

REPORT
SENATE
STATE OF LOUISIANA
JUNE 30, 2002

SENATE
STATE OF LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

October 17, 2002

Honorable John Hainkel
Senate, State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the Senate, State of Louisiana, as of and for the year ended June 30, 2002, as listed in the index. These financial statements are the responsibility of the Senate's 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 Senate, 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 Senate, State of Louisiana, as of June 30, 2002 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, the Senate, State of Louisiana adopted the provisions of the Governmental Accounting Standards Board Statement Number 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* during the year ended June 30, 2002. This results in a change in the format and content of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 17, 2002 on our consideration of the Senate, State of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations. 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 16, 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 page 17 is presented for the purpose of additional analysis and is not a required part of the financial statements of the Senate, 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, Hrapmann, Hogan & Maher, L.L.P.

SENATE
STATE OF LOUISIANA
MANAGEMENTS' DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002

This section of the Senate, State of Louisiana (Senate) annual financial report presents Management's analysis of the Senate's financial performance for the year ended June 30, 2002. This analysis should be read in conjunction with the audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Senate's net assets increased by \$1,953,032.

The general revenues of the Senate were \$13,713,829.

The other financing sources of the Senate were \$30,823.

The total expenditures/expenses of the Senate were \$11,791,620.

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

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

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

The following presents condensed financial information of the Senate:

SUMMARY OF NET ASSETS

ASSETS:

Current assets	\$ 3,797,483
Capital assets	<u>158,011</u>
Total assets	<u>3,955,494</u>

SENATE
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MANAGEMENTS' DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002

LIABILITIES:

Current liabilities	\$ 313,555
Long-term liabilities	<u>788,471</u>
Total liabilities	<u>1,102,026</u>
Invested in capital assets	158,011
Unrestricted	<u>2,695,457</u>
Total net assets	<u>\$ 2,853,468</u>

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

General revenues	\$ 13,713,829
Expenditures/expenses	(11,791,620)
Other financing sources	<u>30,823</u>
Change in net assets	<u>\$ 1,953,032</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 \$1,900,384 below budgeted amounts. This resulted from a Senate effort to decrease overall spending.

COMPARISONS TO PRIOR YEAR

In future years, management's discussion and analysis will include comparisons to prior year information.

CONTACTING THE SENATE'S MANAGEMENT

This audit report is designed to provide a general overview of the Senate and to demonstrate the Senate's accountability for its finances. If you have any questions about this report or need additional information, please contact the Senate, State of Louisiana, P.O. Box 44305, Baton Rouge, Louisiana, 70804.

SENATE
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2002

	<u>General Fund</u>	<u>Adjustments*</u>	<u>Statement of Net Assets</u>
ASSETS			
Cash in bank	\$ 96,514	\$ -	\$ 96,514
Cash, restricted agency accounts	13,598	-	13,598
Unwarranted appropriations	3,600,000	-	3,600,000
Due from other legislative agencies	64,514	-	64,514
Accounts receivable	22,857	-	22,857
Furniture, fixtures, and equipment (net of allowance for depreciation)	<u>-</u>	<u>158,011</u> (1)	<u>158,011</u>
TOTAL ASSETS	<u>\$ 3,797,483</u>	<u>\$ 158,011</u>	<u>\$ 3,955,494</u>
LIABILITIES			
Accounts payable	\$ 153,745	\$ -	\$ 153,745
Accrued salaries and related benefits	146,212	-	146,212
Due to restricted agency accounts	13,598	-	13,598
Compensated absences	<u>-</u>	<u>788,471</u> (2)	<u>788,471</u>
TOTAL LIABILITIES	<u>313,555</u>	<u>788,471</u>	<u>1,102,026</u>
FUND BALANCE/NET ASSETS			
Unreserved, undesignated	<u>3,483,928</u>	(3,483,928)	-
Total liabilities and fund balance	<u>\$ 3,797,483</u>		
NET ASSETS			
Unrestricted		158,011 <u>2,695,457</u>	158,011 <u>2,695,457</u>
TOTAL NET ASSETS		<u>\$ 2,853,468</u>	<u>\$ 2,853,468</u>

***Explanation**

(1) Capital assets, net of the depreciation allowance, are recorded on the statement of net assets, but not

(2) Long-term liabilities, such as compensated absences, are recorded on the statement of net assets, but not

See accompanying notes.

SENATE
STATE OF LOUISIANA
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN THE FUND BALANCE/STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2002

	<u>General Fund</u>	<u>Adjustments*</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES:			
Personal services	\$ 8,825,749	\$ 6,061 (1)	\$ 8,831,810
Travel	204,260	-	204,260
Operating services	2,149,786	-	2,149,786
Supplies	101,232	-	101,232
Professional services	67,952	-	67,952
Telephone	193,185	-	193,185
Printing	124,387	-	124,387
Capital outlay	73,762	(23,550) (2)	50,212
Depreciation	-	68,796 (2)	68,796
Total expenditures/expenses	<u>11,740,313</u>	<u>51,307</u>	<u>11,791,620</u>
GENERAL REVENUES:			
State appropriations	13,640,697	-	13,640,697
Interest	11,344	-	11,344
Other	61,788	-	61,788
Total general revenues	<u>13,713,829</u>	<u>-</u>	<u>13,713,829</u>
Excess of general revenues over expenditures/expenses	1,973,516	-	-
OTHER FINANCING SOURCES(USES):			
Interagency transfers in	79,417	-	79,417
Interagency transfers out	(48,594)	-	(48,594)
Total other financing sources(uses)	<u>30,823</u>	<u>-</u>	<u>30,823</u>
Excess of general revenues and other financing sources over expenditures/expenses and other financing uses	2,004,339	(2,004,339)	-
Change in net assets	-	1,953,032	1,953,032
Fund Balance/Net Assets:			
Beginning of Year	4,920,868	(4,020,432)	900,436
End of Year	<u>\$ 6,925,207</u>	<u>\$ (4,071,739)</u>	<u>\$ 2,853,468</u>

*Explanation

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

See accompanying notes.

SENATE
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operations:

The Louisiana State Senate is a part of the legislative branch of government created under article III of the 1974 Louisiana Constitution.

Government accounting principles and practices are promulgated and established by the Governmental Accounting Standards Board (GASB). The GASB has issued a *Codification of Government 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.

These financial statements include the implementation of GASB Statement Number 34, *Basic Financial Statement – Management’s Discussion and Analysis – for State and Local Governments* and related standards. This new standard provides for significant changes in terminology, recognition of contributions in the Statement of Revenues, Expenses and Changes in Net Assets, inclusion of a management discussion and analysis as supplementary information and other changes.

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 Senate, State of Louisiana) to be the State of Louisiana. The accompanying financial statements of the Senate 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 financial statements.

Fund Accounting – The Senate, State of Louisiana, 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 General Fund is used to account for all of the Senate, State of Louisiana’s 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 Senate.

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.

SENATE
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

In accordance with *Statement of Governmental Accounting Standard 34*, the Senate presents a Statement of Net Assets and Statement of Activities. These statements reflect entity-wide operations of the Senate. The Senate has no fiduciary funds or component units. The Senate has only a General Fund, supported by an appropriation from the State of Louisiana and self-generated funds.

Within the accompanying statements, the General Fund column of the Statement of Net Assets and the Statement of Activities reports all activities of the Senate 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.

Fixed Assets

The accompanying statements reflect furniture, fixtures and equipment used by the Senate, State of Louisiana, and funded by the legislative appropriation, in daily operations. Those assets are recorded at cost.

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

SENATE
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Budgetary Practices

The Senate, State of Louisiana, is required to submit to the members of the Senate 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 his signature. The Senate, State of Louisiana, is authorized to transfer budget amounts between accounts in the General Fund. Revisions that 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 amount 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 Senate, State of Louisiana, includes the prior year's fund balance represented by appropriated net assets remaining in the fund as 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.

Encumbrances

Encumbrances are recorded when purchase orders, contracts and commitments 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

Accumulated unpaid annual, sick and compensatory leave is reported in the Statement of Net Assets and Statement of Activities within the accompanying financial statements. The Senate, State of Louisiana's employees accrue unlimited amounts of annual and sick leave at varying rates as established by the Senate'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.

SENATE
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Leave Benefits (Continued)

Furthermore, employees earn compensatory leave for hours worked in excess of 40 hours per workweek. The compensatory leave may be used similarly to annual or sick leave. At June 30, 2002, annual leave of up to 300 hours, for which employees could be paid upon resignation or retirement, and compensatory leave, computed in accordance with the *Codification of Governmental Accounting and Financial Reporting Standards* Section C60.105, total \$788,471.

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

<u>Balance</u> <u>July 1, 2001</u>	<u>Net</u> <u>Change</u>	<u>Balance</u> <u>June 30, 2002</u>
\$ 782,410	\$ 6,061	\$ 788,471

Postretirement Benefits

The Senate, State of Louisiana, provides certain health care and life insurance benefits for retired employees. Substantially all of the Senate's employees may become eligible for those benefits if they reach normal retirement age while working for the Senate. These benefits for retirees and similar benefits for active employees are provided through the State's Group Benefits Program whose monthly premiums are paid jointly by the employee and the Senate. The Senate recognizes the cost of providing these benefits as an expenditure in the year paid. For the year ended June 30, 2002, those costs totaled \$172,298, which covered 43 retired employees, funded through the legislative appropriation. Retirees pay ½ of the cost of their benefits.

Agency Accounts

Agency accounts are custodial in nature and are used to account for assets held by the Senate in a agency capacity and are reflected in the accompanying financial statements as an asset "Cash, restricted agency accounts" and a corresponding liability "Due to restricted agency accounts". Management has included the accounts in the financial statements to more accurately reflect Senate responsibilities. These funds are managed by Senate personnel, but are restricted to the use by the following commission:

Louisiana Advisory Commission on Intergovernmental Relations

This account was formed by an initial investment from the Louisiana Municipal Association of \$1,000 in February, 1990.

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STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

The activities in the restricted agency accounts for the year ended June 30, 2002 can be summarized as follows:

	<u>Balance</u> <u>July 1, 2001</u>	<u>Additions</u> <u>Interest</u> <u>Income</u>	<u>Reductions</u> <u>Transfer to</u> <u>State Treasurer</u>	<u>Balance</u> <u>June 30, 2002</u>
Louisiana Advisory Commission of Intergovernmental Relations	\$ 13,598	\$ --	\$ --	\$ 13,598

2. RETIREMENT SYSTEM:

Plan Description

Substantially, all employees and members of the Senate participate in the Louisiana State Employee's Retirement System (LASERS) or the Teacher's 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, P. O. Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0600; or by writing to Teachers' Retirement System of Louisiana, P. O. Box 94123, Baton Rouge, Louisiana 70804-9123; or by calling (225) 925-6446.

Funding Policy

Plan members of the Senate are required by state statute to contribute 7 ½%, 8%, 9 ½% or 11% of their annual covered salary to LASERS and TRS, respectively, and the Senate (as their employer) is required to contribute at an actuarially determined rate. The current employer rate is 13% and 13.1% 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

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NOTES TO FINANCIAL STATEMENTS
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2. RETIREMENT SYSTEM: (Continued)

Funding Policy (Continued)

employer contribution is funded by the State of Louisiana through the annual legislative appropriation. The Senate's employer contributions to LASERS and TRS for the years ending June 30, 2002, 2001 and 2000, which were equal to the required contributions for each year, were as follows:

<u>June 30,</u>	<u>LASERS</u>	<u>TRS</u>	<u>Total</u>
2002	\$ 824,404	\$ 16,650	\$ 841,054
2001	827,174	18,350	845,524
2000	715,327	18,727	734,054

3. CASH IN BANK:

Under State law, the Senate, State of Louisiana, may deposit funds in an approved bank located in the State selected and designated by the presiding officer of the Senate. These public 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 bank. These pledged securities are held in the name of the pledging fiscal agent bank (Category 3) in a holding or custodial bank. The bank deposits at June 30, 2002, are secured as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>	<u>FDIC Insurance</u>	<u>Pledged Collateral</u>
Cash in bank	\$ 96,514	\$ 500,511	\$ 100,000	\$ 1,117,883
Cash, restricted agency accounts	<u>13,598</u>	<u>13,598</u>	<u>100,000</u>	<u> --</u>
TOTAL	<u>\$ 110,112</u>	<u>\$ 514,109</u>	<u>\$ 200,000</u>	<u>\$ 1,117,883</u>

4. FURNITURE, FIXTURES AND EQUIPMENT:

The accompanying statements reflect furniture, fixtures and equipment used by the Senate and funded by the legislative appropriation, in daily operations. Those assets are recorded at cost. Furniture, fixtures and equipment with acquisition cost of \$5,000 or greater are capitalized and depreciated as follows:

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STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

4. FURNITURE, FIXTURES AND EQUIPMENT: (Continued)

	<u>Cost</u>	<u>Allowance for Depreciation</u>	<u>Net Value</u>
Balance, July 1, 2001	\$ 990,189	\$ (786,932)	\$ 203,257
Acquisitions	23,550	--	23,550
Depreciation	<u> --</u>	<u> (68,796)</u>	<u> (68,796)</u>
Balance, June 30, 2002	<u>\$ 1,013,739</u>	<u>\$ (855,728)</u>	<u>\$ 158,011</u>

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

Computer equipment	5 years
Office furniture and equipment	5 years
Vehicles	5 years

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

5. 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.

At June 30, 2002, the Senate was involved in various lawsuits relating to its function as the Senate, State of Louisiana. In the opinion of legal counsel, resolution of the litigation would not result in a substantial liability to the Senate, State of Louisiana and, accordingly, is not recorded in the accompanying financial statements.

6. PROFESSIONAL SERVICES:

Professional services include the following professional fees:

Juan A. LaFonta (legal services)	\$ 11,760
Robert Keaton (fiscal analyst)	36,030
Diane O'Quin (contractual services)	12,644
Associated Reporters (court reporters)	3,163
Ira Brown (court reporter)	375
Curren & Landrieu (court reporters)	1,128

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NOTES TO FINANCIAL STATEMENTS
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6. PROFESSIONAL SERVICES: (Continued)

Margaret Duhon (court reporter)	\$ 357
Chelsea B. Hardin (court reporter)	170
Harahan Reporting Service (court reporters)	340
M&S Court Reporters (court reporters)	122
Janet Parker (court reporter)	320
Ceredian (employee benefits)	<u>1,543</u>
TOTAL	<u>\$ 67,952</u>

7. DEFERRED COMPENSATION PLAN:

The State of Louisiana offers its employees a deferred compensation plan created in accordance with Internal Revenue Code §457. The plan, available to all State employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State (without being restricted to the provisions of benefits under the plan), subject only to the claims of the State's general creditors. Participants' rights under the plan are equal to those of general creditors of the State in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the State's legal counsel that the State has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The State believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

8. INTERAGENCY TRANSFERS:

Amounts paid to other governmental units for the year ended June 30, 2002, consist of payments to the House of Representatives for personal expenses in the amount of \$48,594.

Amounts received from other governmental units for the year ended June 30, 2002, consist of the following:

	<u>Capital Outlay</u>	<u>Personal Services</u>	<u>Document Services</u>	<u>Total</u>
Other agencies	\$ --	\$ 3,124	\$ --	\$ 3,124
Legislative Budgetary Control Council	<u>6,120</u>	<u>53,337</u>	<u>16,836</u>	<u>76,293</u>
	<u>\$ 6,120</u>	<u>\$ 56,461</u>	<u>\$ 16,836</u>	<u>\$ 79,417</u>

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NOTES TO FINANCIAL STATEMENTS
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9. OTHER COSTS:

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

10. ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

11. UNWARRANTED APPROPRIATION:

The unwarranted appropriation and appropriation authorized and collected during the year are summarized as follows:

	Total Appropriation <u>Authorized</u>	Unwarranted Appropriation as of <u>June 30, 2001</u>	Appropriation Authorized in the year ended <u>June 30, 2002</u>	Funds Collected in the year ended <u>June 30, 2002</u>	Unwarranted Appropriation as of <u>June 30, 2002</u>
Act 930, 2001 R.S.	\$ 13,640,697	\$ --	\$ 13,640,697	\$ 10,040,697	\$ 3,600,000
Act 29, 2000 R.S.	11,790,697	<u>1,448,000</u>	<u> --</u>	<u>1,448,000</u>	<u> --</u>
		<u>\$ 1,448,000</u>	<u>\$ 13,640,697</u>	<u>\$ 11,488,697</u>	<u>\$ 3,600,000</u>

12. RECONCILIATION:

The Statement of Net Assets and Statement of Activities present the Senate's 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, 2002	\$ 6,925,207
Furniture, fixtures and equipment	(3,283,268)
Compensated absences	<u>(788,471)</u>
Net assets, June 30, 2002	<u>\$ 2,853,468</u>

SENATE
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2002

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis
	<u>Original</u>	<u>Final</u>			
REVENUES:					
State appropriations	\$ 11,790,697	\$ 13,640,697	\$ 13,640,697	\$ -	\$ 13,640,697
Interest	-	-	11,344	-	11,344
Other	-	-	61,788	-	61,788
Reappropriated fund balance (1)	<u>1,619,170</u>	<u>1,619,170</u>	<u>1,619,170</u>	<u>(1,619,170)</u> (1)	<u>-</u>
Total revenues	<u>13,409,867</u>	<u>15,259,867</u>	<u>15,332,999</u>	<u>(1,619,170)</u>	<u>13,713,829</u>
EXPENDITURES:					
Personal services	8,726,803	8,726,803	8,825,749	6,061 (2)	8,831,810
Travel	283,823	283,823	204,260	-	204,260
Operating services	2,155,561	2,505,561	2,149,786	-	2,149,786
Supplies	193,353	193,353	101,232	-	101,232
Professional services	30,000	30,000	67,952	-	67,952
Telephone	300,000	300,000	193,185	-	193,185
Printing	91,157	91,157	124,387	-	124,387
Capital outlay	10,000	1,510,000	73,762	(23,550) (3)	50,212
Depreciation	-	-	-	68,796 (3)	68,796
Total expenditures/expenses	<u>11,790,697</u>	<u>13,640,697</u>	<u>11,740,313</u>	<u>51,307</u>	<u>11,791,620</u>
Excess of revenues over expenditures	1,619,170	1,619,170	3,592,686	(1,670,477)	1,922,209
OTHER FINANCING SOURCES (USES):					
Interagency transfers in	-	-	79,417	-	79,417
Interagency transfers out	-	-	(48,594)	-	(48,594)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>30,823</u>	<u>-</u>	<u>30,823</u>
Net change in fund balance	1,619,170	1,619,170	3,623,509	(1,670,477)	1,953,032
Fund balances - beginning	1,619,170	1,619,170	1,619,170	(718,734) (4)	900,436
Less reappropriated fund balance	<u>(1,619,170)</u>	<u>(1,619,170)</u>	<u>(1,619,170)</u>	<u>1,619,170</u> (1)	<u>-</u>
Fund balances - ending	<u>\$ 1,619,170</u>	<u>\$ 1,619,170</u>	<u>\$ 3,623,509</u>	<u>\$ (770,041)</u>	<u>\$ 2,853,468</u>

Explanation of differences:

- (1) Budgets include reappropriated fund balances carried over from prior years to cover expenditures of the current year. The results of operations on a GAAP basis do not recognize these amounts as revenue since they represent prior period's excess of revenues over expenditures.
- (2) Compensated absences 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 Senate's budget. This amount differs from the fund balance reported in the statement of governmental fund revenues, expenditures and changes in the fund balance because of the cumulative effect of transactions such as those described above.

SENATE
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF SENATORS' PER DIEM AND OTHER COMPENSATION
JUNE 30, 2002

<u>Senator</u>	<u>Total</u>	<u>Regular Session</u>		<u>Interim Session</u>		<u>Allowance</u>
		<u>Per Diem</u>	<u>Per Diem</u>	<u>Per Diem</u>	<u>Per Diem</u>	
		<u>Days</u>	<u>Amount</u>	<u>Days</u>	<u>Amount</u>	
Baer, Mike	\$ 6,000	-	\$ -	-	\$ -	\$ 6,000
Bajoie, Diana	36,674	77	8,932	44	4,942	22,800
Barham, Robert	34,612	77	8,932	26	2,880	22,800
Bean, Ronald	31,964	77	8,932	2	232	22,800
Boissiere, Lambert	35,243	77	8,932	32	3,511	22,800
Cain, James David	35,262	77	8,932	32	3,530	22,800
Campbell, Foster	32,286	77	8,932	5	554	22,800
Chaisson, Joel	32,879	77	8,932	10	1,147	22,800
Cravins, Donald	34,077	77	8,932	21	2,345	22,800
Dardenne, Jay	63,842	77	8,932	37	4,110	50,800
Dean, Lynn	33,221	77	8,932	13	1,489	22,800
Dupre, Reggie	34,013	77	8,932	20	2,281	22,800
Ellington, Noble	35,893	77	8,932	31	4,161	22,800
Fields, Cleo	32,196	77	8,932	4	464	22,800
Fields, Wilson	12,737	8	928	3	348	11,461
Fontenot, Clovance	33,317	77	8,932	11	1,585	22,800
Gautreaux, D.A.	33,497	77	8,932	16	1,765	22,800
Hainkel, John	53,232	77	8,932	50	6,300	38,000
Heitmeier, Francis	34,850	77	8,932	28	3,118	22,800
Hines, Donald	32,969	77	8,932	11	1,237	22,800
Holden, Melvin	19,071	69	8,004	4	464	10,603
Hollis, Ken	32,647	77	8,932	8	915	22,800
Hoyt, Fred	33,291	77	8,932	14	1,559	22,800
Irons, Paulette	33,368	77	8,932	15	1,636	22,800
Johnson, Jon	32,518	77	8,932	7	786	22,800
Jones, Charles	33,781	77	8,932	18	2,049	22,800
Jones, William	33,381	77	8,932	15	1,649	22,800
Lambert, Louis	40,566	77	8,932	10	1,134	30,500
Lentini, Arthur	32,892	77	8,932	10	1,160	22,800
Malone, Max	33,446	77	8,932	15	1,714	22,800
Marionneaux, Robert	32,054	77	8,932	3	322	22,800
McPherson, Joe	32,402	77	8,932	6	670	22,800
Michot, Michael	32,866	77	8,932	10	1,134	22,800
Mount, Willie	34,386	77	8,932	24	2,654	22,800
Romero, Craig	32,312	77	8,932	5	580	22,800
Schedler, Tom	39,772	77	8,932	69	8,040	22,800
Smith, Kenneth	33,046	77	8,932	12	1,314	22,800
Tarver, Gregory	34,115	77	8,932	22	2,383	22,800
Theunissen, Gerald	36,550	77	8,932	44	4,818	22,800
Thomas, Jerry	32,312	77	8,932	5	580	22,800
Ullo, Chris	36,267	77	8,932	35	4,535	22,800
	<u>\$ 1,379,807</u>		<u>\$ 348,348</u>		<u>\$ 86,095</u>	<u>\$ 945,364</u>

SENATE, STATE OF LOUISIANA

Supplementary Information

June 30, 2002



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

October 17, 2002

Honorable John Hainkel
Senate, State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the Senate, State of Louisiana, as of and for the year ended June 30, 2002, and have issued our report thereon dated October 17, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether the Senate, State of Louisiana's general purpose 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Senate, 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 general purpose 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 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 over financial reporting and its operation that we consider to be material weaknesses.

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

Duplantier, Hrapmann, Hogan & Maher, L.L.P.

SENATE
STATE OF LOUISIANA
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2002

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of the Senate, State of Louisiana, for the year ended June 30, 2002 was unqualified.
2. Internal Control
Material weaknesses: none noted
Reportable conditions: none noted
3. Compliance
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