State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY

KATHLEEN BABINEAUX BLANCO
GOVERNOR

JERRY LUKE LEBLANC
COMMISSIONER OF ADMINISTRATION

June 29, 2006

Dear Sir or Madam:

Attached is the reporting packet that has been developed by the Division of Administration, Office of Statewide Reporting and Accounting Policy (OSRAP) to be used by **Internal Service** fund agencies of the state of Louisiana reporting as **Business-type Activities (BTA's)**. This packet is required for reporting the results of operations of these BTA's for the fiscal period ending June 30, 2006. Entities whose reporting year end is other than June 30, 2006, should prepare the statement for the fiscal period ending between July 1, 2005, and June 30, 2006. *This packet is a Word document with embedded Excel spreadsheets for the financial statements and is available on OSRAP's website at* www.doa.la.gov/osrap *(select "AFR Packets" and then "Internal Service BTA Packet").*

The financial information for each BTA will be included in Louisiana's Comprehensive Annual Financial Report (CAFR). To assist us in publishing the State's financial report within statutory deadlines, the deadline to submit the AFR packet is **August 30, 2006**. No extensions will be granted whether you use a CPA firm to prepare your statements or prepare them in-house. Your cooperation in this matter is appreciated.

The format provided in this packet must be used and the packet should be included in the report you submit to OSRAP. Some of you will use an outside auditor (or the Legislative Auditor) to complete your report. They may use a form different from the one enclosed. In this situation, the enclosed packet will be a part of the auditor's report and labeled "Required Supplementary Information". Your auditor must ensure that the OSRAP financial report includes the same information as the one prepared by the Legislative Auditor or the outside firm. The only differences should be the titles of some of the accounts and the format of the statement.

If your entity issued additional bonded debt, include copies of the amortization schedules for this debt with the packet you submit.

Capital assets, **including infrastructure,** must be reported per GASB 34. Infrastructure assets should be capitalized and depreciated over a useful life of 40 years. OSRAP's threshold for infrastructure assets is the aggregate of $3,000,000 expended per entity per year. If your entity does not meet this threshold, the infrastructure will not be capitalized or depreciated.

The financial statements and schedules should be prepared using the economic resources measurement focus and the full accrual basis of accounting, as required by GASB 34. All financial data should be rounded to the nearest dollar. If an audit has changed your prior year ending fund balance, use that as your beginning fund balance and include a note to explain the difference.

Several new GASB Statements (GASB Statements 42, 46 & 47) are being implemented for this fiscal year end that will require additional disclosures. GASB Statement No. 42 – *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* establishes accounting and financial reporting standards for impairment of capital assets and insurance recoveries, which has magnified in its relevance due to the hurricanes this fiscal year. Refer to Note CC for the disclosure requirements.

GASB Statement No. 46 – *Net Assets Restricted by Enabling Legislation* which was issued to clarify GASB Statement 34 by providing a clearer definition of enabling legislation and legal enforceability and providing guidance on how it should be reflected in net assets. Refer to Note BB and the instructions at the end of the packet for details on information required by this new statement.

GASB Statement No. 47 – *Accounting for Termination Benefits* requires certain disclosures about an employer's accounting for employee termination benefits. Termination benefits are benefits other than salaries and wages that are provided by employers as settlement for involuntary terminations initiated by management, or as incentives for voluntary terminations initiated by employees. Involuntary termination benefits include benefits such as severance pay and payments for unused leave balances. Voluntary termination benefits include benefits such as enhanced early retirement options resulting from an approved early retirement plan and payments for unused leave balances. See OSRAP memorandum 6-28 for additional information on GASB 47 and refer to Note DD for the required disclosures.

Legal compliance must also be met and consequently supplementary schedules fulfilling that legal compliance must also be completed. The submitted financial packet should include at a minimum:

1. Notarized Affidavit
2. Balance Sheet as of June 30, 2006, or Fiscal Year End Date other than June 30, 2006
3. Statement of Revenues, Expenses, and Changes in Fund Net Assets for the period ending June 30, 2006, or Fiscal Year End Date other than June 30, 2006
4. Statement of Cash Flows – Direct Method
5. Notes to the Financial Statement
   Schedule 5, Schedule of Current Year Revenue and Expenses – Budgetary Comparison of Current Appropriation – Non GAAP Basis, is required to be prepared by any entity that has a legislatively appropriated budget based on an act during the legislative session for fiscal year 2006.

6. Supplementary Schedules
   a) Schedule 1 Schedule of Per Diem Paid Board Members
   b) Schedule 2 Schedule of State Funding
   c) Schedule 3A-3C Schedules of Long-Term Debt
   d) Schedule 4A-4D Schedules of Long-Term Debt Amortization
   e) Schedule 5 Schedule of Current Year Revenue and Expenses – Budgetary Comparison of Current Appropriation – Non GAAP Basis (Only applicable for entities whose budget is appropriated by the legislation).
   f) Schedule 15 Schedule of Comparison Figures

The Annual Fiscal Report must be forwarded under separate cover to **both** the Division of Administration, OSRAP and the Legislative Auditor's Office (Post Office Box 94397, Baton Rouge, Louisiana 70804-9397) no later than **August 30, 2006**. Be certain that copies of all reports, statements, and schedules are included. Please note the affidavits sent to the Office of Statewide Reporting and to the Legislative Auditor must both be original, signed and notarized documents.

The Legislative Auditor's Office will not send out separate affidavit forms.

If you have any questions concerning the above, please contact Ms. Katherine Porche or another member of my staff at (225) 342-0708.

Sincerely,

Afranie Adomako, CPA
Director

AA:ps

Enclosure

____
(Agency Name)
STATE OF LOUISIANA
Annual Financial Statements
June 30, 20_____

C O N T E N T S

TRANSMITTAL LETTER
AFFIDAVIT

Statements

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- B. Budgetary Accounting
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- D. Capital Assets – Including Capital Lease Assets
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- I. Post Retirement Health Care and Life Insurance Benefits
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- T. Short-Term Debt
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- AA. Prior-Year Restatement of Net Assets
- BB. Net Assets Restricted by Enabling Legislation (Additional information in Appendix C).
- CC. Impaired Net Assets (Additional information in Appendix D)
- DD. Employee Termination

Schedules
- 1 Schedule of Per Diem Paid to Board Members
- 2 Schedule of State Funding
- 3a-3c Schedules of Long-Term Debt
- 4a-4d Schedules of Long-Term Debt Amortization

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(Agency Name)
STATE OF LOUISIANA
Annual Financial Statements
June 30, 20_____

C O N T E N T S
(Concluded)

5 Schedule of Current Year Revenue and Expenses – Budgetary Comparison of Current Appropriation – Non GAAP Basis (Only applicable for entities whose budget is appropriated by the legislature).
15 Schedule of Comparison Figures

Appendix
A Information for Note C - Deposits with Financial Institutions and Investments
B Information for Note BB – Net assets Restricted by Enabling Legislation
C Information for Note CC – Impairment of Capital Assets

____
Schedule Number

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 20____

____
(Agency Name)

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

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

AFFIDAVIT

Personally came and appeared before the undersigned authority, _______________________ (Name) (Title) of __________________________________(Agency) who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of (agency) at June 30, ___ 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 __________ day of ________________,20____.

____
Signature of Agency Official

____
NOTARY PUBLIC

Prepared by: ________________________________

Title: ______________________________________

Telephone No.: _____________________________

Date: ______________________________________

____
Schedule Number

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 20____

____
(Agency Name)

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

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

AFFIDAVIT

Personally came and appeared before the undersigned authority, _______________________(Name) (Title) of ________________________________(Agency) who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of (agency) at June 30, ___ 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 __________ day of ________________,20____.

____
Signature of Agency Official

____
NOTARY PUBLIC

Prepared by: ________________________________

Title: ______________________________________

Telephone No.: ______________________________

Date: ______________________________________

STATE OF LOUISIANA
___________________________(BTA)
BALANCE SHEET
AS OF ________________________, 20__

CURRENT ASSETS:		
Cash and cash equivalents (Note C1)	$	
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		-
NON-CURRENT 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	$	-
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable and accruals (Note V)	$	
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)		
Claims and litigation payable (Note K)		
Notes payable		
Liabilities payable from restricted assets (Note Z)		
Bonds payable		
Other long-term liabilities		
Total current liabilities		-
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		-
Total liabilities		-
NET ASSETS		
Invested in capital assets, net of related debt		
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		-
Total net assets		-
Total liabilities and net assets	$	-

The accompanying notes are an integral part of these financial statements.

Statement A

STATE OF LOUISIANA
____________________________(BTA)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED ______________________, 20__

OPERATING REVENUES	
Sales of commodities and services	$
Assessments	
Use of money and property	
Licenses, permits, and fees	
Other	
Total operating revenues	-
OPERATING EXPENSES	
Cost of sales and services	
Administrative	
Depreciation	
Amortization	
Total operating expenses	-
Operating income(loss)	-
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	
Intergovernmental revenues (expenses)	
Taxes	
Use of money and property (interest income)	
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	
Federal grants	
Interest expense	
Other revenue	
Other expense	
Total non-operating revenues(expenses)	-
Income(loss) before contributions and transfers	-
Capital contributions	
Extraordinary item - Loss on impairment of capital assets	
Transfers in	
Transfers out	
Change in net assets	-
Total net assets – beginning as restated	
Total net assets – ending	$ -

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

Statement B

STATE OF LOUISIANA
______________________________(BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED_____________________, 20__

Cash flows from operating activities		
Cash received from customers	$ ______	
Cash payments to suppliers for goods and services	______	
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		-
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		
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		-
Cash and cash equivalents at beginning of year		______
Cash and cash equivalents at end of year		$ -

(Continued)

The accompanying notes are an integral part of this statement.

Statement C

STATE OF LOUISIANA
_________________________________(BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED_______________________, 20__

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

Operating income(loss)		$
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization		
Provision for uncollectible accounts		
Other		
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		
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		$ -

Schedule of noncash investing, capital, and financing activities:

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

(Concluded)

The accompanying notes are an integral part of this statement.

Statement C

STATE OF LOUISIANA
______________________(BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 20__

INTRODUCTION

The ___________________(BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute ________________. The following is a brief description of the operations of __________________(BTA) which includes the parish/parishes in which the (BTA) is located:

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

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

The accompanying financial statements of ______________________________ present information only as to the transactions of the programs of the _______________________ 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 ___________________ 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 _____________ (BTA) are annual lapsing appropriations.

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

		APPROPRIATIONS
Original approved budget	$	____________
Amendments:		____________
		____________
		____________
		____________
Final approved budget	$	-

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendix A for information related to Note.

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 _________________ (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana, savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

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

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

Beginning in FY 2004, the implementation of GASB Statement 40 (which amended GASB Statement 3) eliminated the requirement to disclose all deposits by the three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at ____________, 20___, consisted of the following:

	Cash	Certificates of Deposit	Other (Describe)	Total
Deposits in bank accounts per balance sheet	$	$	$	$ -
Bank balances exposed to custodial credit risk:				
a. Uninsured and uncollateralized				-
b. Uninsured and collateralized with securities held by the pledging institution				-
c. Uninsured and collateralized with securities held held by the pledging institution's trust department or agent, but not in the entities name				-
Total Bank Balances - All Deposits	$	$	$	$ -

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

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

	Banking institution	Program	Amount
1.			$
2.			
3.			
4.			
Total			$ -

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

Cash in State Treasury	$ ________
Petty cash	$ ________

2. INVESTMENTS

The ______________________________ (BTA) does (does not) maintain investment accounts as authorized by____________________ (Note legal provisions authorizing investments by (BTA)).

Custodial Credit Risk

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

Beginning with FY 2004, the implementation of GASB Statement 40 (which amended GASB Statement 3) eliminated the requirement to disclose all investments by the three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed 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. In addition, the total reported amount and fair value

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

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

columns still must be reported for total investments regardless of exposure to custodial credit risk. Using the following table, list each type of investment disclosing the carrying amount, market value, and applicable exposure to custodial credit risk:

3. DERIVATIVES

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

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

A. Credit Risk of Debt Investments

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

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).

Rating		Fair Value
	$	
Total	$	-

B. Interest rate Risk

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

		Investment Maturities (in Years)			
Type of Debt Investment	Fair Value	Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Government obligations	$	$	$	$	$
U.S. Agency obligations					
U.S. Treasury obligations					
Mortgage backed securities					
Collateralized mortgage obligations					
Corporate bonds					
Other bonds					
Mutual funds					
Other					
Total debt investments	$ -	$ -	-	-	$ -

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

Debt Investment		Fair Value	Terms
	$		
Total	$	-	

C. Concentration of Credit Risk

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

Issuer		Amount	% of Total Investments
____________	$	____________	________
____________		____________	________
____________		____________	________
Total	$	-	

D. Foreign Currency Risk

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

		Fair Value in U.S. Dollars		
Foreign Currency		Bonds		Stocks
____________	$	____________	$	____________
____________		____________		____________
____________		____________		____________
____________		____________		____________
Total		-	$	-

5. POLICIES

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

____
____
____
____
____

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

a. Investments in pools managed by other governments or mutual funds______________________
____.

b. Securities underlying reverse repurchase agreements__________________________________
____.

c. Unrealized investment losses ____
____.

d. Commitments as of ______________(fiscal close), to resell securities under yield maintenance repurchase agreements:
   1. Carrying amount and market value at June 30 of securities to be resold ________________
   ____
   2. Description of the terms of the agreement ____
   ____

____

e. Losses during the year due to default by counterparties to deposit or investment transactions ____
____

f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet____

Legal or Contractual Provisions for Reverse Repurchase Agreements

g. Source of legal or contractual authorization for use of reverse repurchase agreements __________
____

h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year ____
____

Reverse Repurchase Agreements at Year-End

i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at balance sheet date, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest____
____

j. Commitments on ____________(fiscal close) to repurchase securities under yield maintenance agreements____

k. Market value on ____________ (fiscal close) of the securities to be repurchased _______________
____

l. Description of the terms of the agreements to repurchase ___________________________________
____

m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements ____
____

n. Amounts recovered from prior-period losses which are not separately shown on the operating statement____

Fair Value Disclosures

o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices ____
____

p. Basis for determining which investments, if any, are reported at amortized cost ________________
____

q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool ____
____

r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares ____
____

s. Any involuntary participation in an external investment pool ______________________________
____

t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining fair value and the reasons for having had to make such an estimate __________________________
____
____

u. Any income from investments associated with one fund that is assigned to another fund__________
____

D. CAPITAL ASSETS - INCLUDING CAPITAL LEASE ASSETS

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

	Year ended June 30, 2006						
	Balance 6/30/2005	Prior Period Adjustment	Adjusted Balance 6/30/2005	Additions	Transfers*	Retirements	Balance 6/30/2006
Capital assets not being depreciated							
Land	$	$	$ --	$	$	$	$ --
Non-depreciable land improvements			--				--
Capitalized collections			--				--
Construction in progress			--				--
Total capital assets not being depreciated	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Other capital assets							
Furniture, fixtures, and equipment	$	$	$ --	$	$	$	$ --
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	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Capital Asset Summary:							
Capital assets not being depreciated	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Other capital assets, at cost	--	--	--	--	--	--	--
Total cost of capital assets	--	--	--	--	--	--	--
Less accumulated depreciation	--	--	--	--	--	--	--
Capital assets, net	$ --	$ --	$ --	$ --	$ --	$ --	$ --

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

E. INVENTORIES

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

F. RESTRICTED ASSETS

Restricted assets in the ______________(BTA) at ________________(fiscal year end), reflected at $___________ in the non-current assets section on Statement A, consist of $___________ in cash with fiscal agent, $___________ in receivables, and $___________ investment in ____ (identify the type of investments held.)

G. LEAVE

1. COMPENSATED ABSENCES

The ________________(BTA) has the following policy on annual and sick leave: (Describe leave policy.)

An example disclosure follows:

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

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

2. COMPENSATORY LEAVE

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

H. RETIREMENT SYSTEM

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

All full-time BTA employees are eligible to participate in the System unless they elect to continue as a contributing member in any other 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 at retirement age, employees are entitled to annual benefits equal to $300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service 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 DPB beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006 are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, within qualifications and amounts defined by statue. 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 DBP, 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) 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%Financial20Financial%20Reports_05.pdf.

Members are required by state statute to contribute, with the single largest group ("regular members") contributing 7.5% of gross salary, and the BTA is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 20__, decreased/increased to ___% of annual covered payroll from the ___% and ___% required in fiscal years ended June 30, 2005 and 2004, respectively. The BTA contributions to the System for the years ending June 30, 2006, 2005, and 2004, were $______, $______, and $_____, respectively, equal to the required contributions for each year.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

GASB 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits: (**<u>Note</u>**: **Ensure that the number of retirees is disclosed below)**

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

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

The ________________________(BTA) provides certain health care and life insurance benefits for its retired employees. Substantially all BTA employees become eligible for post employment health care, and life insurance benefits if they reach normal retirement age while working for the (BTA). These benefits for retirees and similar benefits for active employees are provided through an insurance company whose premiums are paid jointly by the employee and the (BTA). Complete (a) if the cost of retiree post employment health care benefits can be separated from active employees, otherwise complete paragraph (b).

a) For 2006, the cost of providing those benefits for the _____ # of retirees totaled $_________.

b) The (BTA) recognizes the cost of providing these benefits (BTA)'s portion of premiums as an expenditure when paid during the year, which was $___________ for the year ended ______________, 20___. The cost of providing those benefits for ________ retirees (# of retirees) is not separable from the cost of providing benefits for the __________ active employees (# of active employees).

J. LEASES

Note: Where we are requesting five-year amounts, list the total amount (sum) for the five-year period, not the annual amount for each of the five years.

1. OPERATING LEASES

The total payments for operating leases during fiscal year________amounted to $________.
A schedule of payments for operating leases follows: (Note: If lease payments extend past FY 2021, please create additional columns and report these future minimum lease payments in five year increments.)

Nature of lease	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012-2016	FY2017-2021
	$	$	$	$	$	$	$
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -

2. CAPITAL LEASES

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

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

Schedule A should be used to report all capital leases including new leases in effect as of 6/30/06. In Schedule B, report only those new leases entered into during fiscal year 2005-2006.

SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

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

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY 2026, create additional rows and report these future minimum lease payments in five year increments.)

Year ending June 30, :	Total
2007	$
2008	
2009	
2010	
2011	
2012-2016	
2017-2021	
2022-2026	
Total minimum lease payments	-
Less amounts representing executory costs	
Net minimum lease payments	-
Less amounts representing interest	
Present value of net minimum lease payments	$ -

3. LESSOR DIRECT FINANCING LEASES

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

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

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

Composition of lease	Date of lease	Minimum lease payment receivable	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space	________	$ ________	$ ________	$ ________
b. Equipment	________	________	________	________
c. Land	________	________	________	________
Less amounts representing executory costs		________		
Minimum lease payment receivable		-		
Less allowance for doubtful accounts		________		
Net minimum lease payments receivable		-		
Estimated residual values of leased property		________		
Less unearned income		________		
Net investment in direct financing lease		$ -		

Minimum lease payments do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if for example the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2006 were $___________ for office space, $________ for equipment, and $________ for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of ___________ (the last day of your fiscal year): [Note: If lease receivables extend past FY2026, create additional rows and report these future minimum lease payments in five year increments.]

Year ending _______________:	
2007	$ ________
2008	________
2009	________
20010	________
2011	________
2012-2016	________
2017-2021	________
2022-2026	________
Total	$ -

4. LESSOR – OPERATING LEASE

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

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

	Cost	Accumulated depreciation	Carrying amount
a. Office space	$	$	$
b. Equipment			
c. Land			
Total	$ -	$ -	$ -

The following is a schedule by years of minimum future rentals on non-cancelable operating lease(s) as of __________ (the last day of your fiscal year): (Note: If lease receivables extend past FY2026, create additional rows and report these future minimum lease payments in five year increments.)

Year Ended June 30,	Office Space	Equipment	Land	Other	Total
2007	$	$	$	$	$ -
2008					-
2009					-
2010					-
2011					-
2012-2016					-
2017-2021					-
2022-2026					-
Total	$ -	$ -	$ -	$ -	$ -

Current year lease revenues received in fiscal year _________ totaled $______________.

Contingent rentals received from operating leases received for your fiscal year was $________________ for office space, $_____________for equipment, and $______________for land.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 20__: (Balances at June 30th should include current and non-current portion of long-term liabilities.)

		Balance June 30, 2005	Additions	Reductions	Balance June 30, 2006	Amounts due within one year
Bonds and notes payable:						
Notes payable		$	$	$	$ --	$
Reimbursement contracts payable					--	
Bonds payable					--	
Total notes and bonds		--	--	--	--	--
Other liabilities:						
Contracts payable					--	
Compensated absences payable					--	
Capital lease obligations					--	
Claims and litigation payable					--	
Liabilities payable from restricted assets					--	
Other long-term liabilities					--	
Total other liabilities		--	--	--	--	--
Total long-term liabilities		$ --	$ --	$ --	$ --	$ --

(Send a copy of the amortization schedule for any new debt issued.)

L. CONTINGENT LIABILITIES

GAAP requires that the notes to the financial statements disclose any situation where there is at least a reasonable possibility that assets have been impaired or that a liability has been incurred. **Impaired assets are disclosed in Note CC.** Losses or pending litigation that is probable should be reflected on the balance sheet. Sometimes it is reasonably possible that a loss falls somewhere within a monetary range, but only the low end of the range is considered probable and should be reflected on the balance sheet. In that case, the amount that was not booked should be disclosed as a contingent liability in the notes to the financial statements (indicate below the amount that is probable and portion that is not booked as reasonably possible). The ____________ BTA is a defendant in litigation seeking damages as follows:

Date of Action	Description of Litigation	Primary Attorney	Damages Claimed	Insurance Coverage
________	________________	________	$ ________	$ ________
________	________________	________	________	________
________	________________	________	________	________
Totals			$ ________	$ ________

Disclose any cases where it is probable that a liability has been incurred, but the effect of the liability has not been reflected in the financial statements because it can not be estimated.

____
____
____

____

Disclose any guarantee of indebtedness even if there is only a remote chance that the government will be called on to honor its guarantee.

____
____

M. RELATED PARTY TRANSACTIONS

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

N. ACCOUNTING CHANGES

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

O. IN-KIND CONTRIBUTIONS

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

In-Kind Contributions		Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor
____________________	$	____________________
____________________		____________________
____________________		____________________
____________________		____________________
____________________		____________________
Total	$	-

P. DEFEASED ISSUES

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

Q. COOPERATIVE ENDEAVORS

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state.

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

The liability outstanding for fiscal year ending June 30, 2006, by funding source, is as follows:

Funding Source	Balance June 30, 2006
State General Fund	$ ________
Self-generated revenue	________
Statutorily dedicated revenue	________
General obligation bonds	________
Federal funds	________
Interagency transfers	________
Other funds/combination	________
Total	$ ________

NOTE: Amounts in excess of contract limits **cannot** be used to reduce the outstanding contract balance at June 30, 2006. For example, if a contract specifies a percentage of usage for each month (25%) and usage exceeds that percentage (75%), you cannot claim actual usage that exceeds contract requirements (50%).

NOTE: In order to compute ending balances by funding source, begin with your balances at June 30, 2005. These amounts will be increased by amounts for new contracts and amendments and decreased for payments and liquidations.

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2005-2006:

CFDA Number	Program Name	State Match Percentage	Total Amount of Grant
			$
Total government-mandated nonexchange transactions (grants)			$ -

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At June 30, 20__, the ____________________ (BTA) was not in compliance with the provisions of __________________ Bond Reserve Covenant that requires ___________________________________. The ___________________________________ BTA did ____________________________________ ____to correct this deficiency.

T. SHORT-TERM DEBT

The______________________ (BTA) issues short-term notes for the following purposes:________ ____ ____.

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

List the type of S-T Debt (e.g. Tax anticipation notes):	Beginning Balance	Issued	Redeemed	Ending Balance
	$	$	$	$ -

The _________________________________ BTA uses a revolving line of credit for the following purposes: ____. Short-term debt activity for the year ended June 30, 20__, was as follows:

	Beginning Balance	Draws	Redeemed	Ending Balance
Line of credit	$	$	$	$ -

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 20__, were as follows:

Activity (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	
	$	$	$	$	$
Gross receivables	$ -	$ -	$ -	$ -	$
Less allowance for uncollectible accounts	-	-	-	-	
Receivables, net	$ -	$ -	$ -	$ -	$
Amounts not scheduled for collection during the subsequent year	$	$	$	$	$

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 20__, were as follows:

Activity (gen. fund, gas tax fund, etc.)	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
	$	$	$	$	$ -
					-
Total payables	$ -	$ -	$ -	$ -	$ -

W. SUBSEQUENT EVENTS

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

X. SEGMENT INFORMATION

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

Type of goods or services provided by the segment____.

A. Condensed balance sheet:
   (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTA's should be reported separately.

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

Condensed Balance Sheet:

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

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

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

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

C. Condensed statement of cash flows:
(1) Net cash provided (used) by:
(a) Operating activities
(b) Noncapital financing activities
(c) Capital and related financing activities
(d) Investing activities
(2) Beginning cash and cash equivalent balances
(3) Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

	Segment #1	Segment #2
Net cash provided (used) by operating activities	$	$
Net cash provided (used) by noncapital financing activities		
Net cash provided (used) by capital and related financing activities		
Net cash provided (used) by investing activities		
Beginning cash and cash equivalent balances		
Ending cash and cash equivalent balances	-	-

Y. DUE TO/DUE FROM AND TRANSFERS

1. List by fund type the amounts **due from other funds** detailed by individual fund at your fiscal year end: (Types of funds include general fund, statutory dedicated funds, discrete, component unit funds, etc.)

Type of Fund	Name of Fund	Amount
		$
Total due from other funds		$

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

Type of Fund	Name of Fund	Amount
______________	______________	$ ______________
______________	______________	______________
______________	______________	______________
Total due to other funds		$ ______________

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

Type of Fund	Name of Fund	Amount
______________	______________	$ ______________
______________	______________	______________
______________	______________	______________
Total transfers from other funds		$ ______________

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

Type of Fund	Name of Fund	Amount
______________	______________	$ ______________
______________	______________	______________
______________	______________	______________
Total transfers to other funds		$ ______________

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets in the _______________ BTA at___________(fiscal year end), reflected at $_______________in the current liabilities section on Statement A, consist of $____________ in accounts payable, $_____________ in notes payable, and $_______________ _____________________.

Liabilities payable from restricted assets in the _______________ BTA at___________(fiscal year end), reflected at $_______________in the non-current liabilities section on Statement A, consist of $____________in accounts payable, $_____________ in notes payable, and $_______________ in _____________________.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

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

Fund balance July 1, 2005, previously reported	Adjustments + or (-)	Beginning net assets, July 1, 2005, As restated
______________	$ ______________	$ ______________ --
______________	______________	______________ --
______________	______________	______________ --
______________	______________	______________ --
______________	______________	______________ --
______________	______________	______________ --

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

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

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

Of the total net assets reported on Statement A at June 30, 20__, $_______________are restricted by enabling legislation (which also includes a legally enforceable requirement that the resources be used only for the specific purpose stipulated in the legislation). Refer to the instructions at the end of this packet which gives more details on the determination of the amount to be reported as required by GASB statement 46.

CC. IMPAIRED NET 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. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. **See Appendix C for more information on GASB 42 and Impaired Capital Assets.**

The following capital assets are considered impaired: (There are five indicators of impairment described in Appendix C. (1) physical damage, (2) enactment of laws, etc. List the appropriate number (1-5) to identify the indicator of impairment in the second column below.)

Type of asset	Amount of Impairment loss before Insurance Recovery	Insurance Recovery in the same FY	Indication of Impairment	Reason for Impairment (e.g. hurricane)
Buildings	______	______	______	______
	______	______	______	______
Movable Property	______	______	______	______
	______	______	______	______
Infrastructure	______	______	______	______

The carrying amount of impaired capital assets that are idle at year-end should be disclosed, regardless of whether the impairment is considered permanent or temporary. The following capital assets were idle at the end of the fiscal year. (Include the capital assets listed above that were idle at the end of the fiscal year.)

Type of asset	Carrying Value
Buildings	$ ______________
Movable Property	$ ______________
Infrastructure	$ ______________

DD. EMPLOYEE TERMINATION BENEFITS

Termination benefits are benefits, other than salaries and wages that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees. Involuntary termination benefits include benefits such as severance pay and payments for unused leave balances. Voluntary termination benefits include benefits such as enhanced early retirement options resulting from an approved early retirement plan and payments for unused leave balances.

Other termination benefits may include:

1. Early retirement incentives, such as cash payments, enhancement to defined benefit formula
2. Health care coverage when none would otherwise be provided (COBRA)
3. Compensated absences, including payments for leave balances
4. Payments due to early release from employment contracts

GASB 47 requires the following disclosures about an employer's accounting for employee termination benefits.

1. A description of the termination benefits arrangement(s).
2. Year the state becomes obligated
3. Number of employees affected
4. Cost of termination benefits
5. Type of benefit(s) provided
6. The period of time over which the benefits are expected to be provided
7. If the termination benefit affects the defined benefit pension (OPEB) obligations, disclose the change in the actuarial accrued liability for the pension or OPEB plan attributable to the termination benefit.
8. When termination liabilities are reported, disclose the significant methods and assumptions used to determine the liabilities to be disclosed (for as long as the liability is reported).

Substantially all employees are eligible for termination benefits upon separation from the state. The agency recognizes the cost of providing these benefits as expenditures when paid during the year. For 2006, the cost of providing those benefits for _____ (number of) voluntary terminations totaled $_________. For 2006, the cost of providing those benefits for _____ (number of) involuntary terminations totaled $_________.
[The termination benefits (voluntary and involuntary) paid in FY 2006 should also be included in the Statement of Revenues, Expenses, and Changes in Fund Net Assets on the account line "Administrative" in the Operating Expense Section.]

The liability for the accrued voluntary terminations benefits payable at June 30, _____ is $_________. This liability consists of _________ (number of) voluntary terminations. The liability for the accrued involuntary terminations benefits payable at June 30, ______ is $_________. This liability consists of _________ (number of) involuntary terminations.
[The termination benefits (voluntary and involuntary) payable at fiscal year end should also be included on the Balance Sheet in the "compensated absences payable" account line.]

Briefly describe termination benefits provided to employees as discussed above. If none, state that fact.
____
____
____

If a termination benefit is not recognized because the expected benefits are not estimable, the employer should disclose that fact.

A terminated employee can continue to access health benefits, however, if the COBRA participant is paying the ENTIRE premium then there is no state contribution on behalf of this individual. Therefore, when a terminated employee pays 100% of the premium, the state would not have a termination liability.

STATE OF LOUISIANA
________________________(BTA)
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the Year Ended _______________
(Fiscal Close)

Name		Amount
______________________	$	______________
______________________		______________
______________________		______________
______________________		______________
______________________		______________
______________________		______________
______________________		______________
______________________		______________
______________________		______________
______________________		______________
______________________		______________
______________________		______________
______________________		______________
	$	______________

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

SCHEDULE 1

STATE OF LOUISIANA

______________________________________(BTA)

SCHEDULE OF STATE FUNDING

For the Year Ended _____________

(Fiscal Close)

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

STATE OF LOUISIANA
_______________________________(BTA)
SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
_____________, 20__
(Fiscal Close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
________	______	$______	$________	$________	$__________	_______	$_________
________	______	______	________	________	__________	_______	_________
________	______	______	________	________	__________	_______	_________
________	______	______	________	________	__________	_______	_________
________	______	______	________	________	__________	_______	_________
________	______	______	________	________	__________	_______	_________
________	______	______	________	________	__________	_______	_________
________	______	______	________	________	__________	_______	_________
________	______	______	________	________	__________	_______	_________
________	______	______	________	________	__________	_______	_________
________	______	______	________	________	__________	_______	_________
________	______	______	________	________	__________	_______	_________
________	______	______	________	________	__________	_______	_________
Total		$______	$________	$________	$__________		$_________

*Send copies of new amortization schedules

STATE OF LOUISIANA

________________________________(BTA)

SCHEDULE OF NOTES PAYABLE

_______________, 20__

(Fiscal close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
____________	________	$______	$__________	$__________	$____________	_________	$__________
____________	________	________	___________	___________	______________	_________	____________
____________	________	________	___________	___________	______________	_________	____________
____________	________	________	___________	___________	______________	_________	____________
____________	________	________	___________	___________	______________	_________	____________
____________	________	________	___________	___________	______________	_________	____________
____________	________	________	___________	___________	______________	_________	____________
____________	________	________	___________	___________	______________	_________	____________
____________	________	________	___________	___________	______________	_________	____________
____________	________	________	___________	___________	______________	_________	____________
____________	________	________	___________	___________	______________	_________	____________
____________	________	________	___________	___________	______________	_________	____________
____________	________	________	___________	___________	______________	_________	____________
Total		$______	$__________	$__________	$____________		$__________

*Send copies of new amortization schedules

STATE OF LOUISIANA

_________________________________(BTA)

SCHEDULE OF BONDS PAYABLE

_______________, 20__

(Fiscal close)

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

*Send copies of new amortization schedules

STATE OF LOUISIANA

______________________________(BTA)

SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION

For The Year Ended ______________

(Fiscal Close)

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		
Thereafter		
Total	$ --	$ --

STATE OF LOUISIANA
____________________________(BTA)
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 20__

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

STATE OF LOUISIANA

______________________________(BTA)

SCHEDULE OF NOTES PAYABLE AMORTIZATION

For The Year Ended June 30, 20__

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

STATE OF LOUISIANA
______________________________(BTA)
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 20__

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	________	________
Thereafter	________	________
Total	$ --	$ --

SCHEDULE 4-D

_____________________________________ (BTA)

SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES

BUDGETARY COMPARISON OF CURRENT APPROPRIATION

NON-GAAP BASIS

June 30, 2006

	Financial Statement	Adjustments	ISIS Appropriation Report-08/14/06	Revised Budget	Variance Postive/(Negative)
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			-		-
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

____________________________________ **(BTA)**

SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES

BUDGETARY COMPARISON OF CURRENT APPROPRIATION

NON-GAAP BASIS

JUNE 30, 2006

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 Revenues	__________
Loan Disbursements included in Expenses	__________
Accounts receivable adjustment	__________
Accounts payable/estimated liabilities adjustment	__________
Other	__________
Change in Net Assets	$ -

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

STATE OF LOUISIANA

____ (BTA)

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, 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	$	$	$ -	
	Expenses			-	
2)	Capital assets			-	
	Long-term debt			-	
	Net Assets			-	

Explanation for change: ____

SCHEDULE 15

Appendix A

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 three 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. <u>Investments in pools managed by another government</u> - 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. <u>Private placements, such as venture capital and limited partnerships</u>
f. <u>Investments in real estate, annuity contracts, and direct investments in mortgages</u>

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.

<u>Credit risk</u> - 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.
<u>Concentration of credit risk</u> – defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer.
<u>Market risk</u> – defined as the risk that the market value of investment securities, collateral securities protecting a deposit, or securities of a repurchase agreement will decline.
<u>Interest rate risk</u> – defined as the risk that changes in interest rates will adversely affect the fair value of an investment.
<u>Foreign currency risk</u> – 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.

<u>Collateral</u> – Securities pledged by the financial institution for the purpose of securing the governmental entity's deposits.
<u>Collateralized</u> – 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 three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are 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 three 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 - IMPAIRED 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:

- 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.
- 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.
- Technological development or evidence of obsolescence, such as that related to a major piece of diagnostic or research equipment.
- 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.
- 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 them.

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 – The impairment threshold is set at $20,000. In addition, the greater of the impairment threshold for movable property, 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.