

REPORT
HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA

JUNE 30, 2006

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

Release Date 2/7/07

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

November 16, 2006

Honorable Joe R. Salter
Speaker of the House of Representatives
State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the House of Representatives, State of Louisiana, as of and for the year ended June 30, 2006, as listed in the index. These financial statements are the responsibility of the House of Representatives' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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. 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.

As discussed in Note 1, the financial statements of the House of Representatives, State of Louisiana, are intended to present the financial position and results of operations of only that portion of the reporting entity of the State of Louisiana.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the House of Representatives, State of Louisiana, as of June 30, 2006 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 16, 2006 on our consideration of the House of Representatives, State of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the other required supplementary information on pages 3 through 4 and 15, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule on pages 16-18 is presented for the purpose of additional analysis and is not a required part of the financial statements of the House of Representatives, State of Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Duplantier, Krapmann, Hogan & Maher, LLP

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
MANAGEMENTS' DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

This section of the House of Representatives, State of Louisiana (House) annual financial report presents Management's analysis of the House's financial performance for the year ended June 30, 2006. This analysis should be read in conjunction with the audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The House's net assets increased by \$1,234,488.

The general revenues and transfers of the House were \$26,455,369.

The expenses of the House were \$25,220,881.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three sections: Management's Discussion and Analysis, audited financial statements and supplementary information. The financial statements also include notes that provide additional detail of the information included in the financial statements.

BASIC FINANCIAL STATEMENTS

The financial statements of the House report information about the House using accounting methods similar to those used by private companies. These financial statements provide financial information about the activities of the House.

The Statement of Net Assets (p. 5) presents the current and long-term portions of assets and liabilities separately.

The Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance (p. 6) presents information on how the House's net assets changed as a result of current period operations.

The following presents condensed financial information of the House:

SUMMARY OF FINANCIAL POSITION

ASSETS:

	<u>June 30, 2006</u>	<u>June 30, 2005</u>
Current assets	\$ 16,306,853	\$ 14,647,324
Capital assets	<u>51,768</u>	<u>86,687</u>
Total assets	<u>\$ 16,358,621</u>	<u>\$ 14,734,011</u>

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
MANAGEMENTS' DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

LIABILITIES

	<u>June 30, 2006</u>	<u>June 30, 2005</u>
Current liabilities	\$ 816,695	\$ 662,681
Long-term liabilities	<u>1,361,402</u>	<u>1,125,294</u>
Total liabilities	<u>2,178,097</u>	<u>1,787,975</u>
Invested in capital assets	51,768	86,687
Unrestricted	<u>14,128,756</u>	<u>12,859,349</u>
Total net assets	<u>\$ 14,180,524</u>	<u>\$ 12,946,036</u>

SUMMARY OF REVENUES, EXPENDITURES/EXPENSES
AND CHANGES IN NET ASSETS

	<u>For the Year Ended June 30, 2006</u>	<u>For the Year Ended June 30, 2005</u>
General revenues	\$ 26,125,809	\$ 25,601,032
Expenditures/expenses	25,220,881	22,629,539
Other financing sources (uses)	<u>329,560</u>	<u>584,020</u>
Change in net assets	<u>\$ 1,234,488</u>	<u>\$ 3,555,513</u>

BUDGET ANALYSIS

A comparison of budget to actual operations is a required supplementary statement and is presented in the accompanying supplementary information. Total expenditures were \$110,581 below budgeted amounts. This resulted primarily from an overall effort to control spending.

CONTACTING THE HOUSE'S MANAGEMENT

This audit report is designed to provide a general overview of the House and to demonstrate the House's accountability for its finances. If you have any questions about this report or need additional information, please contact the House of Representatives, State of Louisiana, P.O. Box 94062, Baton Rouge, Louisiana, 70804.

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2006

	General Fund	Adjustments*	Statement of Net Assets
ASSETS:			
Cash and cash equivalents	\$ 15,984,051	\$ -	\$ 15,984,051
Due from other legislative agencies	272,776	-	272,776
Promotional inventory	50,026	-	50,026
Capital assets (net of allowance for depreciation)	-	51,768 (1)	51,768
TOTAL ASSETS	\$ 16,306,853	\$ 51,768	\$ 16,358,621
 LIABILITIES:			
Liabilities:			
Accounts payable	\$ 242,427	\$ -	\$ 242,427
Employee benefits paid	318,359	-	318,359
Salaries payable	255,909	-	255,909
Compensated absences	-	1,361,402 (2)	1,361,402
Total liabilities	816,695	1,361,402	2,178,097
 Fund Balance/Net Assets:			
Reserved for encumbrances	3,110,592	(3,110,592)	-
Unreserved, undesignated	12,379,566	(12,379,566)	-
Total fund balance	15,490,158		
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 16,306,853		
 NET ASSETS:			
Invested in capital assets		51,768	51,768
Unrestricted		14,128,756	14,128,756
TOTAL NET ASSETS		\$ 14,180,524	\$ 14,180,524

***Explanation**

- (1) Capital assets, net of the depreciation allowance are recorded on the statement of net assets, but not within the fund statements of the General Fund.
- (2) Long-term liabilities, such as compensated absences, are recorded on the statement of net assets, but not within the fund statements of the General Fund.

See accompanying notes.

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2006

	<u>General Fund</u>	<u>Adjustments*</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES:			
Personal services	\$ 21,846,614	\$ 236,108 (1)	\$ 22,082,722
Travel	564,586	-	564,586
Supplies	233,880	-	233,880
Telephone, utilities and building	438,854	-	438,854
Dues and subscriptions	9,368	-	9,368
Printing	160,679	-	160,679
Office expense and maintenance	1,581,196	-	1,581,196
Other fees and services	22,705	-	22,705
Capital outlay	91,972	-	91,972
Depreciation	-	34,919 (2)	34,919
Total expenditures/expenses	<u>24,949,854</u>	<u>271,027</u>	<u>25,220,881</u>
GENERAL REVENUES:			
State appropriations	25,060,435	-	25,060,435
Interest	673,082	-	673,082
Other	392,292	-	392,292
Total general revenues	<u>26,125,809</u>	<u>-</u>	<u>26,125,809</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	329,560	-	329,560
Total other financing sources (uses)	<u>329,560</u>	<u>-</u>	<u>329,560</u>
EXCESS OF GENERAL REVENUES AND TRANSFERS IN:			
Over Expenditures/Expenses	1,505,515	(1,505,515)	-
Change in net assets	-	1,234,488	1,234,488
FUND BALANCE:			
Beginning of Year	<u>13,984,643</u>	<u>(1,038,607)</u>	<u>12,946,036</u>
End of Year	<u>\$ 15,490,158</u>	<u>\$ (1,309,634)</u>	<u>\$ 14,180,524</u>

***Explanation**

- (1) Changes in long-term obligation for compensated absences
(2) Reclassify furniture and equipment purchases and record depreciation

See accompanying notes.

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

Nature of Operations:

The House of Representatives is a part of the legislative branch of government created under Article III of the 1974 Louisiana Constitution.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Government accounting principles and practices are promulgated and established by the Governmental Accounting Standards Board (GASB). The GASB has issued a *Codification of Governmental Accounting and Financial Reporting Standards*. This codification and subsequent GASB pronouncements are recognized as accounting principles generally accepted in the United States of America for state and local governments. The accompanying financial statements have been prepared in accordance with such pronouncements.

The following is a summary of the more significant accounting policies.

Financial Reporting Entity – Application of Section 2100 of the GASB Codification defines the governmental reporting entity (in relation to the House of Representatives, State of Louisiana) to be the State of Louisiana. The accompanying financial statements of the House of Representatives contain sub-account information of the General Fund and account groups of the State of Louisiana. Annually, the State of Louisiana issues financial statements, which include the activity contained in the accompanying component unit financial statements.

Fund Accounting – The House of Representatives uses fund accounting (separate set of self-balancing accounts) to reflect the sources and uses of available resources and the budgetary restrictions placed on those funds by the Louisiana Legislature. The House of Representatives has only a general fund, which is used to account for all of the House of Representatives' general activities, including the acquisition of general fixed assets and the servicing of general long-term debt. It is used to account for all activities of the House of Representatives.

Basis of Accounting:

Basis of accounting refers to when revenues and expenditures 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.

In accordance with *Statement of Governmental Accounting Standard 34*, the House of Representatives presents a Statement of Net Assets and Statement of Activities. These statements reflect entity-wide operations of the House of Representatives. The House of Representatives has only a General Fund, supported by an appropriation from the State of Louisiana and self-generated funds.

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Within the accompanying statements, the General Fund column of the Statement of Net Assets and the Statement of Activities reports all activities of the House of Representatives using the current financial resource measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Management considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Using this methodology, the legislative appropriation is recorded during the year, and for the year, the appropriation is made, and interest and other revenues are recorded when earned. Expenditures are recorded when a liability is incurred, as in accrual accounting. However, compensated absences are recorded when paid.

The General Fund column is adjusted to create a Statement of Net Assets and Statement of Activities. Within this column, amounts are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Budgets and Budgetary Accounting

The House of Representatives, State of Louisiana, is required to submit to the Legislative Budgetary Control Council an estimate of the financial requirements for the ensuing fiscal year. The General Fund appropriation is enacted into law by the Legislature and sent to the Governor for her signature. The House is authorized to transfer budget amounts between accounts in the General Fund. Revisions, which alter total appropriations, must be approved by the Legislature. The level of budgetary responsibility is by total appropriation. All annual appropriations lapse at fiscal year end, and require that any amounts not expended or encumbered at the close of the fiscal year be returned to the State General Fund unless otherwise reappropriated by subsequent legislative action. Current appropriation legislation authorizes such reappropriation of prior year funds.

The budget for the General Fund is prepared on the budgetary (legal) basis of accounting. In compliance with budgetary authorization, the House of Representatives includes the prior year's fund balance represented by appropriated net assets remaining in the fund as a budgeted revenue in the succeeding year. The results of operations on a GAAP basis do not recognize the fund balance allocation as revenue because it represents prior period's excess of revenues over expenditures.

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Promotional Inventory

The House maintains an inventory of promotional items, which are available for sale to the general public in the interest of promoting the State of Louisiana and the Legislature. Inventory items are recorded at the lower of cost or market on a first-in, first-out basis.

Encumbrances

Encumbrances are recorded when purchase orders, contracts, commitments and other intentions to commit funds for expenditure of monies are recorded but are not considered expenditures unless liabilities for payments are incurred. Encumbrances are reported as a reservation of fund balance on the balance sheet. Encumbrances do not lapse at the close of the fiscal year but are carried forward as reserved fund balance until liquidated. Encumbrances are an allowable charge against the current year appropriation.

Leave Benefits

The long-term obligation of accumulated unpaid annual, sick and compensatory leave is reported in the Statement of Net Assets and Statement of Activities. The House's employees accrue unlimited amounts of annual and sick leave at varying rates as established by the House's personnel manual. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to employees at the employee's current rate of pay. Upon retirement, annual leave in excess of 300 hours and unused sick leave are credited as earned service in computing retirement benefits.

Furthermore, employees earn compensatory leave for hours worked in excess of 40 hours per work week. The compensatory leave may be used similarly to annual or sick leave. At June 30, 2006, compensatory leave of up to 360 hours, for which employees could be paid upon resignation or retirement, and annual leave, computed in accordance with the *Codification of Governmental Accounting and Financial Reporting Standards* Section C60.105, total \$1,361,402.

The following are the changes in general compensated absences (long-term obligations) during the year.

<u>Balance</u> <u>July 1, 2005</u>	<u>Net</u> <u>Change</u>	<u>Balance</u> <u>June 30, 2006</u>
\$ 1,125,294	\$ 236,108	\$ 1,361,402

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Leave Benefits (Continued)

The additions and reductions to compensated absences during the 2005-2006 fiscal year represent the net change during the year because the additions and deductions could not be readily determined.

Postretirement Benefits

The House of Representatives, State of Louisiana, provides certain health care and life insurance benefits for retired employees. Substantially all of the House of Representatives' employees may become eligible for those benefits if they reach normal retirement age while working for the House. These benefits for retirees and similar benefits for active employees are provided through the State Employees Group Benefits Program whose monthly premiums are paid jointly by the employee and the House of Representatives. The House recognizes the cost of providing these benefits as an expenditure in the year paid. For the year ended June 30, 2006, those costs totaled \$297,652, which covered 66 retired employees, funded through the legislative appropriation. Retirees pay a portion of the cost of their benefits.

Capital Assets

The accompanying statements reflect furniture, fixtures, and equipment used by the House and funded by the legislative appropriation, in daily operations. Those assets are recorded at cost. Depreciation is charged to expense over the estimated useful lives of the assets and is determined using the straight-line method. Expenditures for maintenance and repairs, which do not materially extend the useful life of the asset, are charged to expense as incurred.

The accompanying statements do not include the value of land and buildings provided without cost to the House by the State of Louisiana. Those assets are recorded with the annual financial statements of the State of Louisiana.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

2. DEPOSITS IN BANKS:

Cash and cash equivalents consist of demand deposits and certificates of deposits with maturities of three months or less.

Under State law, the House of Representatives may deposit funds in an approved bank located in this State selected by the presiding officer of the House of Representatives. These public deposits must be secured by federal deposit insurance or pledged 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 bank. These pledged securities are held in the name of the pledging fiscal agent in a holding or custodial bank. The bank deposits at June 30, 2006 are as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>	<u>FDIC Insurance</u>	<u>Pledged Collateral</u>
Cash in bank	\$ 7,172,575	\$ 8,161,057	\$ 100,000	\$ 8,061,057
Certificates of Deposit	<u>8,811,476</u>	<u>8,811,476</u>	--	<u>8,811,476</u>
TOTAL	<u>\$ 15,984,051</u>	<u>\$ 16,972,533</u>	<u>\$ 100,000</u>	<u>\$ 16,872,533</u>

3. CAPITAL ASSETS:

The accompanying statements reflect capital assets used by the Louisiana House of Representatives, and funded by the legislative appropriation, in daily operations. Those assets are recorded at cost. Capital assets with acquisition costs of \$5,000 or greater are capitalized and depreciated as follows:

	<u>Cost</u>	<u>Allowance for Depreciation</u>	<u>Net Value</u>
Balance, July 1, 2005	\$ 935,292	\$ (848,605)	\$ 86,687
Acquisitions	--	--	--
Deletions	--	--	--
Depreciation	--	<u>(34,919)</u>	<u>(34,919)</u>
Balance, June 30, 2006	<u>\$ 935,292</u>	<u>\$ (883,524)</u>	<u>\$ 51,768</u>

The depreciable assets are depreciated using the straight-line method of allocating costs over the following useful lives:

Computer equipment	5 years
Office furniture	10 years
Vehicles	5 years
Other Machinery and Equipment	6 years

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

3. CAPITAL ASSETS: (Continued)

The cost of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized.

The accompanying statements do not include the value of land and buildings provided without cost to the House of Representatives by the State of Louisiana. Those assets are recorded with the annual financial statements of the State of Louisiana.

4. RETIREMENT SYSTEM:

Plan Description

Substantially all employees and members of the House of Representatives participate in the Louisiana State Employees' Retirement System (LASERS) or the Teachers' Retirement System of Louisiana (TRS), both of which are cost sharing, multiple-employer defined benefit pension plans administered by a separate Board of Trustees. The plans provide retirement, disability and survivor benefits to participating, eligible employees. Benefits are established and amended by state statute. Benefits are guaranteed by the State of Louisiana under provisions of the Louisiana Constitution of 1974. LASERS and TRS issue publicly available financial reports that include financial statements and required supplementary information. The reports may be obtained by writing to Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana, 70804-4213, or by calling (225) 922-0600, or by writing to Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Funding Policy

Plan members of the House of Representatives are required by state statute to contribute 7 ½%, 8%, 9 ½% or 11 ½% of their annual covered salary to LASERS and TRS, respectively, and the House of Representatives (as their employer) is required to contribute at an actuarially determined rate. The current employer rate is 19.1% and 15.9% of annual covered payroll for LASERS and TRS, respectively. The contribution requirements of plan members and the employer are established by, and amended by, state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The employer contribution is funded by the State of Louisiana through the annual legislative appropriation. The House of Representatives' employer contributions to LASERS and TRS for the years ending June 30, 2006, 2005 and 2004, which were equal to the required contributions for each year, were as follows:

<u>Period Ending</u>	<u>LASERS</u>	<u>TRS</u>	<u>Total</u>
June 30, 2006	\$ 2,086,417	\$ 14,801	\$ 2,101,218
June 30, 2005	1,767,343	9,767	1,777,110
June 30, 2004	1,565,034	8,768	1,573,802

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

5. LEASE AGREEMENTS:

The House of Representatives has operating leases for computer and office equipment on a month-to-month, as needed, basis.

The lease agreements have nonappropriation exculpatory clauses that allow for lease cancellation if the Louisiana Legislature does not make an appropriation for their continuation during any future fiscal period. Rental and lease expenditures totaled \$228,368 for the year ended June 30, 2006.

6. TRANSFERS:

Amounts received from other governmental units for the year ended June 30, 2006 consist of the following:

	<u>Office Operations</u>	<u>Capital Outlay</u>	<u>Personal Services</u>	<u>Total</u>
Legislative Budgetary Control Council	\$ 242,489	\$ 5,455	\$ --	\$ 247,944
Other agencies	-----	-----	<u>81,616</u>	<u>81,616</u>
Total	<u>\$ 242,489</u>	<u>\$ 5,455</u>	<u>\$ 81,616</u>	<u>\$ 329,560</u>

The amount due from other legislative agencies totaled \$272,776 at year-end.

7. OTHER COSTS:

The State of Louisiana, through other appropriations, provides office space, utilities and janitorial services for the office facilities, all of which are not included in the accompanying financial statements.

8. LITIGATION, CLAIMS AND SIMILAR CONTINGENCIES:

Losses arising from litigation, claims and similar contingencies are considered state liabilities and are paid by special appropriations made by the Louisiana Legislature. Any applicable litigation, claims and similar contingencies are not recognized in the accompanying financial statements.

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

9. RECONCILIATION:

The Statement of Net Assets and Statement of Activities present the House of Representatives' fund balance/net assets from a fund perspective and an entity-wide perspective, using the current financial resources focus for the fund balance and the economic resources measurement focus for net assets. The amounts are reconciled as follows:

Fund balance, June 30, 2006	\$ 15,490,158
Capital assets	51,768
Compensated absences	<u>(1,361,402)</u>
Net assets, June 30, 2006	<u>\$ 14,180,524</u>

10. FUND EQUITY:

Designations of fund balance represent tentative management plans that are subject to change. Encumbrances outstanding at year-end represent the estimated amount the House intends to use for capital asset acquisitions.

11. RISK MANAGEMENT:

The House of Representatives limits its exposure to risk of loss through the Office of Risk Management, a statewide insurance program. Through the payment of premiums to the program, the House of Representatives transfers the risk of loss from theft, torts, damage to and destruction of assets, workers' compensation, errors and omissions, and natural disasters.

12. APPROPRIATION RECEIVABLE:

The amount due from the State treasury and appropriation revenues collected are summarized as follows:

	Total Appropriations <u>Authorized</u>	Funds As Of <u>June 30, 2006</u>	Amount Due From State Treasury As Of <u>June 30, 2006</u>
Act 66 of 2005 Regular Session	\$ 26,060,435	\$ 26,060,435	\$ --
Act 67 of 2005 First Extraordinary Session	<u>(1,000,000)</u>	<u>(1,000,000)</u>	--
	<u>\$ 25,060,435</u>	<u>\$ 25,060,435</u>	<u>\$ --</u>

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (LEGAL BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual	Budget to	Actual
	Original	Final	Amounts Budgetary Basis	GAAP Differences Over (Under)	Amounts GAAP Basis
REVENUES:					
State appropriations	\$ 26,060,435	\$ 25,060,435	\$ 25,060,435	\$ -	\$ 25,060,435
Interest	-	-	673,082	-	673,082
Other	-	-	392,292	-	392,292
Reappropriated fund balance (1)	14,178,433	14,178,433	14,178,433	(14,178,433) (1)	-
Total revenues	<u>40,238,868</u>	<u>39,238,868</u>	<u>40,304,242</u>	<u>(14,178,433)</u>	<u>26,125,809</u>
EXPENDITURES AND ENCUMBRANCES:					
Personal services	20,157,235	20,157,235	21,846,614	236,108 (2)	22,082,722
Travel	337,000	337,000	564,586	-	564,586
Supplies	323,000	323,000	233,880	-	233,880
Telephone, utilities and building	295,000	295,000	438,854	-	438,854
Dues and subscriptions	68,000	68,000	9,368	-	9,368
Printing	180,000	180,000	160,679	-	160,679
Office expense and maintenance	2,549,200	2,549,200	1,581,196	-	1,581,196
Other fees and services	52,000	52,000	22,705	-	22,705
Capital outlay	2,099,000	1,099,000	91,972	-	91,972
Depreciation	-	-	-	34,919 (3)	34,919
Total expenditures/expenses	<u>26,060,435</u>	<u>25,060,435</u>	<u>24,949,854</u>	<u>271,027</u>	<u>25,220,881</u>
Excess (deficiency) of revenues over expenditures	14,178,433	14,178,433	15,354,388	(14,449,460)	904,928
OTHER FINANCING SOURCES (USES):					
Interagency transfers in	-	-	329,560	-	329,560
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>329,560</u>	<u>-</u>	<u>329,560</u>
Net change in fund balance	14,178,433	14,178,433	15,683,948	(14,449,460)	1,234,488
Fund balances - beginning	8,281,656	8,281,656	11,833,976	1,112,060 (4)	12,946,036
Less reappropriated fund balance	(14,178,433)	(14,178,433)	(14,178,433)	14,178,433 (1)	-
Fund balances - ending	<u>\$ 8,281,656</u>	<u>\$ 8,281,656</u>	<u>\$ 13,339,491</u>	<u>\$ 841,033</u>	<u>\$ 14,180,524</u>

Explanation of differences:

- (1) Budgets include reappropriated fund balances carried over from prior years to cover expenditures of the current year. This amount is not revenue of the current period but is presented as revenue only for budgetary purposes. Beginning budgetary fund balances have been reduced by the carryover to reflect the budgetary ending fund balance projected.
- (2) Compensated absences and salaries are budgeted on a modified accrual basis. Under generally accepted accounting principles these costs are recognized when the benefit is earned.
- (3) Capital assets are recognized for budget purposes when purchased. Under generally accepted accounting principles, such capital assets are recognized as long-lived assets and depreciation is recognized over the life of the assets, as well as any loss on disposal.
- (4) The amount reported as "fund balance" on the budgetary basis of accounting derives from the basis of accounting used in preparing the House's budget. This amount differs from the fund balance reported in the statement of revenues, expenditures and changes in the fund balance because of the cumulative effect of transactions such as those described above.

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF LEGISLATORS' PER DIEM AND OTHER COMPENSATION
FOR THE YEAR ENDED JUNE 30, 2006

Representative	Total	Regular Session		Special Session		Interim Session		Salary and Expense Allowance
		Days	Amount	Days	Amount	Days	Amount	
Alario, John A.	\$ 66,768	85	\$ 9,775	29	\$ 3,335	25	\$ 2,859	\$ 50,799
Alexander, Ernest J.	37,050	85	9,775	29	3,335	10	1,140	22,800
Ansardi, Glenn	41,965	85	9,775	29	3,335	53	6,055	22,800
Arnold, Jeffrey	37,165	85	9,775	29	3,335	11	1,255	22,800
Badon, Austin, Jr.	36,941	85	9,775	29	3,335	9	1,031	22,800
Baldone, Damon J.	37,288	85	9,775	29	3,335	12	1,378	22,800
Barrow, Regina A.	37,615	85	9,775	29	3,335	15	1,705	22,800
Baudoin, Clara G.	36,713	85	9,775	29	3,335	7	803	22,800
Baylor, Ernest, Jr.	37,847	85	9,775	29	3,335	17	1,937	22,800
Beard, Gary	36,715	85	9,775	29	3,335	7	805	22,800
Bowler, Shirley D.	38,882	85	9,775	29	3,335	26	2,972	22,800
Bruce, Beverly G.	37,496	85	9,775	29	3,335	14	1,586	22,800
Bruneau, Charles E.	37,623	85	9,775	29	3,335	15	1,713	22,800
Burns, Timothy "Tim" G.	36,705	85	9,775	29	3,335	7	795	22,800
Burrell, Roy Allen	36,931	85	9,775	29	3,335	9	1,021	22,800
Carter, Karen R.	38,073	85	9,775	29	3,335	19	2,163	22,800
Carter, Robert J.	37,736	85	9,775	26	2,990	19	2,171	22,800
Cazayoux, Donald J., Jr.	38,432	85	9,775	29	3,335	22	2,522	22,800
Chandler, Billy R.	9,020	47	5,405	-	-	-	-	3,615
Crane, Carl N.	36,596	85	9,775	29	3,335	6	686	22,800
Cravins, Donald Ray, Jr.	36,596	85	9,775	29	3,335	6	686	22,800
Crowe, A.G.	36,140	85	9,775	29	3,335	2	230	22,800
Curtis, Israel B.	37,387	85	9,775	29	3,335	13	1,477	22,800
Damico, Nuncio J.	39,794	85	9,775	29	3,335	34	3,884	22,800
Daniel, William B., IV	36,370	85	9,775	29	3,335	4	460	22,800
Dartez, Carla Blanchard	36,943	85	9,775	29	3,335	9	1,033	22,800
Dewitt, Charles W.	42,669	85	9,775	29	3,335	59	6,759	22,800
Doerge, Jean M.	36,596	85	9,775	29	3,335	6	686	22,800
Dorsey, Yvonne	49,447	85	9,775	29	3,335	51	5,837	30,500
Dove, Gordon E. "Gordie", Sr.	36,713	85	9,775	29	3,335	7	803	22,800
Downs, Hollis H.	37,520	85	9,775	29	3,335	14	1,610	22,800
Durand, Sydnie M.	40,482	85	9,775	29	3,335	40	4,572	22,800
Erdey, Dale M.	37,847	85	9,775	29	3,335	17	1,937	22,800
Fannin, James R. "Jim"	38,305	85	9,775	29	3,335	21	2,395	22,800
Farrer, Rick L.	36,709	85	9,775	29	3,335	7	799	22,800
Faucheux, Robert R., Jr.	37,506	85	9,775	29	3,335	14	1,596	22,800
Frith, Lloyd, Jr.	37,970	85	9,775	29	3,335	18	2,060	22,800

(Continued)

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF LEGISLATORS' PER DIEM AND OTHER COMPENSATION
FOR THE YEAR ENDED JUNE 30, 2006

<u>Representative</u>	<u>Total</u>	<u>Regular Session</u>		<u>Special Session</u>		<u>Interim Session</u>		<u>Salary and Expense Allowance</u>
		<u>Days</u>	<u>Amount</u>	<u>Days</u>	<u>Amount</u>	<u>Days</u>	<u>Amount</u>	
Gallot, Richard J., Jr.	\$ 37,968	85	\$ 9,775	29	\$ 3,335	18	\$ 2,058	\$ 22,800
Geymann, Brett Frank	36,025	85	9,775	29	3,335	1	115	22,800
Glover, Cedric B.	37,744	85	9,775	29	3,335	16	1,834	22,800
Gray, Cheryl A.	38,317	85	9,775	29	3,335	21	2,407	22,800
Greene, Hunter	36,941	85	9,775	29	3,335	9	1,031	22,800
Guillory, Elcie J.	39,225	85	9,775	29	3,335	29	3,315	22,800
Guillory, Mickey J.	36,828	85	9,775	29	3,335	8	918	22,800
Hammett, Bryant O., Jr.	41,739	85	9,775	29	3,335	51	5,829	22,800
Harris, Terrell L.	35,716	85	9,775	29	3,335	9	1,033	21,573
Heaton, Alex M.	37,282	85	9,775	29	3,335	12	1,372	22,800
Hebert, Troy M.	36,483	85	9,775	29	3,335	5	573	22,800
Hill, Herman R.	36,485	85	9,775	29	3,335	5	575	22,800
Honey, Avon	37,508	85	9,775	29	3,335	14	1,598	22,800
Hopkins, Roy	38,890	85	9,775	29	3,335	26	2,980	22,800
Hunter, Willie, Jr.	38,870	85	9,775	29	3,335	26	2,960	22,800
Hutter, Nita R.	36,715	85	9,775	29	3,335	7	805	22,800
Jackson, Michael L.	38,420	85	9,775	29	3,335	22	2,510	22,800
Jefferson-Bullock, Jalila	39,913	85	9,775	29	3,335	35	4,003	22,800
Johns, Ronald	37,399	85	9,775	29	3,335	13	1,489	22,800
Katz, Kay Kellogg	37,173	85	9,775	29	3,335	11	1,263	22,800
Kennard, Donald R.	36,140	85	9,775	29	3,335	2	230	22,800
Kenney, Lelon L.	36,253	85	9,775	29	3,335	3	343	22,800
Kleckley, Charles E. "Chuck"	36,824	85	9,775	29	3,335	8	914	22,800
LaFleur, Kenneth Eric	36,824	85	9,775	29	3,335	8	914	22,800
Labruzzo, John	37,054	85	9,775	29	3,335	10	1,144	22,800
Lafonta, Juan A.	37,974	85	9,775	29	3,335	18	2,064	22,800
Lambert, Eddie J.	37,171	85	9,775	29	3,335	11	1,261	22,800
Lancaster, Charles D.	39,346	85	9,775	29	3,335	30	3,436	22,800
Marchand, Charmaine L.	37,278	85	9,775	29	3,335	12	1,368	22,800
Martiny, Daniel R.	38,882	85	9,775	29	3,335	26	2,972	22,800
McDonald, Charles R.	38,892	85	9,775	29	3,335	26	2,982	22,800
McVea, Thomas H.	37,857	85	9,775	29	3,335	17	1,947	22,800
Montgomery, Billy W.	38,315	85	9,775	29	3,335	21	2,405	22,800
Morrell, Arthur A.	35,344	80	9,200	29	3,335	9	1,023	21,786
Morrish, Dan W.	39,455	85	9,775	29	3,335	31	3,545	22,800
Odinot, Kenneth L., Sr.	38,993	85	9,775	29	3,335	27	3,083	22,800
Pierre, Wilfred	39,221	85	9,775	29	3,335	29	3,311	22,800
Pinac, Gil	38,771	85	9,775	29	3,335	25	2,861	22,800

(Continued)

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF LEGISLATORS' PER DIEM AND OTHER COMPENSATION
FOR THE YEAR ENDED JUNE 30, 2006

<u>Representative</u>	<u>Total</u>	<u>Regular Session</u>		<u>Special Session</u>		<u>Interim Session</u>		<u>Salary and Expense Allowance</u>
		<u>Days</u>	<u>Amount</u>	<u>Days</u>	<u>Amount</u>	<u>Days</u>	<u>Amount</u>	
Pitre, Loulan, Jr.	\$ 36,483	85	\$ 9,775	29	\$ 3,335	5	573	\$ 22,800
Powell, Michael E., III	36,826	85	9,775	29	3,335	8	916	22,800
Powell, Henry, Sr.	38,190	85	9,775	29	3,335	20	2,280	22,800
Quezaire, Roy, Jr.	41,049	85	9,775	29	3,335	45	5,139	22,800
Richmond, Cedric L.	39,227	85	9,775	29	3,335	29	3,317	22,800
Ritchie, Harold L.	36,711	85	9,775	29	3,335	7	801	22,800
Robideaux, Joel C.	36,366	85	9,775	29	3,335	4	456	22,800
Romero, Errol A.	37,050	85	9,775	29	3,335	10	1,140	22,800
Salter, Joe	66,065	85	9,775	29	3,335	131	14,955	38,000
Scalise, Steve	37,855	85	9,775	29	3,335	17	1,945	22,800
Schneider, Matthew, III	37,167	85	9,775	29	3,335	11	1,257	22,800
Smiley, M.J. "Mert", Jr.	37,633	85	9,775	29	3,335	15	1,723	22,800
Smith, Jack Donald	38,878	85	9,775	29	3,335	26	2,968	22,800
Smith, Jane H.	36,255	85	9,775	29	3,335	3	345	22,800
Smith, John R.	41,646	85	9,775	29	3,335	50	5,736	22,800
Smith, Gary L., Jr.	36,709	85	9,775	29	3,335	7	799	22,800
St. Germain, Karen G.	37,863	85	9,775	29	3,335	17	1,953	22,800
Strain, Michael G.	36,251	85	9,775	29	3,335	3	341	22,800
Thompson, Francis C.	41,400	85	9,775	29	3,335	48	5,490	22,800
Toomy, Joseph F.	38,200	85	9,775	29	3,335	20	2,290	22,800
Townsend, Thomas Taylor	36,711	85	9,775	29	3,335	7	801	22,800
Trahan, Donald "Don" M.	36,941	85	9,775	29	3,335	9	1,031	22,800
Triche, Warren J., Jr.	37,284	85	9,775	29	3,335	12	1,374	22,800
Tucker, James W.	37,395	85	9,775	29	3,335	13	1,485	22,800
Waddell, Wayne	36,370	85	9,775	29	3,335	4	460	22,800
Walker, Monica H.	37,389	85	9,775	29	3,335	13	1,479	22,800
Walsworth, Michael A.	36,596	85	9,775	29	3,335	6	686	22,800
White, Mack A. "Bodi", Jr.	37,397	85	9,775	29	3,335	13	1,487	22,800
Winston, Diane	40,137	85	9,775	29	3,335	37	4,227	22,800
Wooton, Ernest D.	38,656	85	9,775	29	3,335	24	2,746	22,800
Wright, Thomas D.	14,109	-	-	17	1,955	5	571	11,583
	<u>\$ 4,021,599</u>		<u>\$ 1,021,430</u>		<u>\$ 348,450</u>			<u>\$ 2,435,056</u>



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(1921-1999)

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

November 16, 2006

Honorable Joe R. Salter
Speaker of the House of Representatives
State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the House of Representatives, State of Louisiana, as of and for the year ended June 30, 2006, and have issued our report thereon dated November 16, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the House of Representatives, State of Louisiana'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 an opinion 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 caused by error or fraud 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 no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the House of Representatives, State of Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the House of Representatives' management, the Legislative Budgetary Control Council and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Krapmann, Hogan & Maher, LLP

HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2006

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of the House of Representatives, State of Louisiana for the year ended June 30, 2006 was unqualified.

2. Internal Control
 - Material weaknesses: None Noted
 - Reportable conditions: None Noted

3. Compliance and Other Matters
 - Noncompliance material to financial statements: none noted.

FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

None

SUMMARY OF PRIOR YEAR FINDINGS:

None