricted. If the reevaluation results in a determination that the restriction is no longer enforceable, then report the resources as unrestricted from the beginning of that period forward. If it is determined that the restrictions are still legally enforceable, then continue to report those resources as restricted net assets.

Note Disclosure Required
Governments should disclose the portion of total net assets that is restricted by enabling legislation at the end of the reporting period in the notes to the financial statements.

Effective Date and Transition
The requirements are effective for fiscal year ended June 30, 2006. The accounting changes adopted in applying this statement should be applied retroactively by reclassifying net asset information in the financial statements for all prior periods presented. In the first period the statement is applied, disclosure should be made of the nature of any reclassification and its effect. Also, an explanation of the reason for not reclassifying net assets for prior periods should be explained.

INFORMATION FOR NOTE CC: IMPAIRMENT OF CAPITAL ASSETS

GASB 42 establishes accounting and financial reporting standards for impairment of capital assets. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. GASB 42, paragraph 9 outlines five (5) common "indicators of impairment." They are:

1) Evidence of physical damage, such as for a building damaged by fire or flood, when the level of damage is such that restoration efforts are needed to restore service utility.
2) Enactment or approval of laws or regulations or other changes in environmental factors, such as new earthquake standards that a facility does not meet, and cannot be modified to meet.
3) Technological development or evidence of obsolescence, such as that related to a major piece of diagnostic or research equipment.
4) A change in the manner or expected duration of use of a capital asset, such as closure of a building prior to the end of its useful life.
5) Construction stoppage, such as stoppage of construction as a result of a lack of funding.

Damaged assets can be separated into the following categories:

1. assets that will not be returned to service
2. assets temporarily out of service due to needed repairs, restoration, or recertification
3. assets remaining in service but needing repair
4. assets damaged that will continue to be used that will not be repaired

If the assets are going to be restored (category 2 and 3), then they need to be evaluated for impairment per GASB 42. If the assets will no longer be used (category 1) or will not be repaired (category 4), then an impairment loss per GASB 42 does not need to be calculated for those assets.

For assets impaired by physical damage, the **restoration cost approach** should be used to calculate the impairment loss. Under this approach, the amount of the impairment loss is derived from the estimated costs to restore the utility of the capital asset. According to the standard, an asset is not considered impaired unless its decline in service utility is significant; therefore, OSRAP has established impairment thresholds for assets impaired by physical damage. In order for an asset to be considered impaired by physical damage, the restoration cost (estimated restoration cost if the asset is not fully restored) of the impaired asset must be equal to or greater than the following:

Infrastructure	\$3 million per agency, per year
Building	Greater of \$100,000 or 20% of the capitalized cost of the building
Movable Property	Greater of \$20,000 or 20% of the capitalized cost of the asset

Infrastructure - The capitalization threshold of \$3 million should be used for infrastructure impaired by physical damage as the test of whether the magnitude in the decline in service utility is significant. Infrastructure will only be considered impaired if the total estimated restoration costs are equal to or greater than the capitalization threshold for infrastructure, or \$3 million per agency, per year. An impairment loss would be calculated on all infrastructure impaired during that year, regardless of the actual dollar value of the restoration cost of each individual infrastructure asset.

Buildings – The greater of the capitalization threshold, \$100,000, or 20 percent of the capitalized costs of the building impaired by physical damage should be used as the test of whether the magnitude in the decline in service utility is significant. If the cost to restore the building is lower than the capitalization threshold or 20 percent of the capitalized cost of the impaired building (whichever is higher), we will not consider the "magnitude in the decline in service utility is significant" component of the impairment test to be met. If, however, the building's restoration costs are equal to or greater than the capitalization threshold or equal to or greater than 20 percent of the capitalized costs of the impaired building (whichever is higher), and the building's decline in service utility is "unexpected", we will conclude that the asset has met the impairment test criteria, and is impaired. Note: According to the provisions of GASB 42, an asset is impaired when there is a "significant" and "unexpected" decline in the service utility of a capital asset.

Movable property – For movable property, the impairment threshold is set at \$20,000. In addition, the greater of the impairment threshold for movable property, \$20,000, or 20 percent of the capitalized cost of the movable property should be used as the test of whether the magnitude in the decline in service utility is significant. If the cost to restore the movable property is equal to or greater than the impairment threshold, \$20,000, or 20 percent of the capitalized cost of the impaired movable property (whichever is greater), and the movable property's decline in service utility is unexpected, we will conclude that the asset has met the impairment test criteria, and is impaired according to the provisions of GASB 42.

For assets impaired by enactment or approval of laws or regulations or other changes in environmental factors, technological development or evidence of obsolescence, or a change in the manner or expected duration of use, use the examples provided in GASB 42 for guidance in calculating the impairment loss. The thresholds developed by OSRAP for estimated restoration cost discussed above do not apply to these assets. Report capital assets impaired by construction stoppage at the lower of carrying value or fair value.

An insurance recovery associated with events or changes in circumstances resulting in impairment of a capital asset should be netted with the impairment loss when the recovery and the loss occur in the same year. Restoration or replacement of the capital asset using the insurance recovery should be reported as a separate transaction. Insurance recoveries should be disclosed if not apparent from the face of the financial statements.

GASB 42 requires that the carrying amount of impaired capital assets that are idle at year end be disclosed in the notes, regardless of whether the impairment is permanent or temporary. However, an impairment loss does not have to be calculated for a temporarily impaired asset. If management has to take action to reverse an impairment, such as restoration of a capital asset with physical damage, then the impairment should be considered permanent. In certain circumstances, temporary impairments could be associated with enactment or approval of laws or regulations or other changes in environmental factors, changes in technology or obsolescence, changes in manner or duration of use, or construction stoppage.