

R E P O R T

SENATE  
STATE OF LOUISIANA

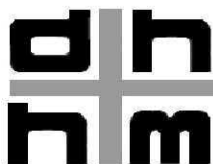
JUNE 30, 2013

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STATE OF LOUISIANA  
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## INDEPENDENT AUDITOR'S REPORT

December 26, 2013

Honorable John A. Alario, Jr.  
President of the Senate, State of Louisiana  
Baton Rouge, Louisiana

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

We have audited the accompanying financial statements of the Senate, 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 Senate's 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 Senate, 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 23 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 Senate, State of Louisiana's basic financial statements. The required supplementary information on page 24 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 25-26 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 24 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 25-26 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 Senate, 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 Senate, State of Louisiana's internal control over financial reporting and compliance.

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

SENATE  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

This section of the Senate, State of Louisiana (Senate) annual financial report presents management's analysis of the Senate's financial performance for the year ended June 30, 2013. This analysis should be read in conjunction with the audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Senate's net position increased by \$443,285. This resulted primarily from an increase in both general revenues and other financing sources.

The general revenues of the Senate were \$20,773,963, which is an increase of \$1,871,305.

The other financing sources of the Senate were \$1,181,531, which is an increase of \$939,092.

The total expenditures/expenses of the Senate were \$21,512,209, which is an increase of \$482,136.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three sections: management's discussion and analysis, basic financial statements and required supplementary information. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

BASIC FINANCIAL STATEMENTS

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

The 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 the Fund Balance/Statement of Activities (page 7) presents information on how the Senate's net position changed as a result of current period operations.

The following presents condensed financial information of the Senate:

SENATE  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

SUMMARY STATEMENTS OF NET POSITION

ASSETS:

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Current assets	\$ 6,818,544	\$ 4,877,013
Capital assets	<u>82,831</u>	<u>67,793</u>
Total assets	<u>6,901,375</u>	<u>4,944,806</u>

LIABILITIES:

Current liabilities	325,634	367,448
Long-term liabilities	<u>8,245,752</u>	<u>6,690,654</u>
Total liabilities	<u>8,571,386</u>	<u>7,058,102</u>
Invested in capital assets	82,831	67,793
Unrestricted	<u>(1,752,842)</u>	<u>(2,181,089)</u>
Total net position (deficit)	<u>\$ (1,670,011)</u>	<u>\$ (2,113,296)</u>

SUMMARY STATEMENTS OF ACTIVITIES

	<u>For the Year Ended June 30, 2013</u>	<u>For the Year Ended June 30, 2012</u>
General revenues	\$ 20,773,963	\$ 18,902,658
Expenditures/expenses	(21,512,209)	(21,030,073)
Other financing sources	<u>1,181,531</u>	<u>242,439</u>
Change in net position	<u>\$ 443,285</u>	<u>\$ (1,884,976)</u>

BUDGET ANALYSIS

A comparison of budget to actual operations is a required supplementary schedule and is presented in the accompanying supplementary information. Although the Senate was over budget for telephone, printing, and capital outlay, the total expenditures were still under budget by \$763,086.

CONTACTING THE SENATE'S MANAGEMENT

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



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

	General Fund	Adjustments*	Statement of Net Position
ASSETS:			
Cash in bank (Notes 1 and 4)	\$ 6,783,770	\$ -	\$ 6,783,770
Cash, restricted agency accounts (Notes 1 and 4)	8,598	-	8,598
Due from other legislative agencies	20,673	-	20,673
Accounts receivable	5,503	-	5,503
Capital assets (net of allowance for depreciation) (Note 5)	-	82,831 (1)	82,831
TOTAL ASSETS	<u>6,818,544</u>	<u>82,831</u>	<u>6,901,375</u>
LIABILITIES:			
Accounts payable	55,954	-	55,954
Accrued salaries and related benefits	261,082	-	261,082
Due to restricted agency accounts	8,598	-	8,598
Compensated absences (Note 1)			
Current portion	-	286,336 (2)	286,336
Noncurrent portion	-	1,145,346 (2)	1,145,346
OPEB payable (Note 3)	-	6,814,070 (2)	6,814,070
TOTAL LIABILITIES	<u>325,634</u>	<u>8,245,752</u>	<u>8,571,386</u>
FUND BALANCE/NET POSITION:			
Assigned (Note 14)	1,431,682	(1,431,682)	-
Unassigned	5,061,228	(5,061,228)	-
Total fund balance	<u>6,492,910</u>		
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 6,818,544</u>		
NET POSITION:			
Invested in capital assets		82,831	82,831
Unrestricted (deficit)		<u>(1,752,842)</u>	<u>(1,752,842)</u>
TOTAL NET POSITION (DEFICIT)		<u>\$ (1,670,011)</u>	<u>\$ (1,670,011)</u>

\*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.



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

	General Fund	Adjustments*	Statement of Activities
EXPENDITURES/EXPENSES:			
Personnel services	\$ 16,624,507	\$ 1,555,098 (1)	\$ 18,179,605
Travel	320,585	-	320,585
Operating services	2,255,439	-	2,255,439
Supplies	82,386	-	82,386
Professional services	112,972	-	112,972
Telephone	167,303	-	167,303
Printing	80,417	-	80,417
Capital outlay	328,540	(46,269)	282,271
Depreciation (Note 5)	-	31,231 (2)	31,231
Total expenditures/expenses	<u>19,972,149</u>	<u>1,540,060</u>	<u>21,512,209</u>
GENERAL REVENUES:			
State appropriations	20,728,093	-	20,728,093
Interest	6,729	-	6,729
Other	39,141	-	39,141
Total general revenues	<u>20,773,963</u>	<u>-</u>	<u>20,773,963</u>
Excess of revenues over expenditures/expenses	801,814	-	-
OTHER FINANCING SOURCES (USES):			
Interagency transfers in (Note 9)	1,191,532	-	1,191,532
Interagency transfers out (Note 9)	(10,001)	-	(10,001)
Total other financing sources	<u>1,181,531</u>	<u>-</u>	<u>1,181,531</u>
Excess (deficiency) of revenues over (under) expenditures/expenses and other financing sources	1,983,345	(1,983,345)	-
Change in net position	-	443,285	443,285
Fund Balance/Net Position (Deficit):			
Beginning of Year	4,509,565	(6,622,861)	(2,113,296)
End of Year	<u>\$ 6,492,910</u>	<u>\$ (8,162,921)</u>	<u>\$ (1,670,011)</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.

See accompanying notes.

SENATE  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

NATURE OF OPERATIONS:

The Louisiana State Senate (the Senate) 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 Government Accounting and Financial Reporting Standards*. This codification and subsequent GASB pronouncements are recognized as accounting principles generally accepted in the United States of America for state and local governments. The accompanying financial statements have been prepared in accordance with such pronouncements.

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

Financial Reporting Entity – Application of Section 2100 of the GASB Codification defines the governmental reporting entity (in relation to the Senate, State of Louisiana) to be the State of Louisiana. The accompanying financial statements of the Senate, State of Louisiana contain sub-account information of the General Fund of the State of Louisiana. Annually, the State of Louisiana issues financial statements, which include the activity contained in the accompanying financial statements. However, the activity may be presented or classified differently due to perspective differences. The Senate, State of Louisiana has no fiduciary funds or component units.

Fund Accounting – The Senate, State of Louisiana, uses fund accounting (separate set of self-balancing accounts) to reflect the sources and uses of available resources and the budgetary restrictions placed on those funds by the Louisiana Legislature. The General Fund is used to account for all of the Senate, State of Louisiana's 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.

The Senate presents a Statement of Net Position and Statement of Activities. These statements reflect entity-wide operations of the Senate. The Senate has only a General Fund, supported by an appropriation from the State of Louisiana and self-generated funds.

SENATE  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Accounting: (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 Senate, using the current financial resources 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. However, as management considers it available regardless of when received, 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) costs are recorded when payment is due.

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.

Capital Assets:

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

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

Budgetary Practices:

The Senate is required to submit to the members of the Legislative Budgetary Control 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 his signature. The Senate 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.

SENATE  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

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 Senate 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 does not recognize the fund balance allocation as revenue as 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.

Leave Benefits:

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

Furthermore, employees earn compensatory leave for hours worked in excess of 8 hours per day. The compensatory leave may be used similarly to annual or sick leave. At June 30, 2013, 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, totaled \$1,431,682.

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

Balance <u>July 1, 2012</u>	Net <u>Change</u>	Balance <u>June 30, 2013</u>
\$ <u>1,524,675</u>	\$ <u>(92,993)</u>	\$ <u>1,431,682</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.

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STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Postemployment Benefits:

The Senate, State of Louisiana, provides certain health care and life insurance benefits for retired employees. Substantially all of the Senate's employees may become eligible for those benefits if they reach normal retirement age while working for the Senate. These benefits for retirees and similar benefits for active employees are provided through the State's Office of Group Benefits Plan and the LSU System Health Plan. Monthly premiums are paid jointly by the employee and the Senate. The Senate recognizes the cost of providing these benefits as expenditures in the year paid in the General Fund. For the year ended June 30, 2013, those costs totaled \$475,965, which covered 88 retired employees, funded through the legislative appropriation.

Agency Accounts:

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

Louisiana Advisory Commission on Intergovernmental Relations

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

The activity in the restricted agency account for the year ended June 30, 2013 can be summarized as follows:

	Balance	Additions	Reductions	Balance
	<u>July 1, 2012</u>	<u>Interest</u>	<u>Transfer to</u>	<u>June 30, 2013</u>
		<u>Income</u>	<u>State Treasurer</u>	
Louisiana Advisory Commission of Intergovernmental Relations	\$ <u>8,598</u>	\$ <u>--</u>	\$ <u>--</u>	\$ <u>8,598</u>

SENATE  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fund Balance:

During the fiscal year ended June 30, 2011, the Senate 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:

- *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* include 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 imposed by the Senate itself, using its highest level of decision-making authority. To be reported as *committed*, amounts cannot be used for any other purpose unless the Senate takes the same highest level action to remove or change the constraint.
- *Assigned* includes fund balance amounts the Senate intends to use for a specific purpose that are neither considered restricted nor committed. Intent can be expressed by the Senate or by an official or body to which the Senate delegates the authority.
- *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.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Senate considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Senate considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Senate has provided otherwise in its commitment or assignment actions. The Senate does not have a formal minimum fund balance policy.



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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Net Position:

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

- *Invested in capital assets* consists of the Senate's total investment in capital assets, net of accumulated depreciation.
- *Restricted* consists of resources restricted by external sources such as creditors, grantors, contributors, or by law.
- *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 Senate 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 Senate 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. RETIREMENT SYSTEM:

Plan Description:

Substantially all employees and members of the Senate 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 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.



SENATE  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

2. RETIREMENT SYSTEM: (Continued)

Funding Policy:

Plan members of the Senate are required by state statute to contribute 7½% or 8% (depending on their date of hire) of their annual covered salary to LASERS or 8.0% of their annual covered salary to TRSL. The Senate (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 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 Senate's 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:

<u>June 30,</u>	<u>LASERS</u>	<u>TRSL</u>	<u>Total</u>
2013	\$ 2,779,419	\$ 41,399	\$ 2,820,818
2012	2,556,073	28,513	2,584,586
2011	2,183,075	20,929	2,204,004

3. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS:

Substantially all Senate employees become eligible for postemployment health care and life insurance benefits if they reach normal retirement age while working for the Senate. The Senate 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 Senate 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 eligible dependents 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 cost to the retiree.

SENATE  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

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

PLAN DESCRIPTIONS: (Continued)

LSU System Health Plan: (Continued)

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.

The LSU System 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 Senate, 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's 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.

SENATE  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

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

FUNDING POLICIES: (Continued)

LSU System Health Plan: (Continued)

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.

The Senate, 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 Senate's contributions ranged from \$392 to \$905 per month for retiree and spouse with Medicare or \$1,424 for retiree and spouse without Medicare.

State OGB Plan:

The contribution requirements of plan members and the Senate 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), 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. 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 Senate 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 Senate, 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.

SENATE  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

3. 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 and dismemberment coverage ceasing at age 70 for retirees. Spouse life insurance is also available.

ANNUAL OPEB COST:

The Senate, State of Louisiana's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Statement 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 1, 2012 was \$2,103,726.

The following table presents the Senate, 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 (ARC)	\$ 459,500	\$ 1,644,226	\$ 2,103,726
Interest on net OPEB obligation	102,724	110,410	213,134
ARC adjustment	<u>(99,600)</u>	<u>(93,204)</u>	<u>(192,804)</u>
Annual OPEB Cost (expense)	462,624	1,661,432	2,124,056
Contributions made	<u>(246,824)</u>	<u>(229,141)</u>	<u>(475,965)</u>
Increase in Net OPEB Obligation	215,800	1,432,291	1,648,091
Beginning Net OPEB Obligation	<u>2,568,105</u>	<u>2,597,874</u>	<u>5,165,979</u>
Ending Net OPEB Obligation	<u>\$ 2,783,905</u>	<u>\$ 4,030,165</u>	<u>\$ 6,814,070</u>



SENATE  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

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

ANNUAL OPEB COST: (Continued)

The Senate's annual OPEB cost, the percentage of annual OPEB cost contributed to the plans, and the net 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	\$ 462,624	53.35%	\$ 2,783,905
June 30, 2012	455,410	60.95%	2,568,105
June 30, 2011	614,846	42.89%	2,390,252
<u>LSU</u>			
June 30, 2013	\$ 1,661,432	13.79%	\$ 4,030,165
June 30, 2012	802,825	27.31%	2,597,874
June 30, 2011	658,191	27.17%	2,014,265

FUNDED STATUS AND FUNDING PROGRESS:

Act 910 of the 2008 Regular Session established the Postemployment Benefits Trust Fund effective July 1, 2008; however, neither the Senate, State of Louisiana, nor the State of Louisiana have made contributions to it. Since the plan has not been funded, the Senate, State of Louisiana's entire actuarial accrued liability of \$7,594,700 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 plans, as determined by actuaries as of July 1, 2012, was as follows:

	<u>Office of Group Benefits Plan</u>	<u>LSU System Health Plan</u>
Actuarial accrued liability (AAL)	\$ 7,594,700	\$ 20,810,414
Actuarial value of plan assets	--	--
Unfunded actuarial accrued liability (UAAL)	<u>\$ 7,594,700</u>	<u>\$ 20,810,414</u>
Funded ratio (actuarial value of plan assets/AAL)	0%	0%
Covered payroll (annual payroll of active employees covered by the plans)	\$ 2,076,537	\$ 8,428,276
UAAL as a percentage of covered payroll	365.74%	246.91%

SENATE  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

3. 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 1, 2012	July 1, 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

SENATE  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

4. CASH IN BANK:

Under State law, the Senate, State of Louisiana, may deposit funds in an approved bank located in the State selected and designated by the presiding officer of the Senate. These public deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank.

At June 30, 2013, the carrying amounts of the Senate's cash accounts were \$6,783,770 in the operating account and \$8,598 in the restricted agency account. The bank balances were \$6,864,957 and \$8,598, respectively. All cash was covered by federal depository insurance or pledged securities held by the Federal Reserve Bank in the name of the Senate.

5. CAPITAL ASSETS:

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

	<u>Cost</u>	<u>Allowance for Depreciation</u>	<u>Net Value</u>
Balance, July 1, 2012	\$ 817,779	\$ (749,986)	\$ 67,793
Acquisitions	46,269	--	46,269
Dispositions	(295,051)	295,051	--
Depreciation	<u>--</u>	<u>(31,231)</u>	<u>(31,231)</u>
Balance, June 30, 2013	<u>\$ 568,997</u>	<u>\$ (486,166)</u>	<u>\$ 82,831</u>

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

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

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



SENATE  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

6. 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 Senate, State of Louisiana, indicated that there is pending litigation. Senate management has indicated that there are no amounts requiring the recording of any liability since the amount of potential exposure is considered insignificant.

7. PROFESSIONAL SERVICES:

Professional services include the following professional fees:

Black Caucus (clerical services)	\$ 70,000
Linda Gipson (Bill Room Supervisor & Boards & Commissions Specialist)	41,675
Group Benefits (employee benefits)	<u>1,297</u>
TOTAL	<u>\$ 112,972</u>

8. DEFERRED COMPENSATION PLAN:

Certain employees of the Senate, State of Louisiana participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

9. INTERAGENCY TRANSFERS:

Amounts paid to other governmental units for the year ended June 30, 2013, consisted of payments to the House of Representatives, State of Louisiana for personnel expenses in the amount of \$10,001.

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

	<u>Capital Outlay</u>	<u>Operating Services</u>	<u>Total</u>
Other agencies	\$ --	\$ 15,241	\$ 15,241
Legislative Budgetary Control Council	<u>248,189</u>	<u>928,102</u>	<u>1,176,291</u>
	<u>\$ 248,189</u>	<u>\$ 943,343</u>	<u>\$ 1,191,532</u>

SENATE  
STATE OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

10. 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.

11. ESTIMATES:

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

12. RECONCILIATION:

The Statement of Net Position and Statement of Activities present the Senate's 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	\$ 6,492,910
Capital assets	82,831
Compensated absences	(1,431,682)
Other postemployment benefits payable	<u>(6,814,070)</u>
Net position, June 30, 2013	<u>\$ (1,670,011)</u>

13. RISK MANAGEMENT:

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

14. FUND BALANCE:

As of June 30, 2013, the Senate has an unassigned balance of \$5,061,228. The Fund balance also includes amounts classified as assigned for the following purposes:

Assigned:	
Compensated absences obligation	\$ <u>1,431,682</u>
Total assigned fund balance	<u>\$ 1,431,682</u>

## REQUIRED SUPPLEMENTARY INFORMATION

SENATE  
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	\$ 20,728,093	\$ -	\$ 20,728,093	\$ 20,728,093	\$ 20,728,093
Interest	6,729	-	6,729	-	-
Other	39,141	-	39,141	-	-
Reappropriated fund balance (1)	-	4,763,505 (1)	4,763,505	4,763,505	4,763,505
Total revenues	<u>20,773,963</u>	<u>4,763,505</u>	<u>25,537,468</u>	<u>25,491,598</u>	<u>25,491,598</u>
EXPENDITURES:					
Personnel services	16,624,507	(7,142) (2)	16,617,365	17,336,244	17,336,244
Travel	320,585	-	320,585	405,883	405,883
Operating services	2,255,439	-	2,255,439	2,483,966	2,483,966
Supplies	82,386	-	82,386	180,000	180,000
Professional services	112,972	-	112,972	120,000	120,000
Telephone	167,303	-	167,303	-	-
Printing	80,417	-	80,417	32,000	32,000
Capital outlay	328,540	-	328,540	170,000	170,000
Total expenditures/expenses	<u>19,972,149</u>	<u>(7,142)</u>	<u>19,965,007</u>	<u>20,728,093</u>	<u>20,728,093</u>
Excess of revenues over expenditures	801,814	4,770,647	5,572,461	4,763,505	4,763,505
OTHER FINANCING SOURCES (USES):					
Interagency transfers in	1,191,532	-	1,191,532	-	-
Interagency transfers out	(10,001)	-	(10,001)	-	-
Total other financing sources	<u>1,181,531</u>	<u>-</u>	<u>1,181,531</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,983,345	4,770,647	6,753,992	4,763,505	4,763,505
Fund balances - beginning	4,509,565	253,940 (3)	4,763,505	3,026,530	3,026,530
Less reappropriated fund balance	-	(4,763,505) (1)	(4,763,505)	(4,763,505)	(4,763,505)
Fund balances - ending	<u>\$ 6,492,910</u>	<u>\$ 261,082</u>	<u>\$ 6,753,992</u>	<u>\$ 3,026,530</u>	<u>\$ 3,026,530</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 Senate, 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.

SENATE  
STATE OF LOUISIANA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFIT PLANS  
FOR THE YEAR ENDED JUNE 30, 2013

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
Office of Group Benefits	7/1/2012	\$ -	\$ 7,594,700	\$ 7,594,700	0%	\$ 2,076,537	365.74%
LSU System Health Plan	7/1/2012	-	20,810,414	20,810,414	0%	8,428,276	246.91%
Office of Group Benefits	7/1/2011	\$ -	\$ 6,939,800	\$ 6,939,800	0%	\$ 1,981,652	350.20%
LSU System Health Plan	7/1/2011	-	6,489,415	6,489,415	0%	8,778,004	73.93%
Office of Group Benefits	7/1/2010	\$ -	\$ 9,853,000	\$ 9,853,000	0%	\$ 2,004,087	491.65%
LSU System Health Plan	7/1/2010	-	5,130,442	5,130,442	0%	8,797,745	58.32%

## OTHER SUPPLEMENTARY INFORMATION

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

Senator	Total	Regular Session		Special Session		Interim Session		Travel		Salary and
		Per Diem		Per Diem		Per Diem		Per Diem		Expense
		Days	Amount	Days	Amount	Days	Amount	Days	Amount	Allowance
Adley, Robert	\$ 36,508	60	\$ 8,940	-	\$ -	27	\$ 4,023	5	\$ 745	\$ 22,800
Alario, Jr., John A.	57,221	60	8,940	-	-	55	8,195	14	2,086	38,000
Allain II, Robert L.	36,359	60	8,940	-	-	21	3,129	10	1,490	22,800
Amedee, III, Lee Jody	32,485	60	8,940	-	-	5	745	-	-	22,800
Appel III, Conrad H.	32,932	60	8,940	-	-	8	1,192	-	-	22,800
Broome, Sharon Weston	47,486	60	8,940	-	-	29	4,321	25	3,725	30,500
Brown, Troy E.	35,167	60	8,940	-	-	11	1,639	12	1,788	22,800
Buffington, Sherri L. Smith	34,869	60	8,940	-	-	19	2,831	2	298	22,800
Chabert, Norbert N.	36,210	60	8,940	-	-	30	4,470	-	-	22,800
Claitor, Daniel A.	36,657	60	8,940	-	-	31	4,619	2	298	22,800
Cortez, Patrick P.	33,826	60	8,940	-	-	12	1,788	2	298	22,800
Crowe, Almond G.	33,975	60	8,940	-	-	1	149	14	2,086	22,800
Donahue, Jr., John L.	61,527	60	8,940	-	-	12	1,788	-	-	50,799
Dorsey, Yvonne D.	35,316	60	8,940	-	-	13	1,937	11	1,639	22,800
Erdey, Dale M.	34,571	60	8,940	-	-	19	2,831	-	-	22,800
Gallot Jr., Richard J.	33,975	60	8,940	-	-	8	1,192	7	1,043	22,800
Guillory, Elbert L.	34,273	60	8,940	-	-	10	1,490	7	1,043	22,800
Heitmeier, David R.	33,826	60	8,940	-	-	5	745	9	1,341	22,800
Johns, Ronald S.	35,912	60	8,940	-	-	24	3,576	4	596	22,800
Kostelka, Robert	32,932	60	8,940	-	-	8	1,192	-	-	22,800
LaFleur, Kenneth Eric	34,124	48	7,152	-	-	17	2,533	11	1,639	22,800
Long, Gerald	39,190	60	8,940	-	-	27	4,023	23	3,427	22,800
Martiny, Daniel R.	33,081	60	8,940	-	-	9	1,341	-	-	22,800
Mills, Jr., Fred H.	35,316	60	8,940	-	-	24	3,576	-	-	22,800
Morrell, Jean-Paul J.	35,465	60	8,940	-	-	20	2,980	5	745	22,800
Morrish, Dan W.	42,170	60	8,940	-	-	52	7,748	18	2,682	22,800
Murray, Edwin	39,190	60	8,940	-	-	46	6,854	4	596	22,800
Nevers, Ben	34,869	60	8,940	-	-	15	2,235	6	894	22,800
Peacock, Russell Barrow	35,167	60	8,940	-	-	14	2,086	9	1,341	22,800
Perry, Jonathan W.	32,187	60	8,940	-	-	3	447	-	-	22,800
Peterson, Karen Carter	33,379	60	8,940	-	-	4	596	7	1,043	22,800
Riser, Neil	36,508	60	8,940	-	-	32	4,768	-	-	22,800
Smith, John R.	30,846	18	2,682	-	-	18	2,682	18	2,682	22,800
Smith Jr., Gary L.	33,826	60	8,940	-	-	14	2,086	-	-	22,800
Tarver, Gregory	35,465	60	8,940	-	-	16	2,384	9	1,341	22,800

(Continue)

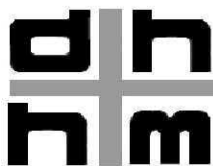


SENATE  
STATE OF LOUISIANA  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF SENATORS' PER DIEM AND OTHER COMPENSATION  
FOR THE YEAR ENDED JUNE 30, 2013

<u>Senator</u>	<u>Total</u>	<u>Regular Session</u>		<u>Special Session</u>		<u>Interim Session</u>		<u>Travel</u>		<u>Salary and Expense Allowance</u>
		<u>Per Diem</u>		<u>Per Diem</u>		<u>Per Diem</u>		<u>Per Diem</u>		
		<u>Days</u>	<u>Amount</u>	<u>Days</u>	<u>Amount</u>	<u>Days</u>	<u>Amount</u>	<u>Days</u>	<u>Amount</u>	
Thompson, Francis C.	38,594	60	8,940	-	-	21	3,129	25	3,725	22,800
Walsworth, Michael A.	35,614	60	8,940	-	-	26	3,874	-	-	22,800
Ward III, Richard J.	33,230	60	8,940	-	-	10	1,490	-	-	22,800
White Jr., Mack A.	35,912	60	8,940	-	-	26	3,874	2	298	22,800
	<u>\$ 1,430,160</u>		<u>\$ 340,614</u>		<u>\$ -</u>		<u>\$ 110,558</u>		<u>\$ 38,889</u>	<u>\$ 940,099</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 John A. Alario, Jr.  
President of the Senate, 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 Senate, 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 Senate, 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 Senate, 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 Senate, State of Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Senate, 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 Senate, 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***

SENATE  
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 Senate, State of Louisiana, for the year ended June 30, 2013 was unmodified.
2. Compliance and Other Matters  
Noncompliance material to financial statements: none noted
3. Internal Control  
Material weaknesses: none noted  
Significant deficiencies: none noted

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

None

SUMMARY OF PRIOR YEAR FINDINGS:

None