

REPORT
LEGISLATIVE BUDGETARY
CONTROL COUNCIL
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

LEGISLATIVE BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

October 10, 2006

Honorable Donald E. Hines, Co-Chair
Honorable Joe R. Salter, Co-Chair
Legislative Budgetary Control Council
State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the Legislative Budgetary Control Council, State of Louisiana as of and for the year ended June 30, 2006, as listed in the index to report. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with 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. 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 Legislative Budgetary Control Council, State of Louisiana, are intended to present the financial position and results of operations of only that portion of the financial 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 Legislative Budgetary Control Council, 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 our report dated October 10, 2006 on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 other required supplementary information on pages 3-4 and 14 is 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 made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included on page 15 for the year ended June 30, 2006 is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information on page 15 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, LLP

LEGISLATIVE BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

This section of the Legislative Budgetary Control Council, State of Louisiana (Council) annual financial report presents Management's analysis of the Council'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 Council's net assets decreased by \$107,923. This resulted from an increase in total expenditures of \$514,321 offset by a decrease of \$284,627 in other financing uses. This resulted from an increase in personal services and capital outlay, offset by a decrease in operating services and interagency transfers.

The general revenues of the Council were \$7,211,285.

The total expenditures/expenses of the Council were \$6,975,854.

The other financing uses of the Council were \$344,354.

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

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 Council's net assets changed as a result of current period operations.

The following presents condensed financial information of the Council:

LEGISLATIVE BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

SUMMARY OF NET ASSETS

ASSETS:

	<u>June 30, 2006</u>	<u>June 30, 2005</u>
Current assets	\$ <u>2,204,687</u>	\$ <u>2,374,737</u>
Total assets	<u>2,204,687</u>	<u>2,374,737</u>

LIABILITIES:

Current liabilities	464,514	530,266
Long-term liabilities	<u>22,003</u>	<u>18,378</u>
Total liabilities	<u>486,517</u>	<u>548,644</u>
Unrestricted net assets	<u>\$ 1,718,170</u>	<u>\$ 1,826,093</u>

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

	<u>June 30, 2006</u>	<u>June 30, 2005</u>
General revenues	\$ <u>7,211,285</u>	\$ <u>6,810,720</u>
Total revenues	7,211,285	6,810,720
Expenditures/expenses	6,975,854	6,461,533
Other financing uses	<u>343,354</u>	<u>627,981</u>
Change in net assets	<u>\$ (107,923)</u>	<u>\$ (278,794)</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 \$121,763 above budgeted amounts. This resulted from an increase in personal services and maintenance of capitol complex, offset by a decrease in operating services and interagency transfers.

CONTACTING THE COUNCIL'S MANAGEMENT

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

LEGISLATIVE BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2006

	<u>General Fund</u>	<u>Adjustments*</u>	<u>Statement of Net Assets</u>
ASSETS			
Cash in bank	\$ 265,076	\$ -	\$ 265,076
Unwarranted appropriations	<u>1,939,611</u>	<u>-</u>	<u>1,939,611</u>
TOTAL ASSETS	\$ <u>2,204,687</u>	\$ <u>-</u>	\$ <u>2,204,687</u>
LIABILITIES			
Accounts payable	\$ 248,157	\$ -	\$ 248,157
Accrued salaries and related benefits	8,517	-	8,517
Due to other legislative agencies	207,840	-	207,840
Compensated absences	-	22,003 (1)	22,003
Total liabilities	<u>464,514</u>	<u>22,003</u>	<u>486,517</u>
FUND BALANCE/NET ASSETS			
Unreserved, undesignated	<u>1,740,173</u>	<u>(1,740,173)</u>	<u>-</u>
Total fund balance	<u>1,740,173</u>	<u>(1,740,173)</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>2,204,687</u>		
NET ASSETS			
Unrestricted, undesignated		<u>1,718,170</u>	<u>1,718,170</u>
TOTAL NET ASSETS		\$ <u>1,718,170</u>	\$ <u>1,718,170</u>

***Explanation**

(1) 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.

LEGISLATIVE BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN THE FUND BALANCE/STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

	<u>General Fund</u>	<u>Adjustments*</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES:			
Personal services	\$ 234,754	\$ 3,625 (1)	\$ 238,379
Operating services	936,017	-	936,017
Supplies	268,733	-	268,733
Professional services	4,134,153	-	4,134,153
Capital outlay	1,398,572	-	1,398,572
Total expenditures/expenses	<u>6,972,229</u>	<u>3,625</u>	<u>6,975,854</u>
GENERAL REVENUES:			
State appropriations	7,198,445	-	7,198,445
Interest	2,827	-	2,827
Other	10,013	-	10,013
Total general revenues	<u>7,211,285</u>	<u>-</u>	<u>7,211,285</u>
Excess of revenues over expenditures/ expenses	<u>239,056</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Interagency transfers in	1,000		1,000
Interagency transfers out	(344,354)	-	(344,354)
Total other financing sources (uses)	<u>(343,354)</u>	<u>-</u>	<u>(343,354)</u>
Excess (deficiency) of revenues and other financing sources over expenditures/expenses and other financing uses	(104,298)	104,298	-
Change in net assets	-	(107,923)	(107,923)
Fund Balance/Net Assets:			
Beginning of Year	1,844,471	(18,378)	1,826,093
End of Year	<u>\$ 1,740,173</u>	<u>\$ (22,003)</u>	<u>\$ 1,718,170</u>

***Explanation**

(1) Increase in long term obligation for compensated absences

See accompanying notes.

LEGISLATIVE BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NATURE OF OPERATIONS:

The Legislative Budgetary Control Council, State of Louisiana, created by Title 24, Section 38 of the Louisiana Revised Statutes, maintains rules and regulations designed to control the budget and spending procedures within the Legislative branch of government, approves budget request for all legislative budget units and funds projects for the Legislature such as the joint computer operations, upkeep and renovations of the Capitol complex and funding of national legislative organizations.

The Council is composed of twelve members and three employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Governmental 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 generally accepted accounting principles 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 Legislative Budgetary Control Council) to be the State of Louisiana. The accompanying financial statements of the Legislative Budgetary Control Council 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 Legislative Budgetary Control Council uses fund accounting (separate sets 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 Legislative Budgetary Control Council's general activities, including the servicing of general long-term debt. It is used to account for all activities of the Council.

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.

LEGISLATIVE BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Accounting: (Continued)

In accordance with *Statement of Governmental Accounting Standard 34*, the Legislative Budgetary Control Council presents a Statement of Net Assets and Statement of Activities. These statements reflect entity-wide operations of the Legislative Budgetary Control Council. The Legislative Budgetary Control Council has no fiduciary funds or component units. The Legislative Budgetary Control Council 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 Legislative Budgetary Control Council 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.

Budgetary Practices:

The Legislative Budgetary Control Council is required to submit to the members of the Council an estimate of the financial requirements of the ensuing fiscal year. The General Fund appropriation is enacted into law by the Legislature and sent to the Governor for her signature. The Legislative Budgetary Control Council 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 amounts not expended or encumbered at the close of the fiscal year be returned to the State General Fund unless otherwise reappropriated by subsequent Legislation action. Current appropriation legislation authorizes such reappropriation of prior year funds.

LEGISLATIVE BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Budgetary Practices: (Continued)

The budget of the General Fund is prepared on the budgetary (legal) basis of accounting. In compliance with budgetary authorization, the Legislative Budgetary Control Council includes the prior year's fund balance represented by appropriate liquid assets remaining in the fund as a budgeted revenue in the succeeding year. The result of operations on a GAAP basis do not recognize the fund balance allocation as revenue as it represented prior period's excess of revenues over expenditures.

Encumbrances:

Encumbrances are recorded when purchase orders, contracts, and other commitments for expenditure of moneys are recorded but are not considered expenditures until 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 Legislative Budgetary Control Council, State of Louisiana's employees accrue unlimited amounts of annual and sick leave at varying rates as established by the Legislative Budgetary Control Council's personnel practices. 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 carried as earned service in computing retirement benefits.

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, 2006 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 \$22,003.

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

<u>Balance</u> <u>July 1, 2005</u>	<u>Net Change</u>	<u>Balance</u> <u>June 30, 2006</u>
<u>\$ 18,378</u>	<u>\$ 3,625</u>	<u>\$ 22,003</u>

LEGISLATIVE BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Postretirement Benefits:

The Legislative Budgetary Control Council provides certain health care and life insurance benefits for retired employees. Substantially all of the Council's employees may become eligible for those benefits if they reach normal retirement age while working for the Council. These benefits for retirements 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 Council. The Council recognizes the cost of providing these benefits as an expenditure in the year paid. For the year ended June 30, 2006, those costs totaled \$18,923, which covered two retired employees, funded through the legislative appropriation. Retirees pay one-half of the cost of their benefits.

2. CASH IN BANK:

Under State law, the Legislative Budgetary Control Council may deposit funds in an approved bank located in the State selected and designated by the presiding co-chairman of the Council. Federal deposit insurance or the pledge of securities that are owned by the fiscal agent bank must secure these public deposits. 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.

At June 30, 2006, the carrying amount of the Legislative Budgetary Control Council's cash account was \$265,076, and the bank balance was \$306,198. All cash was covered by federal depository insurance or pledged collateral held in the name of the pledging fiscal agent bank in a holding or custodial bank.

3. RETIREMENT SYSTEM:

Plan Description:

All employees of the Council participate in the Louisiana State Employee's Retirement System (LASERS) which is a cost sharing, multiple-employer defined benefit pension plan administered by a separate Board of Trustees. The plan provides 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 issues a publicly available financial report that includes 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.

LEGISLATIVE BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

3. RETIREMENT SYSTEM: (Continued)

Funding Policy:

Plan members of the Legislative Budgetary Control Council, State of Louisiana are required by state statute to contribute 7½% of their annual covered salary to LASERS, respectively and the Council (as their employer) is required to contribute at an actuarially determined rate. The current employer rate is 19.1% of annual covered payroll. The contribution requirements of plan members 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 State of Louisiana through the annual legislative appropriation funds the employer contribution. The Council's employer contributions to LASERS for the year ending June 30, 2006, 2005 and 2004, which were equal to the required contributions for each year, were as follows:

<u>June 30,</u>	
2006	\$ 35,349
2005	21,751
2004	16,879

4. 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, 2006, the Council was involved in various lawsuits relating to its function as the Legislative Budgetary Control Council. In the opinion of legal counsel, resolution of the litigation would not result in substantial liability to the Legislative Budgetary Control Council and accordingly, is not recorded in the accompanying financial statements.

5. PROFESSIONAL SERVICES:

Professional services include the following professional fees:

Public Systems Associates (computer services)	\$ 3,930,492
Custom Accounting (computer support)	23,484
Louisiana Public Broadcasting (satellite transmission services)	82,800
Duplantier, Hrapmann, Hogan & Maher, LLP (accounting and auditing)	30,940
McKee & Deville (consulting engineers)	812
Akamai Technologies (satellite transmission services)	40,992
Assaf, Simoneaux, Tauzin (engineers)	1,330
George T. Fore (architectural conservator)	9,036
N. B. Traylor & Associates (electronics, audio & video engineers)	4,067
Louisiana Public Health Institute (Consulting)	<u>10,200</u>
	<u>\$ 4,134,153</u>

LEGISLATIVE BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

6. INTERAGENCY TRANSFERS OUT:

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

	Office <u>Operations</u>	Capital <u>Outlay</u>	<u>Total</u>
House of Representatives	\$ 242,489	\$ 5,455	\$ 247,944
Senate	<u>62,204</u>	<u>34,206</u>	<u>96,410</u>
	<u>\$ 304,693</u>	<u>\$ 39,661</u>	<u>\$ 344,354</u>

Amounts due to other legislative agencies at June 30, 2006 consists of the following:

Due to House of Representatives	\$ 103,920
Due to Senate	<u>103,920</u>
	<u>\$ 207,840</u>

7. 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.

8. RECONCILIATION:

The Statement of Net Assets and Statement of Activities present the Legislative Budgetary Control Council'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, 2006	\$ 1,740,173
Compensated absences	<u>(22,003)</u>
Net Assets, June 30, 2006	<u>\$ 1,718,170</u>

9. 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 revenues and expenditures during the reporting period. Actual results could differ from those estimates.

LEGISLATIVE BUDGETARY CONTROL COUNCIL
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

10. UNWARRANTED APPROPRIATIONS:

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, 2005</u>	Appropriation Authorized for the year ended <u>June 30, 2006</u>	Funds Collected in the year ended <u>June 30, 2006</u>	Unwarranted Appropriation as of <u>June 30, 2006</u>
Act 744, 1985 R.S.	\$ 4,640,000	\$ 140,000	\$ --	\$ --	\$ 140,000
Act 6, 2004 R.S.	6,805,300	1,701,328	--	1,701,328	--
Act 66, 2005 R.S.	7,198,445	<u>--</u>	<u>7,198,445</u>	<u>5,398,834</u>	<u>1,799,611</u>
		<u>\$ 1,841,328</u>	<u>\$ 7,198,445</u>	<u>\$ 7,100,162</u>	<u>\$ 1,939,611</u>

SUPPLEMENTARY INFORMATION

LEGISLATIVE BUDGETARY CONTROL COUNCIL
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, 2006

	<u>Budgeted Amounts</u>		Actual	Budget to	Actual
	<u>Original</u>	<u>Final</u>	Amounts	GAAP	Amounts
			Budgetary	Differences	GAAP
			Over	Over	Basis
			<u>(Under)</u>	<u>(Under)</u>	<u>Basis</u>
REVENUES:					
State appropriations	\$ 7,198,445	\$ 7,198,445	\$ 7,198,445	\$ -	\$ 7,198,445
Interest	-	-	2,827	-	2,827
Other	-	-	10,013	-	10,013
Reappropriated fund balance (1)	<u>1,851,876</u>	<u>1,851,876</u>	<u>1,851,876</u>	<u>(1,851,876) (1)</u>	<u>-</u>
Total revenues	<u>9,050,321</u>	<u>9,050,321</u>	<u>9,063,161</u>	<u>(1,851,876)</u>	<u>7,211,285</u>
EXPENDITURES/EXPENSES:					
Personal services	151,384	151,384	234,754	3,625 (2)	238,379
Operating services	1,019,165	1,019,165	936,017	-	936,017
Supplies	170,000	170,000	268,733	-	268,733
Professional services	5,122,896	5,122,896	4,134,153	-	4,134,153
Capital outlay	<u>735,000</u>	<u>735,000</u>	<u>1,398,572</u>	<u>-</u>	<u>1,398,572</u>
Total expenditures/expenses	<u>7,198,445</u>	<u>7,198,445</u>	<u>6,972,229</u>	<u>3,625</u>	<u>6,975,854</u>
Excess of revenues over expenditures/expenses	1,851,876	1,851,876	2,090,932	(1,855,501)	235,431
OTHER FINANCING SOURCES (USES):					
Interagency transfers in	-	-	1,000	-	1,000
Interagency transfers out	<u>-</u>	<u>-</u>	<u>(344,354)</u>	<u>-</u>	<u>(344,354)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(343,354)</u>	<u>-</u>	<u>(343,354)</u>
Net change in fund balance	1,851,876	1,851,876	1,747,578	(1,855,501)	(107,923)
Fund balances - beginning	1,049,409	1,049,409	1,784,391	41,702 (3)	1,826,093
Less reappropriated fund balance	<u>(1,851,876)</u>	<u>(1,851,876)</u>	<u>(1,851,876)</u>	<u>1,851,876 (1)</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,049,409</u>	<u>\$ 1,049,409</u>	<u>\$ 1,680,093</u>	<u>\$ 38,077</u>	<u>\$ 1,718,170</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) The amount reported as fund balance on the budgetary basis of accounting derives from the basis of accounting used in preparing the Council's budget. This amount differs from the fund balance reported in the statement of governmental fund revenues, expenditures and changes in fund balance because of the cumulative effect of transactions such as those described above.

LEGISLATIVE BUDGETARY COUNTRIL COUNCIL
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES
BUDGET (LEGAL BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES AND ENCUMBRANCES:			
Dues for national and regional organizations	\$ 328,926	\$ 289,035	\$ 39,891
SLC/CSG Annual Meeting	50,000	-	50,000
Facilities management personnel	151,383	238,379	(86,996)
Huey P. Long Memorial Library	85,000	150,901	(65,901)
Joint computer services	4,941,564	4,343,342	598,222
Joint legislative committee on the budget	16,000	-	16,000
Public transmission of session proceedings	110,000	82,800	27,200
Joint reapportionment	94,501	16,254	78,247
Capitol Security (EMT's)	181,057	-	181,057
State Police and Capitol Police	50,000	22,504	27,496
Operating services	183,682	94,732	88,950
Professional services	71,332	30,940	40,392
David R. Poynter Memorial Library	85,000	67,445	17,555
Maintenance of Capitol complex	735,000	1,506,599	(771,599)
Capitol janitorial	110,000	132,923	(22,923)
Compensation Review Commission	5,000	-	5,000
Total expenditures and encumbrances	<u>7,198,445</u>	<u>6,975,854</u>	<u>222,591</u>
 OTHER FINANCING USES:			
Interagency transfers out	<u>-</u>	<u>344,354</u>	<u>(344,354)</u>
 TOTAL EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES	 <u>\$ 7,198,445</u>	 <u>\$ 7,320,208</u>	 <u>\$ (121,763)</u>



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SOCIETY OF LA C.P.A.'S

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*

October 10, 2006

Honorable Donald E. Hines, Co-Chair
Honorable Joe R. Salter, Co-Chair
Legislative Budgetary Control Council
State of Louisiana
Baton Rouge, Louisiana

Board of Trustees:

We have audited the financial statements of the Legislative Budgetary Control Council, State of Louisiana, as of and for the year ended June 30, 2006, and have issued our report thereon dated October 10, 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 Legislative Budgetary Control Council, 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 reportable condition in which the design or operation of one or more of the internal control structure 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 Legislative Budgetary Control Council, 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Council's management and the Legislative Auditor 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, LLP

LEGISLATIVE BUDGETARY CONTROL COUNCIL
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 Legislative Budgetary Control Council for the year ended June 30, 2006 was unqualified.
2. Compliance and Other Matters
Noncompliance material to financial statements: none noted
3. Internal Control
Material weaknesses: none noted
Reportable conditions: none noted

FINDINGS REQUIRED TO BE REPORTED UNDER AUDITING STANDARDS
GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA:

None

SUMMARY OF PRIOR YEAR FINDINGS:

None