

R E P O R T

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
JUNE 30, 2013

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA

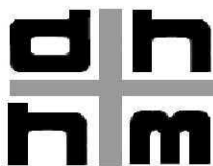
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## INDEPENDENT AUDITOR'S REPORT

December 26, 2013

Honorable Charles E. Kleckley  
Speaker of the House of Representatives  
State of Louisiana  
Baton Rouge, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the House of Representatives, State of Louisiana, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the House of Representatives' basic financial statements as listed in the index to the report.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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 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 from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the House of Representatives, State of Louisiana, as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 5 and 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the House of Representatives, State of Louisiana's basic financial statements. The required supplementary information on page 25 is presented for purposes of additional analysis as required by the Governmental Accounting Standards Board (GASB) and is not a required part of the basic financial statements. The schedule on pages 26-28 is presented for the purpose of additional analysis and is also not a required part of the basic financial statements.

The required supplementary information on page 25 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the required supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The schedule on pages 26-28 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2013, on our consideration of the House of Representatives, State of Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the House of Representatives, State of Louisiana's internal control over financial reporting and compliance.

***Duplantier, Hrapmann, Hogan & Maher, LLP***

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
MANAGEMENTS' DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

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, 2013. This analysis should be read in conjunction with the audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The House's general revenues and other financing sources exceeded its expenditures by \$2,737,720. However, the House's net position decreased by \$237,223 which resulted primarily from an increase in long term liabilities related to post employment benefit obligations.

The general revenues of the House were \$27,914,952, which is a decrease of \$24,623.

The other financing sources of the House were \$2,035,696, which is an increase of \$1,169,661.

The total expenditures/expenses of the House were \$30,187,871, which is an increase of \$377,546.

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 Governmental Fund Balance Sheet / Statement of Net Position (page 6) presents the current and long-term portions of assets and liabilities separately.

The Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance / Statement of Activities (page 7) presents information on how the House's net position changed as a result of current period operations.

The following presents condensed financial information of the House:

SUMMARY STATEMENTS OF NET POSITION

ASSETS:

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Current assets	\$ 25,543,340	\$ 22,821,271
Capital assets	<u>109,405</u>	<u>108,439</u>
Total assets	<u>25,652,745</u>	<u>22,929,710</u>



HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
MANAGEMENTS' DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

BASIC FINANCIAL STATEMENTS (Continued)

LIABILITIES

Current liabilities	\$ 1,132,932	\$ 1,148,583
Long-term liabilities	<u>12,492,723</u>	<u>9,516,814</u>
Total liabilities	<u>13,625,655</u>	<u>10,665,397</u>
Invested in capital assets	109,405	108,439
Unrestricted	<u>11,917,685</u>	<u>12,155,874</u>
Total net position	<u>\$ 12,027,090</u>	<u>\$ 12,264,313</u>

SUMMARY STATEMENTS OF ACTIVITIES

	For the Year Ended <u>June 30, 2013</u>	For the Year Ended <u>June 30, 2012</u>
General revenues	\$ 27,914,952	\$ 27,939,575
Expenditures/expenses	30,187,871	29,810,325
Other financing sources (uses)	<u>2,035,696</u>	<u>866,035</u>
Change in net position	<u>\$ (237,223)</u>	<u>\$ (1,004,715)</u>

BUDGET ANALYSIS

A comparison of budget to actual operations is a required supplementary statement and is presented in the accompanying supplementary information. The House was under budget in the areas of travel, supplies, dues and subscriptions, printing, office expense and maintenance, other fees and services, and capital outlay, but was over budget in the areas of personnel services, telephone, utilities and building. However, most of the overages were offset by interagency transfers.

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  
GOVERNMENTAL FUND BALANCE SHEET /  
STATEMENT OF NET POSITION  
JUNE 30, 2013

	<u>General Fund</u>	<u>Adjustments*</u>	<u>Statement of Net Position</u>
<b>ASSETS:</b>			
Cash and cash equivalents (Notes 1 and 2)	\$ 25,437,580	\$ -	\$ 25,437,580
Due from other legislative agencies (Note 7)	31,759	-	31,759
Promotional inventory (Note 1)	74,001	-	74,001
Capital assets (net of allowance for depreciation) (Note 3)	<u>-</u>	<u>109,405 (1)</u>	<u>109,405</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>25,543,340</u></b>	<b><u>109,405</u></b>	<b><u>25,652,745</u></b>
<b>LIABILITIES:</b>			
Accounts payable	\$ 61,286	-	61,286
Employee benefits paid	565,409	-	565,409
Salaries payable	506,237	-	506,237
Compensated absences: (Note 1)			
Current portion	-	282,699 (2)	282,699
Noncurrent portion	-	1,130,797 (2)	1,130,797
OPEB payable (Note 5)	<u>-</u>	<u>11,079,227 (2)</u>	<u>11,079,227</u>
Total liabilities	<u>1,132,932</u>	<u>12,492,723</u>	<u>13,625,655</u>
<b>FUND BALANCE/NET POSITION:</b>			
Nonspendable (Note 12)	\$ 74,001	(74,001)	-
Restricted (Note 12)	405,913	(405,913)	-
Committed (Note 12)	454,119	(454,119)	-
Assigned (Note 12)	20,577,723	(20,577,723)	-
Unassigned	<u>2,898,652</u>	<u>(2,898,652)</u>	<u>-</u>
Total fund balance	<u>24,410,408</u>		
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ <u>25,543,340</u></b>		
<b>NET POSITIONS:</b>			
Invested in capital assets		109,405	109,405
Unrestricted		<u>11,917,685</u>	<u>11,917,685</u>
<b>TOTAL NET POSITION</b>		<b>\$ <u>12,027,090</u></b>	<b>\$ <u>12,027,090</u></b>

**\*Explanation**

- (1) Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the General Fund.
- (2) Long-term liabilities, such as compensated absences and other postemployment benefits, are not due and payable in the current period and, therefore, are not reported in the General Fund.

See accompanying notes.



HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
STATEMENT OF GOVERNMENTAL FUND REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE / STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>General Fund</u>	<u>Adjustments*</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES:			
Personnel services	\$ 23,648,259	\$ 2,975,909 (1)	\$ 26,624,168
Travel	466,517	-	466,517
Supplies	209,083	-	209,083
Telephone, utilities and building	360,247	-	360,247
Dues and subscriptions	1,840	-	1,840
Printing	131,078	-	131,078
Office expense and maintenance	2,097,885	-	2,097,885
Other fees and services	15,566	-	15,566
Capital outlay	282,453	(52,071) (2)	230,382
Depreciation	-	51,105 (2)	51,105
Total expenditures/expenses	<u>27,212,928</u>	<u>2,974,943</u>	<u>30,187,871</u>
GENERAL REVENUES:			
State appropriations	27,607,568	-	27,607,568
Interest	88,461	-	88,461
Other	218,923	-	218,923
Total general revenues	<u>27,914,952</u>	<u>-</u>	<u>27,914,952</u>
Excess (deficiency) of general revenues over expenditures/expenses	<u>702,024</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES:			
Interagency transfers in (Note 7)	2,035,696	-	2,035,696
Total other financing sources	<u>2,035,696</u>	<u>-</u>	<u>2,035,696</u>
Excess of general revenues and other financing sources over expenditures/expenses	2,737,720	(2,737,720)	-
Change in net position	-	(237,223)	(237,223)
FUND BALANCE/NET POSITION:			
Beginning of Year	21,672,688	(9,408,375)	12,264,313
End of Year	<u>\$ 24,410,408</u>	<u>\$ (12,383,318)</u>	<u>\$ 12,027,090</u>

\*Explanation

- (1) Expenses of long-term obligations for compensated absences and other postemployment benefits reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the General Fund.
- (2) Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The amount of capital outlays not meeting the capitalization threshold are reported as an expense (i.e., supplies).

See accompanying notes.

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

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 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' activities, including the acquisition of capital assets and the servicing of long-term liabilities.

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 Position and Statement of Activities. These statements reflect entity-wide operations of the House of Representatives. The House of Representatives has no fiduciary funds or component units. 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, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Within the accompanying statements, the General Fund column of the Statement of Net Position 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 and other postemployment benefits (OPEB) are recorded when paid.

The General Fund column is adjusted to create a Statement of Net Position 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 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 his 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 position 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.

Encumbrance accounting is used during the year to reserve portions of the annual appropriation for unfilled purchase orders. Year-end encumbrances are not charged against the current year appropriation and are carried forward into the next budget year.

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

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.

Leave Benefits:

The long-term obligation of accumulated unpaid annual, sick and compensatory leave is reported in the Statement of Net Position 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, 2013, 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, totaled \$1,413,496.

The following are the changes in compensated absences during the year:

<u>Balance</u> <u>July 01, 2012</u>	<u>Net</u> <u>Change</u>	<u>Balance</u> <u>June 30, 2013</u>
<u>\$ 1,446,262</u>	<u>\$ (32,766)</u>	<u>\$ 1,413,496</u>

The additions and reductions to compensated absences during the 2012-2013 fiscal year represent the net change during the year because the additions and deductions could not be readily determined.

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Postemployment 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's Office of Group Benefits Plan and the LSU System Health Plan. 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 in the General Fund. For the year ended June 30, 2013, those costs totaled \$639,878, which covered 117 retired employees, funded through the legislative appropriation.

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.

Fund Balance:

During the fiscal year ended June 30, 2011, the House implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. Fund balance is classified in the following components:

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fund Balance: (Continued)

- *Nonspendable* includes fund balance amounts that cannot be spent either because it is in nonspendable form (such as inventory) or because of legal or contractual constraints.
- *Restricted* includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers (such as grantors, bondholders and higher levels of government) or amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* includes fund balance amounts that are constrained for specific purposes that are internally imposed by the House itself, using its highest level of decision-making authority, the Speaker of the House. To be reported as *committed*, amounts cannot be used for any other purpose unless the House takes the same highest level action to remove or change the constraint.
- *Assigned* includes fund balance amounts that the House intends to use for specific purposes as determined by the Speaker of the House that are neither considered restricted nor committed.
- *Unassigned* fund balance amounts include the residual amounts of fund balance which do not fall into one of the other components. Positive amounts are reported only in the General Fund.

The House applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The House does not have a formal minimum fund balance policy.

Net Position:

Net position comprises the various net earnings from revenues and expenses. Net position is classified in the following components:

(a) *Invested in capital assets* consists of the House's total investment in capital assets, net of accumulated depreciation.

(b) *Restricted* consists of resources restricted by external sources such as creditors, grantors, contributors, or by law.



HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Net Position: (Continued)

(c) *Unrestricted* consists of resources derived from state appropriations, interest earnings, and other miscellaneous sources. These resources are used for transactions relating to general operations of the House and may be used at its discretion to meet current expenses and for any purpose.

Adoption of New Accounting Policies:

During the fiscal year ended June 30, 2013, the House implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement redefined the residual of all other elements presented in the Statement of Net Position from "Net Assets" to "Net Position."

2. DEPOSITS IN BANKS:

Under State law, the House of Representatives may deposit funds in an approved bank located in the 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.

At June 30, 2013, the carrying amount of the House of Representatives' cash accounts was \$25,437,580. The bank balances were \$25,440,077. All cash was covered by federal depository insurance or pledged securities held by the Federal Reserve Bank in the name of the House of Representatives.

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 01, 2012	\$ 936,630	\$ (828,191)	\$ 108,439
Acquisitions	52,071	-	52,071
Deletions	(197,179)	197,179	-
Depreciation	-	(51,105)	(51,105)
Balance, June 30, 2013	<u>\$ 791,522</u>	<u>\$ (682,117)</u>	<u>\$ 109,405</u>



HOUSE OF REPRESENTATIVES  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

3. CAPITAL ASSETS: (Continued)

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

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

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 (TRSL). TRSL is a cost-sharing, multiple employer defined benefit plan, and LASERS is considered a single-employer defined benefit plan due to a material portion of its activity being with one employer, the State of Louisiana. Both pension plans are 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 and guaranteed by the State of Louisiana under provisions of the Louisiana Constitution of 1974. LASERS and TRSL 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 House are required by state statute to contribute 7½% or 8% (depending on their date of hire) of their annual covered salary to LASERS or 8% of their annual covered salary to TRSL. The House of Representatives (as their employer) is required to contribute at an actuarially determined rate. The current employer rate is 29.1% and 24.5% of annual covered payroll for LASERS and TRSL, respectively. The contribution requirements of plan members and the employer are established 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 TRSL for the years ended June 30, 2013, 2012 and 2011, which were equal to the required contributions for each year, were as follows:

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

4. RETIREMENT SYSTEM: (Continued)

Funding Policy: (Continued)

<u>Period Ended</u>	<u>LASERS</u>	<u>TRSL</u>	<u>Total</u>
June 30, 2013	\$ 2,930,006	\$ 7,816	\$ 2,937,822
June 30, 2012	2,778,873	7,584	2,786,457
June 30, 2011	2,474,441	6,504	2,480,945

5. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS:

Substantially, all House employees become eligible for postemployment health care and life insurance benefits if they reach normal retirement age while working for the House. The House of Representatives, State of Louisiana offers its employees the opportunity to participate in one of two medical coverage plans. One offering is from the State Office of Group Benefits (OGB) which also offers a life insurance plan, and the other is with the LSU System Health Plan. Information about each of these two plans is presented below.

PLAN DESCRIPTIONS:

LSU System Health Plan:

The House is one of a limited number of state agencies that may participate in the LSU System Health Plan. The state agency participation is not material and, as such, the plan is identified as a single-employer defined benefit healthcare plan that is not administered as a trust or equivalent arrangement. The Health Plan offers eligible employees, retirees, and their beneficiaries the opportunity to participate in comprehensive health and preventive care coverage that gives members a unique, consumer-driven health-care approach to pay routine health expenses and provides coverage for major healthcare expenses. Within the Health Plan members have a choice of selecting LSU First Option 1 or LSU First Option 2. Option 1 is more costly but features both lower yearly deductibles and out-of-network coinsurance requirements. Eligible retirees are provided \$25,000 in life insurance coverage for their lifetime at no costs to the retiree.

The LSU System Health Plan selects claim and pharmaceutical administrators to administer its program. Both claim and pharmacy administrators are selected through a formal Request for Proposals process followed by negotiations between the System and qualified vendors.

HOUSE OF REPRESENTATIVES  
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NOTES TO FINANCIAL STATEMENTS  
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5. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

PLAN DESCRIPTIONS: (Continued)

LSU System Health Plan: (Continued)

The Health Plan originally began as a pilot program within the State Office of Group Benefits (OGB), the office that provides health benefits to state employees. The Health Plan does not issue a publicly available financial report, but it is included in the LSU System's audited Financial Report. The Financial Report may be obtained from the LSU System's website at <http://www.lsusystem.edu/>.

State OGB Plan:

The House of Representatives, State of Louisiana's employees may participate in the State of Louisiana's Other Postemployment Benefit Plan (OPEB Plan), a cost-sharing, multiple-employer defined benefit plan, but classified as an agent multiple-employer defined benefit OPEB Plan for financial reporting purposes since the plan is not administered as a formal trust. The OPEB Plan provides medical and life insurance to eligible active employees, retirees and their beneficiaries. The Office of Group Benefits administers the plan. LRS 42:801-883 assigns the authority to establish and amend benefit provisions of the plan. The Office of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in the State of Louisiana Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at [www.doa.la.gov/osrap](http://www.doa.la.gov/osrap).

FUNDING POLICIES:

LSU System Health Plan:

While actuarially determined, the plan rates must be approved by OGB under LRS 42:851.B. Plan rates are in effect for one year and members have the opportunity to switch providers during the open enrollment period which usually occurs in October.

The plan is financed on a pay as you go basis. The pay-as-you-go expense is the net expected cost of providing retiree benefits. This expense includes all expected claims and related expenses and is offset by retiree contributions.

Depending upon the Option selected, during the year ended June 30, 2013, employee premiums for a single member receiving benefits range from \$74 to \$85 per month for retiree-only coverage with Medicare or from \$126 to \$144 per month for retiree-only coverage without Medicare. The premiums for the year ended June 30, 2013 for a retiree and spouse range from \$131 to \$302 per month for those with Medicare or from \$356 to \$409 per month for those without Medicare.

HOUSE OF REPRESENTATIVES  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

5. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

FUNDING POLICIES: (Continued)

LSU System Health Plan: (Continued)

The House of Representatives, State of Louisiana contributed anywhere from \$220 to \$255 per month for retiree-only coverage with Medicare or from \$888 to \$928 per month for retiree-only coverage without Medicare during the year ended June 30, 2013. Also, the House of Representatives' contributions ranged from \$392 to \$905 per month for retiree and spouse with Medicare or \$1,424 for retiree and spouse without Medicare. The House of Representatives' contributions ranged from \$436 to \$452 per month for retiree and children with Medicare or \$930 to \$986 for retiree and children without Medicare.

State OGB Plan:

The contribution requirements of plan members and the House of Representatives, State of Louisiana are established and may be amended by LRS 42:801-883. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. The OGB offers four standard plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Health Maintenance Organization (HMO) Plan, the Medical Home HMO (MH-HMO) Plan, and the Regional HMO Plan (available in 2012 only). The OGB also offers a Consumer Driven Health Plan with a Health Savings Account option (CDHP-HSA). Retired employees who have Medicare Part A and Part B coverage also have access to OGB Medicare Advantage Plans, which are offered on a calendar year basis. Depending upon the plan selected, during fiscal year 2013, employee premiums for a single member receiving benefits range from \$83 to \$87 per month for employee-only coverage with Medicare or from \$134 to \$144 per month for employee-only coverage without Medicare. The premiums for an employee and spouse for the year ended June 30, 2013 range from \$145 to \$322 per month for those with Medicare or from \$427 to \$468 per month for those without Medicare.

The plan is currently financed on a pay as you go basis, with the House of Representatives contributing anywhere from \$248 to \$261 per month for retiree-only coverage with Medicare or from \$851 to \$928 per month for retiree-only coverage without Medicare during fiscal year 2013. Also, the House of Representatives, State of Louisiana contributions range from \$436 to \$966 per month for retiree and spouse with Medicare or \$1,300 to \$1,424 for retiree and spouse without Medicare during the year ended June 30, 2013.



HOUSE OF REPRESENTATIVES  
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JUNE 30, 2013

5. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

FUNDING POLICIES: (Continued)

State OGB Plan: (Continued)

OGB also provides eligible retirees Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life and Employee Accidental Death and Dismemberment coverage, which is underwritten by The Prudential Insurance Company of America. The total premium is approximately \$1 per thousand dollars of coverage of which the employer pays approximately one half of the premium. Maximum coverage is capped at \$50,000 with a reduction formula of 25% at age 65 and 50% at age 70, with accidental death & dismemberment coverage ceasing at age 70 for retirees. Spouse life insurance is available.

ANNUAL OPEB COST:

The House of Representatives, State of Louisiana's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the fiscal year beginning July 01, 2012 was \$3,606,143.

The following table presents the House of Representatives, State of Louisiana's OPEB obligation for the year ended June 30, 2013. The table shows the components of each plan's annual OPEB cost for the year ended June 30, 2013, the amount actually contributed to the plan, and changes in the plan's net OPEB obligation to the retiree health plan:

	<u>Office of Group Benefits Plan</u>	<u>LSU System Health Plan</u>	<u>Total</u>
Annual required contribution	\$ 525,900	\$ 3,080,243	\$ 3,606,143
Interest on net OPEB obligation	142,381	191,719	334,100
ARC adjustment	<u>(138,000)</u>	<u>(153,690)</u>	<u>(291,690)</u>
Annual OPEB Cost	530,281	3,118,272	3,648,553
Contributions made	<u>(317,374)</u>	<u>(322,504)</u>	<u>(639,878)</u>
Increase in Net OPEB Obligation	212,907	2,795,768	3,008,675
Beginning Net OPEB Obligation	<u>3,559,518</u>	<u>4,511,034</u>	<u>8,070,552</u>
Ending Net OPEB Obligation	<u>\$ 3,772,425</u>	<u>\$ 7,306,802</u>	<u>\$ 11,079,227</u>

HOUSE OF REPRESENTATIVES  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

5. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

ANNUAL OPEB COST: (Continued)

The House's annual OPEB cost, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for the fiscal year ended June 30, 2013, and the two preceding fiscal years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
<u>OGB</u>			
June 30, 2013	\$ 530,281	59.85%	\$ 3,772,425
June 30, 2012	498,527	68.64%	3,559,518
June 30, 2011	659,300	50.32%	3,403,168
<u>LSU</u>			
June 30, 2013	3,118,272	10.34%	7,306,802
June 30, 2012	1,520,885	20.55%	4,511,034
June 30, 2011	1,178,751	26.48%	3,302,723

FUNDED STATUS AND FUNDING PROGRESS:

Act 910 of the 2008 Regular Session established the Postemployment Benefits Trust Fund effective July 01, 2008; however, neither the House of Representatives, State of Louisiana, nor the State of Louisiana have made contributions to it. Since no contributions have been made, the House of Representatives, State of Louisiana's entire actuarial accrued liability of \$7,907,300 for the OGB Plan was unfunded. The LSU System Health Plan does not use a trust fund to administer the financing of the plan and the payment of benefits.

The funded status of the plan, as determined by an actuary as of July 01, 2012, was as follows:

	<u>Office of Group Benefits</u>	<u>LSU System Health Plan</u>
Actuarial accrued liability (AAL)	\$ 7,907,300	\$ 32,110,215
Actuarial value of plan assets	--	--
Unfunded actuarial accrued liability (UAAL)	<u>\$ 7,907,300</u>	<u>\$ 32,110,215</u>
Funded ratio (actuarial value of plan assets/AAL)	0%	0%
Covered payroll (annual payroll of active employees covered by the plans)	\$ 1,985,023	\$ 11,888,009
UAAL as a percentage of covered payroll	398.35%	270.11%

HOUSE OF REPRESENTATIVES  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

5. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

ACTUARIAL METHODS AND ASSUMPTIONS:

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

A summary of the actuarial assumptions is presented below:

	<u>LSU System Health Plan</u>	<u>State OGB Plan</u>
Actuarial valuation date	July 01, 2012	July 01, 2012
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percentage of payroll	Level percentage of payroll
Amortization period	30 years	30 years
Asset valuation method	none	none
Actuarial assumptions:		
Investment rate of return	4.25% annual rate	4.00% annual rate
Projected salary increases	4.00% per annum	5.00% per annum
Healthcare inflation rate	8.50%	6.00-8.00%
	5.00% ultimate	4.50% ultimate

6. LEASE AGREEMENTS:

During the year ended June 30, 2011, the House entered into a lease agreement with Canon Financial Services, Inc. for the lease of several copiers. The term of the lease agreement is for sixty months in the amount of \$13,997 per month. Future minimum lease payments under this non-cancelable operating lease as of June 30, 2013 are as follows:



HOUSE OF REPRESENTATIVES  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

6. LEASE AGREEMENTS: (Continued)

<u>Year Ended</u>	<u>Lease Payments</u>
June 30, 2014	\$ 167,964
June 30, 2015	167,964
June 30, 2016	<u>69,985</u>
Total	<u>\$ 405,913</u>

Expenditures relating to this lease were \$167,964 for the year ended June 30, 2013.

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 \$50,990 for the year ended June 30, 2013.

7. INTERAGENCY TRANSFERS:

Amounts received from other governmental units for the year ended June 30, 2013 consist of the following:

	<u>Office Operations</u>	<u>Capital Outlay</u>	<u>Personnel Services</u>	<u>Total</u>
Legislative Budgetary Control Council	\$ 1,476,826	\$ 218,063	\$ 233,605	\$ 1,928,494
Other agencies	<u>-</u>	<u>-</u>	<u>107,202</u>	<u>107,202</u>
Total	<u>\$ 1,476,826</u>	<u>\$ 218,063</u>	<u>\$ 340,807</u>	<u>\$ 2,035,696</u>

The amount due from other legislative agencies totaled \$31,759 at year-end.

8. 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.

HOUSE OF REPRESENTATIVES  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

9. 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, 2013, the House of Representatives, State of Louisiana was involved in a lawsuit relating to its function as the House of Representatives, State of Louisiana. In the opinion of legal counsel, resolution of the litigation would not result in a substantial liability to the House of Representatives, State of Louisiana and, accordingly, is not recorded in the accompanying financial statements.

10. RECONCILIATION:

The Statement of Net Position and Statement of Activities present the House of Representatives' fund balance/net position 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 position. The amounts are reconciled as follows:

Fund balance, June 30, 2013	\$ 24,410,408
Capital assets	109,405
Compensated absences	(1,413,496)
Other post employment benefits payable	<u>(11,079,227)</u>
Net position, June 30, 2013	\$ <u>12,027,090</u>

11. RISK MANAGEMENT:

The House of Representatives' State of Louisiana 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, State of Louisiana transfers the risk of loss from theft, torts, damage to and destruction of assets, workers' compensation, errors and omissions, and natural disasters.

12. FUND BALANCES:

As of June 30, 2013, the House has an unassigned fund balance of \$2,898,652. The Fund balance also includes amounts classified as nonspendable, restricted, committed and assigned for the following purposes:

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

12. FUND BALANCES: (Continued)

	<u>General Fund</u>
Nonspendable:	
Inventories	\$ 74,001
Total nonspendable fund balance	<u>\$ 74,001</u>
Restricted:	
Future obligation on equipment lease	\$ 405,913
Total restricted fund balance	<u>\$ 405,913</u>
Committed:	
Pentagon account	\$ 131,997
Capitol Foundation account	283,066
Arts fund	8,011
Flexible Benefits account (net of liabilities)	<u>31,045</u>
Total committed fund balance	<u>\$ 454,119</u>
Assigned:	
Annex and basement renovations	\$ 1,975,000
Tower office renovations	950,000
Computer hardware and software upgrades	1,600,000
Committee room and chamber upgrades	960,000
Other post employment benefits obligation	11,079,227
Compensated absences obligation	1,413,496
Appropriated for subsequent fiscal year	<u>2,600,000</u>
Total assigned fund balance	<u>\$ 20,577,723</u>

## REQUIRED SUPPLEMENTARY INFORMATION

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
REQUIRED SUPPLEMENTARY INFORMATION  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2013

	Actual Amounts			Budgeted Amounts	
	GAAP Basis	GAAP to Budget Differences Over (Under)	Budgetary Basis	Original	Final
REVENUES:					
State appropriations	\$ 27,607,568	\$ -	\$ 27,607,568	\$ 27,607,568	\$ 27,607,568
Interest	88,461	-	88,461	-	-
Other	218,923	-	218,923	-	-
Reappropriated fund balance (1)	-	22,197,280 (1)	22,197,280	22,197,280	22,197,280
Total revenues	<u>27,914,952</u>	<u>22,197,280</u>	<u>50,112,232</u>	<u>49,804,848</u>	<u>49,804,848</u>
EXPENDITURES:					
Personnel services	23,648,259	18,355 (2)	23,666,614	22,173,168	22,173,168
Travel	466,517	-	466,517	507,000	507,000
Supplies	209,083	-	209,083	359,400	359,400
Telephone, utilities and building	360,247	-	360,247	320,000	320,000
Dues and subscriptions	1,840	-	1,840	45,000	45,000
Printing	131,078	-	131,078	182,000	182,000
Office expense and maintenance	2,097,885	-	2,097,885	2,549,000	2,549,000
Other fees and services	15,566	-	15,566	26,000	26,000
Capital outlay	282,453	-	282,453	1,446,000	1,446,000
Total expenditures/expenses	<u>27,212,928</u>	<u>18,355</u>	<u>27,231,283</u>	<u>27,607,568</u>	<u>27,607,568</u>
Excess of revenues over expenditures	702,024	22,178,925	22,880,949	22,197,280	22,197,280
OTHER FINANCING SOURCES:					
Interagency transfers in	2,035,696	-	2,035,696	-	-
Total other financing sources	<u>2,035,696</u>	<u>-</u>	<u>2,035,696</u>	<u>-</u>	<u>-</u>
Net change in fund balance	2,737,720	22,178,925	24,916,645	22,197,280	22,197,280
Fund balances - beginning	21,672,688	524,592 (3)	22,197,280	8,281,656	8,281,656
Less reappropriated fund balance	-	(22,197,280) (1)	(22,197,280)	(22,197,280)	(22,197,280)
Fund balances - ending	<u>\$ 24,410,408</u>	<u>\$ 506,237</u>	<u>\$ 24,916,645</u>	<u>\$ 8,281,656</u>	<u>\$ 8,281,656</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) Personnel services and related benefits are budgeted only to the extent expected to be paid, rather than on the modified accrual basis.
- (3) The amount reported as "fund balance" on the budgetary basis of accounting derives from the basis of accounting used in preparing the budget. (See Note 1 for a description of the House of Representatives, State of Louisiana's budgetary accounting method.) This amount differs from the fund balance reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance because of the cumulative effect of transactions such as those described above.

HOUSE OF REPRESENTATIVES  
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REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS FOR  
OTHER POSTEMPLOYMENT BENEFIT PLANS  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Actuarial Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a)/c]</u>
Office of Group Benefits	7/1/2012	\$ -	\$ 7,907,300	\$ 7,907,300	0%	\$ 1,985,023	398.35%
	7/1/2011	-	7,013,600	7,013,600	0%	1,832,811	382.67%
	7/1/2010	-	9,374,600	9,374,600	0%	1,910,252	490.75%
LSU System Health Plan	7/1/2012	\$ -	\$ 32,110,215	\$ 32,110,215	0%	\$ 11,888,009	270.11%
	7/1/2011	-	11,243,604	11,243,604	0%	12,678,721	88.68%
	7/1/2010	-	9,168,858	9,168,858	0%	12,874,342	71.22%

## OTHER SUPPLEMENTARY INFORMATION



HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LEGISLATORS' PER DIEM AND OTHER COMPENSATION  
FOR THE YEAR ENDED JUNE 30, 2013

Representative	Total	Regular Session		Special Session		Travel and Interim Session		Salary and Expense Allowance
		Days	Amount	Days	Amount	Days	Amount	
ABRAMSON, NEIL C.	\$ 33,379	60	\$ 8,940	-	\$ -	11	\$ 1,639	\$ 22,800
ADAMS, BRYAN J.	35,614	60	8,940	-	-	26	3,874	22,800
ANDERS, JOHN F.	33,379	60	8,940	-	-	11	1,639	22,800
ARMES III, JAMES KIMRELL	35,316	60	8,940	-	-	24	3,576	22,800
ARNOLD, JEFFREY	32,485	60	8,940	-	-	5	745	22,800
BADON, JR., AUSTIN	33,379	60	8,940	-	-	11	1,639	22,800
BARRAS, TAYLOR F.	36,359	60	8,940	-	-	31	4,619	22,800
BARROW, REGINA A.	36,210	60	8,940	-	-	30	4,470	22,800
BERTHELOT, JOHN A.	36,508	60	8,940	-	-	32	4,768	22,800
BILLIOT, ROBERT E.	38,296	60	8,940	-	-	44	6,556	22,800
BISHOP, STUART J.	33,230	60	8,940	-	-	10	1,490	22,800
BISHOP, WESLEY TYRON	34,273	60	8,940	-	-	17	2,533	22,800
BROADWATER, CHRIS	35,167	60	8,940	-	-	23	3,427	22,800
BROSSETT, JARED	37,104	60	8,940	-	-	36	5,364	22,800
BROWN, TERRY R.	33,975	60	8,940	-	-	15	2,235	22,800
BURFORD, RICHARD T.	32,485	60	8,940	-	-	5	745	22,800
BURNS, HENRY LEE	37,700	60	8,940	-	-	40	5,960	22,800
BURNS, TIMOTHY G.	32,783	60	8,940	-	-	7	1,043	22,800
BURRELL, ROY ALLEN	38,743	60	8,940	-	-	47	7,003	22,800
CARMODY, JR., THOMAS G.	32,038	60	8,940	-	-	2	298	22,800
CARTER, STEPHEN F.	33,379	60	8,940	-	-	11	1,639	22,800
CHAMPAGNE, SIMONE BECNEL	37,998	60	8,940	-	-	42	6,258	22,800
CHANEY, CHARLES R.	36,657	60	8,940	-	-	33	4,917	22,800
CONNICK, JOHN PATRICK	34,124	60	8,940	-	-	16	2,384	22,800
COX, KENNY R.	33,081	60	8,940	-	-	9	1,341	22,800
CROMER, GEORGE GREGORY	34,124	60	8,940	-	-	16	2,384	22,800
DANAHAY, MICHAEL	34,124	60	8,940	-	-	16	2,384	22,800
DIXON, HERBERT	35,614	60	8,940	-	-	26	3,874	22,800
DOVE, SR., GORDON E.	32,783	60	8,940	-	-	7	1,043	22,800
EDWARDS, JOHN BEL	32,187	60	8,940	-	-	3	447	22,800
FANNIN, JAMES R.	65,848	60	8,940	-	-	41	6,109	50,799
FOIL, FRANKLIN J.	36,508	60	8,940	-	-	32	4,768	22,800
FRANKLIN, A. B.	34,422	60	8,940	-	-	18	2,682	22,800
GAINES, RANDAL L.	32,485	60	8,940	-	-	5	745	22,800
GAROFALO, JR., RAYMOND E.	32,932	60	8,940	-	-	8	1,192	22,800
GEYMANN, BRETT FRANK	34,273	60	8,940	-	-	17	2,533	22,800
GISCLAIR, JERRY J.	33,379	60	8,940	-	-	11	1,639	22,800
GREENE, HUNTER	33,975	60	8,940	-	-	15	2,235	22,800
GUILLORY, MICKEY J.	33,379	60	8,940	-	-	11	1,639	22,800
GUINN, JOHN E.	33,230	60	8,940	-	-	10	1,490	22,800
HARRIS, LANCE	36,210	60	8,940	-	-	30	4,470	22,800
HARRISON, JR., JOSEPH ARTHUR	34,720	60	8,940	-	-	20	2,980	22,800
HAVARD, KENNETH E.	32,783	60	8,940	-	-	7	1,043	22,800
HAZEL, LOWELL CHRISTOPHER	33,528	60	8,940	-	-	12	1,788	22,800

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LEGISLATORS' PER DIEM AND OTHER COMPENSATION  
FOR THE YEAR ENDED JUNE 30, 2013

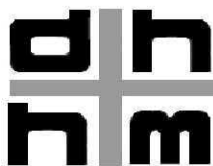
<u>Representative</u>	<u>Total</u>	<u>Regular Session</u>		<u>Special Session</u>		<u>Travel and Interim Session</u>		<u>Salary and Expense Allowance</u>
		<u>Days</u>	<u>Amount</u>	<u>Days</u>	<u>Amount</u>	<u>Days</u>	<u>Amount</u>	
HENRY, JR., JOHN C.	\$ 34,124	60	\$ 8,940	-	\$ -	16	\$ 2,384	\$ 22,800
HENSGENS, CRAIG R.	36,210	60	8,940	-	-	30	4,470	22,800
HILL, DOROTHY SUE	33,230	60	8,940	-	-	10	1,490	22,800
HODGES, VALARIE H.	32,634	60	8,940	-	-	6	894	22,800
HOFFMANN, FRANK A.	34,869	60	8,940	-	-	21	3,129	22,800
HOLLIS, PAUL BRYAN	32,187	60	8,940	-	-	3	447	22,800
HONORE', DALTON W.	34,422	60	8,940	-	-	18	2,682	22,800
HOWARD, FRANK A.	33,230	60	8,940	-	-	10	1,490	22,800
HUNTER, MARCUS L.	33,379	60	8,940	-	-	11	1,639	22,800
HUVAL, MICHAEL	33,677	60	8,940	-	-	13	1,937	22,800
IVEY, BARRY	15,804	60	8,940	-	-	-	-	6,864
JACKSON, KATRINA R.	36,061	60	8,940	-	-	29	4,321	22,800
JACKSON, III, GIROD	34,571	60	8,940	-	-	19	2,831	22,800
JAMES II, EDWARD CLARK	37,849	60	8,940	-	-	41	6,109	22,800
JEFFERSON, PATRICK O'NEAL	33,975	60	8,940	-	-	15	2,235	22,800
JOHNSON, ROBERT ALLEN	34,720	60	8,940	-	-	20	2,980	22,800
JONES, SAM	34,869	60	8,940	-	-	21	3,129	22,800
KLECKLEY, CHARLES E.	60,201	60	8,940	-	-	89	13,261	38,000
LAMBERT, EDDIE J.	33,379	60	8,940	-	-	11	1,639	22,800
LANDRY, NANCY RUTH	33,230	60	8,940	-	-	10	1,490	22,800
LANDRY, SR., TERRY C.	34,869	60	8,940	-	-	21	3,129	22,800
LEBAS, HARVEY BERNARD	32,783	60	8,940	-	-	7	1,043	22,800
LEGER III, WALTER	45,549	60	8,940	-	-	41	6,109	30,500
LEOPOLD, CHRISTOPHER J.	32,783	60	8,940	-	-	7	1,043	22,800
LIGI, JR., ANTHONY V.	14,204	-	-	-	-	18	2,682	11,522
LOPINTO, III, JOSEPH P.	33,677	60	8,940	-	-	13	1,937	22,800
LORUSSO, NICHOLAS J.	34,273	60	8,940	-	-	17	2,533	22,800
MACK, SHERMAN Q.	32,038	60	8,940	-	-	2	298	22,800
MILLER, GREGORY	32,932	60	8,940	-	-	8	1,192	22,800
MONToucET, JACK	37,998	60	8,940	-	-	42	6,258	22,800
MORENO, HELENA N.	36,657	60	8,940	-	-	33	4,917	22,800
MORRIS, JIM	37,253	60	8,940	-	-	37	5,513	22,800
MORRIS III, JOHN C.	32,336	60	8,940	-	-	4	596	22,800
NORTON, BARBARA MCCRAY	34,720	60	8,940	-	-	20	2,980	22,800
ORTEGO, STEPHEN J.	33,975	60	8,940	-	-	15	2,235	22,800
PEARSON, J. KEVIN	35,316	60	8,940	-	-	24	3,576	22,800
PIERRE, VINCENT J.	34,571	60	8,940	-	-	19	2,831	22,800
PONTI, ERICH EDWARD	32,187	60	8,940	-	-	3	447	22,800
POPE, J. ROGERS	36,657	60	8,940	-	-	33	4,917	22,800
PRICE, EDWARD J.	34,124	60	8,940	-	-	16	2,384	22,800
PUGH, STEPHEN EDMUND	33,230	60	8,940	-	-	10	1,490	22,800
PYLANT, STEVEN E.	32,634	60	8,940	-	-	6	894	22,800
REYNOLDS, HARLIE E.	33,528	60	8,940	-	-	12	1,788	22,800
RICHARD, JEROME P.	32,485	60	8,940	-	-	5	745	22,800

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LEGISLATORS' PER DIEM AND OTHER COMPENSATION  
FOR THE YEAR ENDED JUNE 30, 2013

<u>Representative</u>	<u>Total</u>	<u>Regular Session</u>		<u>Special Session</u>		<u>Travel and 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>	
RICHARDSON, CLIFTON R.	\$ 11,522	-	\$ -	-	\$ -	-	\$ -	\$ 11,522
RITCHIE, HAROLD L.	33,230	60	8,940	-	-	10	1,490	22,800
ROBIDEAUX, JOEL C.	36,657	60	8,940	-	-	33	4,917	22,800
SCHEXNAYDER, CLAY	33,826	60	8,940	-	-	14	2,086	22,800
SCHRODER, SR., JOHN M.	39,190	60	8,940	-	-	50	7,450	22,800
SEABAUGH, ALAN THOMAS	33,528	60	8,940	-	-	12	1,788	22,800
SHADOIN, ROBERT E.	32,783	60	8,940	-	-	7	1,043	22,800
SIMON, SCOTT MICHAEL	33,081	60	8,940	-	-	9	1,341	22,800
SMITH, PATRICIA HAYNES	39,488	60	8,940	-	-	52	7,748	22,800
ST. GERMAIN, KAREN G.	38,296	60	8,940	-	-	44	6,556	22,800
STOKES, JULIE	16,549	60	8,940	-	-	5	745	6,864
TALBOT, MICHAEL KIRK	34,869	60	8,940	-	-	21	3,129	22,800
THIBAUT, JR., JOSEPH HENRY	33,081	60	8,940	-	-	9	1,341	22,800
THIERRY, LEDRICKA J.	36,061	60	8,940	-	-	29	4,321	22,800
THOMPSON, JEFFERSON ROWE	32,932	60	8,940	-	-	8	1,192	22,800
WHITNEY, LENAR L.	32,336	57	8,493	-	-	7	1,043	22,800
WILLIAMS, ALFRED C.	32,485	60	8,940	-	-	5	745	22,800
WILLIAMS, PATRICK C.	36,359	60	8,940	-	-	31	4,619	22,800
WILLMOTT, THOMAS PHILLIP	33,528	60	8,940	-	-	12	1,788	22,800
	<u>\$ 3,673,367</u>		<u>\$ 938,253</u>		<u>\$ -</u>		<u>\$ 299,043</u>	<u>\$ 2,436,071</u>

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INDEPENDENT AUDITOR'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*

December 26, 2013

Honorable Charles E. Kleckley  
Speaker of the House of Representatives  
State of Louisiana  
Baton Rouge, Louisiana

We have audited, in accordance with the 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, the financial statements of the House of Representatives, State of Louisiana, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the House of Representatives, State of Louisiana's basic financial statements, and have issued our report thereon dated December 26, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the House of Representatives, State of Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the House of Representatives, State of Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the House of Representatives, State of Louisiana's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **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 grant agreements, 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Duplantier, Hrapmann, Hogan & Maher, LLP***

HOUSE OF REPRESENTATIVES  
STATE OF LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2013

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, 2013 was unmodified.
2. Internal Control
  - Material weaknesses: None noted
  - Significant deficiencies: 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