

**OFFICIAL  
FILE COPY**

**DO NOT SEND OUT**

When necessary  
remove from file  
and PLACE  
BACK IN FILE

LOUISIANA BOARD OF HEARERS AND DEALERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
MONROE, LOUISIANA

COMPONENT UNIT FINANCIAL STATEMENT  
AND  
INDEPENDENT AUDITOR'S REPORT

AS OF AND FOR THE YEARS ENDED JUNE 30, 1987 AND 1986

NO. 0000 9-12015  
1000 - 1000000000

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, orally 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 **SEP 09 1988**

LOUISIANA BOARD FOR HEARING AID DEALERS  
DEPARTMENT OF HEALTH AND HOSPITALS STATE OF LOUISIANA  
TABLE OF CONTENTS  
(JUNE 30, 1997 AND 1996)

	EMH
Independent Auditor's Report	i
Balance Sheet - All Fund Types and Account Groups	2-3
Statement of Revenues, Expenditures, and Changes in Fund Balance	4
Statement of Receipts, Disbursements and Changes in Cash Balance Budget (Cash Basis) and Actual	5-6
Notes to Financial Statements	7-10
Report on Compliance and on Internal Control Over Financial Reporting	11
Schedule of Findings and Questioned Costs	12

**MARCUS, ROBINSON and HASSELL**

CHRYSLER BUILDING, 200 WEST STREET

P. O. BOX 2000

NEWARK, NEW JERSEY 07102

MEMPHIS, TENNESSEE 38101-1000

Henry Matus, CPA  
John Robinson, CPA  
Ray H. Hassell, CPA

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN  
INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying component unit financial statements of the Louisiana Board for Hearing Aid Dealers a component unit of the State of Louisiana, as of and for the years ended June 30, 1997 and 1996, as listed in the table of contents. These component unit financial statements are the responsibility of the Louisiana Board for Hearing Aid Dealer's management. Our responsibility is to express an opinion on these component unit financial statements based on our audit.

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

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Board for Hearing Aid Dealers, as of June 30, 1997 and 1996, and the results of its operations for the years then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 1997, on our consideration of the Louisiana Board for Hearing Aid Dealer's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Marcus, Robinson and Hassell*

Marcus, Robinson and Hassell  
Bossier, Louisiana  
September 30, 1997

LOUISIANA BOARD FOR LICENSING AND REGULATION  
 DEPARTMENT OF HEALTH AND HOSPITALS STATE OF LOUISIANA  
 BALANCE SHEET - ALL FUNDS, FUNDS AND ACCOUNT GROUPS  
 JUNE 30, 1997 AND 1996

	JUNE 30, 1997		
	GOVERNMENTAL FUND - GENERAL FUND	ACCOUNT GROUP - GENERAL FUND ASSETS	TOTAL (MEMORANDUM ONLY)
<b>ASSETS</b>			
Cash (Note 2)	58,286	0	58,286
Fixed Assets (Note 3)	—	5,783	5,783
<b>TOTAL ASSETS</b>	<b>58,286</b>	<b>5,783</b>	<b>64,069</b>
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>			
Liabilities - Accounts Payable	—	—	—
Equity and Other Credits			
Investment in General Fixed Assets	0	5,783	5,783
Fund Balance - Unreserved - Undesignated	64,069	—	64,069
<b>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</b>	<b>64,069</b>	<b>5,783</b>	<b>69,852</b>
<b>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</b>	<b>64,069</b>	<b>5,783</b>	<b>69,852</b>

See Notes to Financial Statements

LINE 20, 1998

GOVERNMENTAL FUND - GENERAL FUND	ACCOUNT DESCRIP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
24,278	0	24,278
<u>    0</u>	5,782	<u>5,782</u>
24,278	5,782	30,061
<u>    0</u>	<u>    0</u>	<u>    0</u>
0	5,782	5,782
24,278	<u>    0</u>	24,278
24,278	5,782	30,061
24,278	5,782	30,061

LOUISIANA BOARD FOR HEARING AID DEALERS  
 DEPARTMENT OF HEALTH AND HOSPITALS STATE OF LOUISIANA  
 GRANTFUNDIAL FUND - GENERAL FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 FOR THE YEARS ENDED JUNE 30, 1997 AND 1998

	<u>1997</u>	<u>1998</u>
<b>REVENUES</b>		
Licenses and Fees	14,882	16,000
Interest Earnings	818	1,500
<b>TOTAL REVENUES</b>	15,700	17,500
<b>EXPENDITURES</b>		
Public Safety - Other Protection - Examination of Licensed Occupations: Personal Services and Related Benefits	10,880	10,000
Operating Services	2,388	6,000
Materials and Supplies	1,123	3,000
Travel	2,848	3,600
Legal Expenses and Accounting	663	2,500
<b>TOTAL EXPENDITURES</b>	17,692	25,100
<b>EXCESS OF EXPENDITURES OVER REVENUES</b>	(1,992)	(7,600)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	\$4,218	\$1,700
<b>FUND BALANCE AT END OF YEAR</b>	\$2,226	\$4,100

See Notes to Financial Statements

**LOUISIANA BOARD FOR HEARING AID DEALERS**  
**DEPARTMENT OF HEALTH AND HOSPITALS STATE OF LOUISIANA**  
**DEPARTMENTAL FUND - GENERAL FUND**  
**STATE OF RECEIPTS, DISBURSEMENTS AND TRANSFER IN CASH BALANCE**  
**BUDGET (AS RECORDED) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 1987 (ASIA 1986)**

	1987		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
<b>RECEIPTS</b>			
Full Licenses	13,800	13,000	(800)
Late Fees	400	500	100
Temporary Licenses	2,750	3,320	(570)
Full License Applications	500	500	0
Temporary Renewals	715	275	(440)
Examinations and Certificates	1,315	935	(380)
Miscellaneous	725	351	(374)
Interest Earnings	1,500	820	(680)
<b>TOTAL RECEIPTS</b>	<b>21,405</b>	<b>18,701</b>	<b>(2,704)</b>
<b>DISBURSEMENTS</b>			
Professional			
Legal Expenses	1,000	603	397
Accounting	0	0	0
Equipment / Acquisitions	0	0	0
Supplies			
Office Supplies	0	75	(75)
Operating Supplies			
Examinations	1,075	1,012	63
Certificates	100	40	60
Operating Expenses			
Rent	1,200	1,200	0
Printing	100	115	(15)
Postage	400	208	192
Telephone	650	490	160
Insurance	1,000	950	50
Equipment Rental	400	450	(50)
Board Meetings	1,200	944	256
Contract - Administrative Secretary	10,800	10,800	0
Miscellaneous	0	305	(305)
Taxes:			
Board Meeting	1,600	1,532	68
National Hearing Aid Society Meeting	1,500	1,295	204
Special Board Meeting	0	0	0
<b>TOTAL DISBURSEMENTS</b>	<b>21,415</b>	<b>20,691</b>	<b>(824)</b>
<b>EXCESS OF DISBURSEMENTS OVER RECEIPTS</b>	<b>0</b>	<b>14,990</b>	<b>(14,990)</b>
<b>CASH BALANCE AT BEGINNING OF YEAR</b>		<b>55,275</b>	
<b>CASH BALANCE AT END OF YEAR</b>		<b>40,285</b>	

1958		
BUDGET	ACTUAL	VARIANCE
		FAVORABLE UNFAVORABLE
15,000	12,000	(11,000)
200	400	200
2,500	2,400	(900)
1,200	600	(600)
300	150	(150)
1,200	400	(800)
600	170	(430)
<u>1,200</u>	<u>1,200</u>	<u>0</u>
21,650	20,202	(12,548)
2,000	1,800	1,800
1,200	2,200	(1,000)
1,800	8	1,800
900	250	247
1,200	770	230
300	37	267
1,800	1,800	0
1,800	810	47
1,800	244	456
250	215	35
750	632	118
800	332	148
1,200	889	311
10,800	10,800	0
500	347	153
2,000	2,340	(340)
2,200	1,266	1,132
<u>1,200</u>	<u>0</u>	<u>1,200</u>
21,650	25,036	6,612
0	69,911	(6,332)
	<u>62,280</u>	
	<u>55,738</u>	



**LOUISIANA BOARD FOR HEARING AID DEAFENS**  
**DEPARTMENT OF HEALTH AND HOSPITALS**  
**STATE OF LOUISIANA**  
**CITIES AND VILLAGES BY A STATUTE**  
**AS ORAMED FOR THE STATES PASSED JUNE 28, 1954 AND 1956**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**GENERALITY**

The Louisiana Board for Hearing Aid Deafens is a component unit of the State of Louisiana created within the Louisiana Department of Health and Hospitals, as provided by Louisiana Revised Statutes 33:2441-2465. The board is composed of nine members who are appointed by the governor, seven of whom serve four-year terms and two who serve at the pleasure of the governor. The board members serve without compensation. Board members are selected from a list of names submitted by the Louisiana Society of Hearing Aid Specialists. The board administers examinations and issues, renews, suspends, or revokes licenses of persons engaged in the selling and fitting of hearing aids in the State of Louisiana. Operations of the board are funded entirely through F-generated revenues. As of June 30, 1997 and 1996, there were 118 and 124 licensed hearing aid dealers in the state, respectively.

**A. BASIS OF PRESENTATION**

In April 1964, 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. 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.

**B. REPORTS ENTITLY**

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

**C. FUND ACCOUNTING**

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

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 net expendable available financial resources.

LOUISIANA BOARD FOR HEARING AND DEALERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED JUNE 30, 1997 AND 1996

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**C. FUND ACCOUNTING - CONTINUED**

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

**D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is 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. The operating statement of this fund presents increases and decreases in net current assets. The modified accrual basis of accounting is used by the General Fund.

The General Fund uses the following practices in recording revenues and expenditures:

**Revenues**

Examination and license fees are recorded in the year they are received, which approximates when received and available. Licenses must be renewed by January 31 and are considered delinquent after 30 days. All other revenues are recorded when received.

**Expenditures**

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

**E. BUDGET PRACTICES**

The board adopts an annual budget that is submitted to the Louisiana Department of Health and Hospitals in compliance with Louisiana Revised Statute 24:903. The budgets were prepared and reported based on estimates. The board did budget its beginning cash balance. Formal budget integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements represent the financial approved budget.

**F. CASH**

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

LOUISIANA BOARD FOR HEARING AND DEAFNESS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED JUNE 30, 1997 AND 1996

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**1. FIXED ASSETS AND GENERAL LONG-TERM OBLIGATIONS**

Fixed assets are accounted for in the general fixed assets account group, rather than in the General Fund. Depreciation has not 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. The board has no general long-term obligations.

**2. COMPENSATED ABSENCES, POSTRETIREMENT BENEFITS, AND PENSIONS PLAN**

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

**3. TOTAL COLUMNS ON BALANCE SHEET**

The total columns on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Thus, in this column does not present financial position. Neither is such data comparable to a consolidation.

**NOTE 2 - CASH**

At June 30, 1997 and 1996, the board has cash (book balances) totaling \$58,286 and \$55,278 in demand deposits. Under state law, these deposits (or the resulting bank balances) 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 the deposit with the fiscal agent. At June 30, 1997 and 1996, the board has \$80,338 and \$38,046 in deposits (collected bank balances), which are fully secured from risk by Federal deposit insurance.

**NOTE 3 - CHANGES IN GENERAL FIXED ASSETS**

The changes in general fixed assets for the years ended June 30, 1997 and 1996:

	EFFECT PURCHASE OF EQUIPMENT
Beginning Balance July 1, 1995	1,100
Additions	0
Deletions	(0)
Balance June 30, 1996	1,100
Additions	0
Deletions	(0)
Balance June 30, 1997	1,100

LOUISIANA BOARD FOR HEARING AID DEALERS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED JUNE 30, 1997 AND 1996

NOTE 8. LEASE OBLIGATIONS/RELATED PARTY TRANSACTIONS

The board is renting office space at \$150 per month from a local hearing aid dealer.

NOTE 9. LITIGATION AND CLAIMS

There is no litigation pending against the board as June 30, 1997 and 1996.

NOTE 10. OFFICE ADMINISTRATION

The administrative and accounting functions of the board are performed by contract.

**MARCUS, ROBINSON and HASSELL**

CONTRIBUTOR PUBLIC ACCOUNTANTS  
P. O. BOX 2094  
TELEPHONE 504-382-1100  
MEMBER, CERTIFIED PUBLIC ACCOUNTANTS

Baton Rouge, L.S.  
Lake Charles, L.S.  
New Orleans, L.S.

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER, NATIONAL ASSOCIATION OF  
CONTRIBUTOR PUBLIC ACCOUNTANTS

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

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

We have each of the component unit financial statements of the Louisiana Board for Hearing Aid Dealers, as of and for the years ended June 30, 1997 and 1996, and have issued our report thereon dated September 30, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Louisiana Board for Hearing Aid Dealer's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of non-compliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned cost as item 97-1.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Louisiana Board for Hearing Aid Dealer's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted one matter involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

*Marcus, Robinson and Hassell*

Marcus, Robinson and Hassell  
September 30, 1997

LOUISIANA BOARD OF REAL ESTATE DEALERS  
SCHEDULE OF FINDINGS AND QUESTIONS  
FOR THE YEARS ENDED JUNE 30, 1997 AND 1998

**Finding #7.1**

The fees charged in the current years do not appear excessive in relation to the cost of services rendered. However, the Board has accumulated undesignated cash balances in excess of the current year expenditures for the years ended June 30, 1997 and 1998.

**Management Response**

The Board finds it is necessary to have this surplus due to decreasing revenues and/or in the event of liabilities which could occur at any time.