

# DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of Louisiana State Board of Optometry Examiners, Oakdale, Louisiana. Such information has been subjected to the audit procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

Baton Rouge, Louisiana  
June 16, 1997

*Dyer & Vicknair*

LOUISIANA STATE BOARD OF OPTOMETRY EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
OAKDALE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1996  
(Continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. Fixed Assets

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

The account group is not a "fund". It is concerned only with the measurement of financial position, not with measurement of results of operations.

F. Encumbrances

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the application appropriation, is not employed.

G. Budgets and Budgetary Accounting

An annual budget is adopted for the general fund on a basis consistent with generally accepted accounting principles.

H. Cash and Cash Equivalents and Investments

Cash includes interest-bearing demand deposits. Cash equivalents include amounts in time deposits with original maturities of 90 days or less. Under state law, the board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law, national banks having their principal offices in Louisiana.

Under state law, the board may invest in United States bonds, treasury notes or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at amortized cost.

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LOUISIANA STATE BOARD OF  
OPTOMETRY EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
OAKDALE, LOUISIANA

ANNUAL FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 1996

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

Release Date JUN 25 1997

LOUISIANA STATE BOARD OF  
OPTOMETRY EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
OAKDALE, LOUISIANA  
YEAR ENDED DECEMBER 31, 1996

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## INDEPENDENT AUDITORS' REPORT

Louisiana State Board of Optometry Examiners  
Department of Health and Hospitals  
State of Louisiana  
Oakdale, Louisiana

We have audited the accompanying general-purpose financial statements of

LOUISIANA STATE BOARD OF OPTOMETRY EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
OAKDALE, LOUISIANA

a component unit of the State of Louisiana, as of and for the year ended December 31, 1996. These general-purpose financial statements are the responsibility of Louisiana State Board of Optometry Examiners, Oakdale, Louisiana's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Louisiana State Board of Optometry Examiners, Oakdale, Louisiana at December 31, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 16, 1997 on our consideration of Louisiana State Board of Optometry Examiners, Oakdale, Louisiana's internal control structure and a report dated June 16, 1997 on its compliance with laws and regulations.

LOUISIANA STATE BOARD OF OPTOMETRY EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
OAKDALE, LOUISIANA  
ALL FUNDS AND ACCOUNT GROUPS  
BALANCE SHEET  
DECEMBER 31, 1996

	<u>GOVERNMENTAL FUND</u>	<u>ACCOUNT GROUP</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
	<u>GENERAL FUND</u>	<u>GENERAL FIXED ASSETS</u>	
<u>ASSETS AND OTHER DEBITS</u>			
Cash	\$ 21,863		\$ 21,863
Investments, at amortized cost	113,070		113,070
Fixed assets	<u>                    </u>	\$ 1,862	<u>1,862</u>
<u>Total assets and other debits</u>	<u>134,933</u>	<u>1,862</u>	<u>136,795</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities			
Accounts payable	\$ 25,788		\$ 25,788
Deferred revenues	<u>17,400</u>	<u>                    </u>	<u>17,400</u>
<u>Total liabilities</u>	<u>43,188</u>	<u>                    </u>	<u>43,188</u>
Fund Equity			
Investment in general fixed assets		\$ 1,862	1,862
Fund balance	<u>91,745</u>	<u>                    </u>	<u>91,745</u>
<u>Total fund equity</u>	<u>91,745</u>	<u>1,862</u>	<u>93,607</u>
<u>Total liabilities and fund equity</u>	<u>134,933</u>	<u>1,862</u>	<u>136,795</u>

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF OPTOMETRY EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
OAKDALE, LOUISIANA  
GOVERNMENTAL FUND - GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
YEAR ENDED DECEMBER 31, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>			
Annual license fees	\$ 49,100	\$ 50,500	\$ 1,400
TPA certificate fees	31,900	34,400	2,500
Reinstatements	4,000	6,750	2,750
Examination fees	1,900	2,000	100
Interest earnings	2,500	5,181	2,681
Miscellaneous	1,500	680	(820)
<u>Total revenues</u>	<u>90,900</u>	<u>99,511</u>	<u>8,611</u>
<u>EXPENDITURES</u>			
General government			
Accounting and auditing	4,100	3,930	170
Administrative	15,600	15,600	0
Dues	675	675	0
Examination costs	4,000	1,487	2,513
Insurance - general	500	17,693	(17,193)
Legal	25,000	14,633	10,367
Meetings	2,500	1,405	1,095
Office supplies	1,250	933	317
Per diem	4,500	3,225	1,275
Postage	2,000	1,992	8
Printing	2,500	1,645	855
Repairs and maintenance	500	93	407
Telephone	1,000	766	234
Travel	1,000	1,354	(354)
All other	2,500	130	2,370
Capital outlay	1,500	562	938
<u>Total expenditures</u>	<u>69,125</u>	<u>66,123</u>	<u>3,002</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	<u>21,775</u>	<u>33,388</u>	<u>11,613</u>
<u>FUND BALANCE,</u> beginning of year	<u>44,054</u>	<u>58,357</u>	<u>14,303</u>
<u>FUND BALANCE,</u> end of year	<u>65,829</u>	<u>91,745</u>	<u>25,916</u>

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF OPTOMETRY EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
OAKDALE, LOUISIANA  
GOVERNMENTAL FUND - GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
YEAR ENDED DECEMBER 31, 1996

<u>REVENUES</u>		
Licenses and fees		\$ 93,650
Interest earnings		5,181
Miscellaneous		<u>680</u>
<u>Total revenues</u>		<u>99,511</u>
 <u>EXPENDITURES</u>		
General government		
Accounting and auditing	3,930	
Administrative	15,600	
Dues	675	
Examination costs	1,487	
Insurance	17,693	
Legal	14,633	
Meetings	1,405	
Office supplies	933	
Per diem	3,225	
Postage	1,992	
Printing	1,645	
Repairs and maintenance	93	
Telephone	766	
Travel	1,354	
All other	130	
Capital outlay		<u>562</u>
<u>Total expenditures</u>		<u>66,123</u>
 <u>EXCESS OF REVENUES OVER EXPENDITURES</u>		 33,388
 <u>FUND BALANCE, beginning of year</u>		 <u>58,357</u>
 <u>FUND BALANCE, end of year</u>		 <u>91,745</u>

The accompanying notes are an integral part of this statement.



LOUISIANA STATE BOARD OF OPTOMETRY EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
OAKDALE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1996  
(Continued)

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect the net expendable available financial resources.

Funds of the board are classified as governmental funds. Governmental funds account for the board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition of general fixed assets, and the servicing of general long-term obligations. Governmental funds of the Board include:

General Fund

The general fund is the general operating fund of the board. It is used to account for all financial resources except those required to be accounted for in other funds.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Licenses and fees are recorded in the year earned which approximates when measurable and available. Licenses are renewed by December of each year. Amounts collected in advance are recorded as deferred revenues.

Interest income is recorded when received.

Substantially all other revenues are recorded when they become available to the board.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF GENERAL-PURPOSE FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Louisiana State Board of Optometry Examiners  
Department of Health and Hospitals  
State of Louisiana  
Oakdale, Louisiana

We have audited the general-purpose financial statements of Louisiana State Board of Optometry Examiners, Oakdale, Louisiana as of and for the year ended December 31, 1996, and have issued our report thereon dated June 16, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws and regulations applicable to Louisiana State Board of Optometry Examiners, Oakdale, Louisiana is the responsibility of Louisiana State Board of Optometry Examiners, Oakdale, Louisiana's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Louisiana State Board of Optometry Examiners, Oakdale, Louisiana's compliance with certain provisions of laws and regulations. However, the objective of our audit of the general-purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are to be reported herein under Government Auditing Standards.

This report is intended for the information of the Board management, the State of Louisiana and the Legislative Auditor for the State of Louisiana. This report is a matter of public record and its distribution is not limited.

There were no instances of noncompliance noted in the audit for the year ended December 31, 1995.

Baton Rouge, Louisiana  
June 16, 1997

*Dyer & Vicknair*

LOUISIANA STATE BOARD OF OPTOMETRY EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
OAKDALE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1996  
(Continued)

I. Memorandum Only - Total Column

The total column on the balance sheet is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Note #2: LEGAL COMPLIANCE - BUDGET

Annually, the board adopts a budget in December for the succeeding calendar year.

Formal budget integration is employed as a management control device during the year.

All appropriations lapse at the end of the year.

Budgetary amendments require the approval of the board.

Budgeted amounts included in the accompanying financial statements reflect the original adopted budget.

Note #3: CASH AND CASH EQUIVALENTS

At December 31, 1996, the board has cash and cash equivalents totaling \$21,863. This amount consists of interest-bearing demand deposits. These deposits are stated at cost, which approximates market value. 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 of deposit with the fiscal agent. These securities must be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 1996, the Board has \$21,964 in deposits (collected bank balances). This entire balance is secured from risk by federal depository insurance.

Note #4: INVESTMENTS

At December 31, 1996, the Board has investments consisting of time certificates of deposit with original maturities of over 90 days. This amount is secured from risk by federal depository insurance in the amount of \$78,036 and pledged securities in the amount of \$35,034. The pledged securities

LOUISIANA STATE BOARD OF OPTOMETRY EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
OAKDALE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1996  
 (Continued)

are held by the custodian bank in the name of the fiscal agent (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Board that the fiscal agent has failed to pay deposited funds upon demand.

At December 31, 1996, the investments' amortized cost and market value are \$113,070.

Note #5: CHANGES IN GENERAL FIXED ASSETS

At December 31, 1996, the board has stewardship responsibility for \$1,862 in furniture and equipment.

The following is a summary of the changes in fixed assets during the year ended December 31, 1996:

Balance, January 1, 1996	\$ 1,704
Additions	562
Removals	<u>(404)</u>
Balance, December 31, 1996	<u>1,862</u>

Note #6: POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board has no retired employees receiving postretirement health care and life insurance benefits.

Note #7: RELATED PARTY

During 1996, the Secretary-Treasurer of the Board was paid \$15,600 for providing administrative services to the Board. These reasonable payments, approved by the Board, are authorized by Sec. 1046(C) of the State of Louisiana Optometry Practice Act. Out of these payments, the Secretary-Treasurer employs and pays a part-time secretary.

Noted #8: LEASES

The board has no lease obligations at December 31, 1996.

Note #9: LITIGATION

There were no judgments, claims or similar contingencies pending against the Board at December 31, 1996.

LOUISIANA STATE BOARD OF OPTOMETRY EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
OAKDALE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1996  
(Continued)

Note #10: BOARD MEMBERS' PER DIEM

The Board members are paid per diem of \$75 for each day's attendance at a Board meeting or at an examination.

SUPPLEMENTAL INFORMATION

LOUISIANA STATE BOARD OF OPTOMETRY EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
OAKDALE, LOUISIANA  
GOVERNMENTAL FUND - GENERAL FUND  
SCHEDULE OF BOARD MEMBERS' PER DIEM  
YEAR ENDED DECEMBER 31, 1996

Randal Van Christian, O.D.	\$ 750
Robert Crotty, O.D.	750
Randall Keator, III, O.D.	450
James Sandefur, O.D.	750
Cary Vincent, O.D.	<u>525</u>
<u>Total</u>	<u>3,225</u>

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## INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Louisiana State Board of Optometry Examiners  
Department of Health and Hospitals  
State of Louisiana  
Oakdale, Louisiana

We have audited the general-purpose financial statements of Louisiana State Board of Optometry Examiners, Oakdale, Louisiana, for the year ended December 31, 1996, and have issued our report thereon dated June 16, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement.

The management of Louisiana State Board of Optometry Examiners, Oakdale, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of the policies and procedures may deteriorate.

In planning and performing our audit of the general-purpose financial statements of Louisiana State Board of Optometry Examiners, Oakdale, Louisiana for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide an opinion on the internal control structure. According, we do not express such an opinion.



## DYER & VICKNAIR

(CERTIFIED PUBLIC ACCOUNTANTS)

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we considered to be material weaknesses as defined above.

This report is intended for the information of the Board management, the State of Louisiana and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

There were no comments concerning the internal control structure in the audit for the year ended December 31, 1995.

Baton Rouge, Louisiana  
June 16, 1997

*Dyer & Vicknair*

LOUISIANA STATE BOARD OF OPTOMETRY EXAMINERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
OAKDALE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1996

INTRODUCTION

The Louisiana State Board of Optometry Examiners, Oakdale, Louisiana is a component unit of the State of Louisiana created within the Louisiana Department of Health and Hospitals, as provided by Louisiana Revised Statutes (LSA-R.S.) 37:1041. The board is composed of five members, appointed by the governor, who serve five (5) years. The Board is charged with the responsibility of licensing and regulating the practice of optometry in the State of Louisiana. Operations of the Board are funded entirely through annual self-generated revenues. As of December 31, 1996, there were 485 licensed optometrists in the State.

Note #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the Louisiana State Board of Optometry Examiners have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. In accordance with GASB Codification Section 2100, the board is a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members and public service is rendered within the state's boundaries. The accompanying general-purpose financial statements present only the transactions of the Louisiana State Board of Optometry Examiners, Oakdale, Louisiana, a component unit of the State of Louisiana.

C. Fund Accounting

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