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**LOUISIANA STATE BOARD OF MASSAGE THERAPY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**

BASIC FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2007**

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 9/19/07

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

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

C O N T E N T S
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**MARY SUE STAGES, CPA
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American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center*

INDEPENDENT ACCOUNTANTS' REPORT

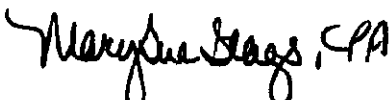
To the Board Members of the
Louisiana State Board of Massage Therapy
12022 Plank Road
Baton Rouge, Louisiana 70811

We have reviewed the accompanying Division of Administration, Office of Statewide Reporting and Accounting Policy's Annual Fiscal Report (AFR) of the business-type activities of the Louisiana State Board of Massage Therapy as of and for the year ended June 30, 2007, which collectively comprise the Louisiana State Board of Massage Therapy's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Louisiana State Board of Massage Therapy's management.

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

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

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated August 28, 2007, on the results of our agreed-upon procedures.



Mary Sue Stages, CPA
A Professional Accounting Corporation
August 28, 2007

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

To the Board Members of the
Louisiana State Board of Massage Therapy
12022 Plank Road
Baton Rouge, Louisiana 70811

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Louisiana State Board of Massage Therapy and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Board's compliance with certain laws and regulations during the year ended June 30, 2007, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

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

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

Code of Ethics for Public Officials and Public Employees

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

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

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

Management provided us with the required list.

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

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

Budgeting

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

Management provided us with a copy of the original budget. There was one amendment to the budget during the year.

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

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

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

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

Accounting and Reporting

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

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

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

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

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

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

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

Meetings

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

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

Debt

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

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

Advances and Bonuses

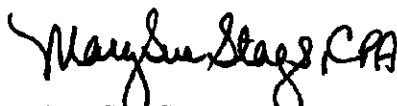
11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances or gifts.

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

The prior year report, dated August 20, 2006, did not include any comments or unresolved matters.

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

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



Mary Sue Stages, CPA
A Professional Accounting Corporation
August 28, 2007

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

August 25, 2007

Mary Sue Stages CPA APAC

3121 Van Buren Street Suite A

Baker La 70704

In connection with your review of our financial statements as of June 30, 2007 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of August 25, 2007.

Public Bid Law

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

Yes No

Code of Ethics for Public Officials and Public Employees

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

Yes No

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

Yes No

Budgeting

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

Yes No

Accounting and Reporting

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

Yes No

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

Yes No

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

Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.
Yes [x] No []

Debt

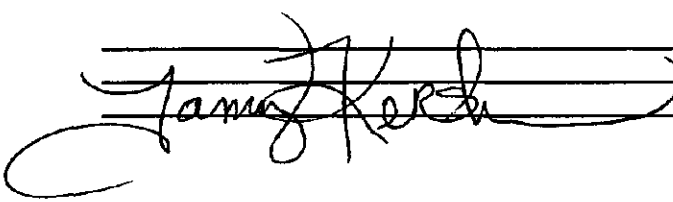
It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.
Yes [x] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.
Yes [x] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

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

	Secretary _____	Date _____
	Treasurer _____	Date _____
	President <u>8-25-07</u>	Date _____

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MASSAGE THERAPY
DEPARTMENT OF HEALTH AND HOSPITALS
SUMMARY SCHEDULE OF PRIOR YEAR'S FINDINGS
YEAR ENDED JUNE 30, 2006

There were no prior year's findings.

**LOUISIANA STATE BOARD OF MASSAGE THERAPY
DEPARTMENT OF HEALTH AND HOSPITALS
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2007**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, this schedule of per diem paid to board members is presented for the year ended June 30, 2007.

Name

Cavanaugh, Michael	\$ 100.00
Hymel, Claudette	3,300.00
Keishaw, Tammy	1,950.00
Landry, Donna	13,850.00
Schwartzberg, Arnold	50.00
Tessier, Janet	<u>250.00</u>
Total	<u>19,500.00</u>

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2007

LOUISIANA STATE BOARD OF MASSAGE THERAPY

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

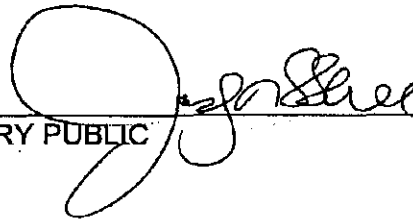
AFFIDAVIT

Personally came and appeared before the undersigned authority, Kayla Aymond, Executive Director of Louisiana State Board of Massage Therapy who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Louisiana State Board of Massage Therapy at June 30, 2007 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 29th day of August, 2007.



Signature of Agency Official



NOTARY PUBLIC

Justyn McGhee 056608
Civil Law Notary Public
Commission Is For Life
STATE OF LA.

Prepared by: Eric J. Vicknair
Title: Certified Public Accountant
Telephone No: 225-292-1040
Date: August 25, 2007

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MASSAGE THERAPY (BTA)
BALANCE SHEET
AS OF JUNE 30, 2007**

CURRENT ASSETS	Cash and cash equivalents	\$	<u>164,456</u>
	Investments		
	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		<u>164,456</u>
NONCURRENT ASSETS:			
	Restricted assets (Note F):		
	Cash		
	Investments		
	Receivables		
	Notes receivable		
	Investments		
	Capital assets (net of depreciation)(Note D)		
	Land		
	Buildings and improvements		
	Machinery and equipment		
	Infrastructure		
	Construction in progress		
	Other noncurrent assets		
	Total noncurrent assets		<u>-</u>
	Total assets	\$	<u>164,456</u>
LIABILITIES			
CURRENT LIABILITIES:			
	Accounts payable and accruals (Note V)	\$	<u>14,432</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)		<u>16,661</u>
	Capital lease obligations - (Note J)		
	Claims and litigation payable (Note K)		
	Notes payable		
	Liabilities payable from restricted assets (Note Z)		
	Bonds payable		
	Other long-term liabilities		
	Total current liabilities		<u>31,093</u>
NON-CURRENT LIABILITIES:			
	Contracts payable		
	Reimbursement contracts payable		
	Compensated absences payable (Note K)		
	Capital lease obligations (Note J)		
	Claims and litigation payable (Note K)		
	Notes payable		
	Liabilities payable from restricted assets (Note Z)		
	Bonds payable		
	Other long-term liabilities		
	Total long-term liabilities		<u>-</u>
	Total liabilities		<u>31,093</u>
NET ASSETS			
	Invested in capital assets, net of related debt		
	Restricted for:		
	Capital projects		
	Debt service		
	Unemployment compensation		
	Other specific purposes		
	Unrestricted		<u>133,363</u>
	Total net assets		<u>133,363</u>
	Total liabilities and net assets	\$	<u>164,456</u>

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

**STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MASSAGE THERAPY
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2007**

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	407,560
Other	_____
Total operating revenues	407,560
OPERATING EXPENSES	
Cost of sales and services	_____
Administrative	415,355
Depreciation	_____
Amortization	_____
Total operating expenses	415,355
Operating income(loss)	(7,795)
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues (expenses)	_____
Taxes	_____
Use of money and property	_____
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	4,506
Other revenue	_____
Other expense	_____
Total non-operating revenues(expenses)	4,506
Income(loss) before contributions, extraordinary items & transfers	(3,289)

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

Statement B

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MASSAGE THERAPY (BTA)
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>Program Revenues</u>			Net (Expense) Revenue and Changes in Net Assets
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Entity	\$ <u>415,355</u>	\$ <u>407,560</u>	\$ _____	\$ <u>(7,795)</u>
General revenues:				
Taxes				_____
State appropriations				_____
Grants and contributions not restricted to specific programs				_____
Interest				4,506
Miscellaneous				_____
Special items				_____
Extraordinary item - Loss on impairment of capital assets				_____
Transfers				_____
Total general revenues, special items, and transfers				4,506
Change in net assets				(3,289)
Net assets - beginning as restated				136,652
Net assets - ending				\$ <u>133,363</u>

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

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

Cash flows from operating activities

Cash received from customers	\$ 407,560	
Cash payments to suppliers for goods and services	(219,500)	
Cash payments to employees for services	(186,997)	
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		\$ 1,063

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		
Transfers In		
Transfers Out		
Other		
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	4,506	
Net cash provided(used) by investing activities		4,506

Net increase(decrease) in cash and cash equivalents 5,569

Cash and cash equivalents at beginning of year 158,887

Cash and cash equivalents at end of year \$ 164,456

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MASSAGE THERAPY
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2007**

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

Operating income(loss)		\$ <u>(7,795)</u>
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	7,845	
Increase(decrease) in accrued payroll and related benefits	_____	
Increase(decrease) in compensated absences payable	1,013	
Increase(decrease) in due to other funds	_____	
Increase(decrease) in deferred revenues	_____	
Increase(decrease) in other liabilities	_____	
 Net cash provided(used) by operating activities		 \$ <u><u>1,063</u></u>

Schedule of noncash investing, capital, and financing activities:

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

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MASSAGE THERAPY
Notes to the Financial Statement
As of and for the year ended June 30, 2007**

INTRODUCTION

The Louisiana State Board of Massage Therapy (the Board) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:3551. The Louisiana State Board of Massage Therapy is a component unit of the State of Louisiana created as provided by Louisiana Revised Statutes 37:3551 within the Louisiana Department of Health and Hospitals. The Board is composed of seven members appointed by the governor, who are charged with licensing and regulating the practice of massage therapy in the State of Louisiana. The Board was established to administer examinations and issue, renew, and suspend and/or revoke licenses of massage therapist in the State of Louisiana. *Operations of the Board are funded entirely through self-generated revenues.*

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.

**STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MASSAGE THERAPY
 Notes to the Financial Statement
 As of and for the year ended June 30, 2007**

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:

Original approved budget	\$	395,021
Amendments:		
Repairs		40,000
Final approved budget	\$	435,021

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

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 40 requires 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 institution's trust department or agent, but not in the entity's name.

**STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MASSAGE THERAPY
 Notes to the Financial Statement
 As of and for the year ended June 30, 2007**

The deposits at June 30, 2007, consisted of the following:

	Cash	Certificates of Deposit	Other (Describe)	Total
Deposits in Bank Accounts Per Balance Sheet	\$ <u>164,456</u>	\$ _____	\$ _____	\$ <u>164,456</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	<u>65,806</u>	_____	_____	<u>65,806</u>
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, <u>but not in the entities name</u>	_____	_____	_____	_____
Total Bank Balances - All Deposits	\$ <u>165,806</u>	\$ _____	\$ _____	\$ <u>165,806</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>Hancock Bank</u>	<u>Checking</u>	\$ <u>165,806</u>
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
Total		\$ <u>165,806</u>

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

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

2. INVESTMENTS

The Board does not maintain investment accounts as authorized.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MASSAGE THERAPY
Notes to the Financial Statement
As of and for the year ended June 30, 2007**

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, 2007						Balance 6/30/07
	Balance 6/30/06	Prior Period Adjustment	Adjusted Balance 6/30/2007	Additions	Transfers*	Retirements	
Capital assets not being depreciated							
Land	\$	\$	\$	\$	\$	\$	\$
Non-depreciable land improvements							
Capitalized collections							
Construction in progress							
Total capital assets not being depreciated	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Other capital assets							
Furniture, fixtures, and equipment	\$	\$	\$	\$	\$	\$	\$
Less accumulated depreciation							
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	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Capital Asset Summary:							
Capital assets not being depreciated	\$	\$	\$	\$	\$	\$	\$
Other capital assets, at cost							
Total cost of capital assets							
Less accumulated depreciation							
Capital assets, net	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

E. INVENTORIES N/A

F. RESTRICTED ASSETS N/A

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MASSAGE THERAPY
Notes to the Financial Statement
As of and for the year ended June 30, 2007**

G. LEAVE

1. COMPENSATED ABSENCES

The Board has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of 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 N/A

H. RETIREMENT SYSTEM

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

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

Vested employees eligible to begin participation in the DBP before July 1, 2006 are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after 7/1/2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, within qualifications and amounts define by statute. 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. For the full description of the LASERS defined benefit plan, please refer to LASERS 2005 Financial Statements, specifically footnotes A- Plan Description and C-Contributions. 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)

**STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MASSAGE THERAPY
 Notes to the Financial Statement
 As of and for the year ended June 30, 2007**

922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and is _____ also available on-line at: [http://www.lasers.state.la.us/PDFs/Publications and Reports/Fiscal Documents/Comprehensive Financial Reports/Comprehensive%20Financial%20Reports 05.pdf](http://www.lasers.state.la.us/PDFs/Publications%20and%20Reports/Fiscal%20Documents/Comprehensive%20Financial%20Reports/Comprehensive%20Financial%20Reports%2005.pdf)

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.0% of gross salary, and the Board 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, 2007, decreased to 17.6% of annual covered payroll from the 19.1% and 17.8% required in fiscal years ended June 30, 2006 and 2005, respectively. The Board contributions to the System for the years ending June 30, 2007, 2006, and 2005, were \$20,997, \$18,520, and \$23,438 respectively, equal to the required contributions for each year.

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 2007 amounted to \$18,000. A schedule of payments for operating leases follows:

Nature of lease	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013-2017	FY2018-2022
Office Rent	\$ 2,250	\$	\$	\$	\$	\$	\$
Total	\$ 2,250	\$	\$	\$	\$	\$	\$

- 2. CAPITAL LEASES N/A
- 3. LESSOR DIRECT FINANCING LEASES N/A
- 4. LESSOR – OPERATING LEASE N/A

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MASSAGE THERAPY
Notes to the Financial Statement
As of and for the year ended June 30, 2007**

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2007:

	Balance June 30, 2006	Year ended June 30, 2007		Balance June 30, 2007	Amounts due within one year
		Additions	Reductions		
Bonds and notes payable:					
Notes payable	\$	\$	\$	\$	\$
Reimbursement contracts payable					
Bonds payable					
Total notes and bonds					
Other liabilities:					
Contracts payable					
Compensated absences payable	15,648	1,013		16,661	
Capital lease obligations					
Claims and litigation					
Liabilities payable from restricted assets					
Other long-term liabilities					
Total other liabilities	<u>15,648</u>	<u>1,013</u>		<u>16,661</u>	
Total long-term liabilities	<u>\$ 15,648</u>	<u>\$ 1,013</u>	<u>\$ 0</u>	<u>\$ 16,661</u>	<u>\$</u>

L. CONTINGENT LIABILITIES N/A

M. RELATED PARTY TRANSACTIONS N/A

N. ACCOUNTING CHANGES N/A

O. IN-KIND CONTRIBUTIONS N/A

P. DEFEASED ISSUES N/A

Q. COOPERATIVE ENDEAVORS N/A

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

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

T. SHORT-TERM DEBT N/A

U. DISAGGREGATION OF RECEIVABLE BALANCES N/A

**STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MASSAGE THERAPY
 Notes to the Financial Statement
 As of and for the year ended June 30, 2007**

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2007, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General	\$ 5,095	9,337	\$	\$	\$ 14,432
Total payables	\$ 5,035	\$ 9,337	\$	\$	\$ 14,432

- 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 STATE BOARD OF MASSAGE THERAPY
 SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
 June 30, 2007**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/06	Redeemed (Issued)	Principal Outstanding 6/30/07	Interest Rates	Interest Outstanding 6/30/07
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>		\$ <u>0</u>

**STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MASSAGE THERAPY
 SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
 For The Year Ended June 30, 2007**

Fiscal Year Ending:	Principal	Interest
2008	\$ _____	\$ _____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
2032	_____	_____
Total	\$ 0	\$ 0

**STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MASSAGE THERAPY
 SCHEDULE OF CAPITAL LEASE AMORTIZATION
 For The Year Ended June 30, 2007**

Fiscal Year Ending:	Payment	Interest	Principal	Balance
2008	\$ _____	\$ _____	\$ _____	\$ --
2009	_____	_____	_____	--
2010	_____	_____	_____	--
2011	_____	_____	_____	--
2012-2016	_____	_____	_____	--
2017-2021	_____	_____	_____	--
2022-2026	_____	_____	_____	--
2027-2032	_____	_____	_____	--
Total	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

SCHEDULE 4-B

**STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MASSAGE THERAPY
 SCHEDULE OF NOTES PAYABLE AMORTIZATION
 For The Year Ended June 30, 2007**

Fiscal Year Ending:	Principal	Interest
2008	\$ _____	\$ _____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012-2016	_____	_____
2017-2021	_____	_____
2022-2026	_____	_____
2027-2032	_____	_____
Total	\$ <u>0</u>	\$ <u>0</u>

**STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MASSAGE THERAPY
 SCHEDULE OF BONDS PAYABLE AMORTIZATION
 For The Year Ended June 30, 2007**

Fiscal Year Ending:	Principal	Interest
2008	\$ _____	\$ _____
2009	_____	_____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
2032	_____	_____
Total	\$ <u>0</u>	\$ <u>0</u>

SCHEDULE 4-D

STATE OF LOUISIANA
 LOUISIANA STATE BOARD OF MASSAGE THERAPY
 SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
 BUDGETARY COMPARISON OF CURRENT APPROPRIATION
 NON-GAAP BASIS
 June 30, 2007

Financial Statement	Adjustments	ISIS Appropriation Report-08/14/06	Revised Budget	Variance Positive/(Negative)
Revenues:				
Intergovernmental Revenues	\$	\$	\$	-
Federal Funds				-
Sales of Commodities and Services				-
Other				-
Total appropriated revenues	-	-	-	-
Expenses:				
Cost of goods sold	\$	\$	\$	-
Personal services				-
Travel				-
Operating Services				-
Supplies				-
Professional services				-
Other charges				-
Capital outlay				-
Interagency transfers				-
Debt Service				-
Other:				-
Bad debts				-
Depreciation				-
Compensated absences				-
Interest Expense				-
Other (Identify)				-
Total appropriated expenses	-	-	-	-
Excess (deficiency) of revenues over expenses (budget basis)	\$	\$	\$	-

Note : Schedule 5 is only applicable for those entities whose budget is appropriated by the legislature

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF MASSAGE THERAPY
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
JUNE 30, 2007

Excess (deficiency) of revenues over expenses (budget basis)	\$ _____
Reconciling items:	
Cash carryover	_____
Use of money and property (interest income)	_____
Depreciation	_____
Compensated absences adjustment	_____
Capital outlay	_____
Disposal of fixed assets	_____
Change in inventory	_____
Interest expense	_____
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	\$ <u>_____</u>

Note : Schedule 5 is only applicable for entities whose budget is appropriated by the legislature

LOUISIANA STATE BOARD OF
MESSAGE THERAPY

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

LOUISIANA STATE BOARD OF MASSAGE THERAPY

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>2007</u>	<u>2006</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 412,066	\$ 383,818	\$ 28,242	7.4%
Expenses	415,355	370,868	44,487	12.0%
2) Capital assets	0	0	0	
Long-term debt	0	0	0	
Net Assets	133,363	136,652	(3,289)	(2.4%)
Explanation for change:	_____			

