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HOUSE OF REPRESENTATIVES STATE OF LOUISIANA

FINANCIAL REPORT

June 30, 1997

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Release Date: SAN D.T. 2008



HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS AND THE SUPPLEMENTARY INFORMATION

Honorable, Huntington B. Downer, Jr.
House of Representatives
State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the House of Representatives, State of Louisiana, as of and for the nine months ended June 30, 1997, as listed in the table of contents. These financial statements are the responsibility of the House's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the House of Representatives, State of Louisiana, as of June 30, 1997, and the results of its operations for the nine months then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the House of Representatives, State of Louisiana, taken as a whole. The supporting schedule listed in the Table of Contents is presented for the purpose of additional analysis and is not a required part of the financial statements of the House of Representatives. Such

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA
Combined Balance Sheet
June 30, 1997
Fund Type and Account Groups

ASSETS AND OTHER DEBIT	Governmental Fund Type General	Account Groups		Total (Memorandum Only)
		General Fixed Assets	General Long-Term Debt	June 30, 1997
Cash and cash equivalents	\$ 7,652,751	\$ -	\$ -	\$ 7,652,751
Accounts receivable	68,727	-	-	68,727
Furniture, fixtures and equipment	-	3,800,883	-	3,800,883
Other debit - amounts to be provided for compensated absences	-	-	750,743	750,743
Total Assets and Other Debit	\$ 7,721,478	\$ 3,800,883	\$ 750,743	\$ 12,273,104
LIABILITIES, FUND EQUITY AND OTHER CREDIT				
Liabilities				
Accounts payable	\$ 433,898	\$ -	\$ -	\$ 433,898
Employee benefits payable	94,557	-	-	94,557
Salaries payable	193,801	-	-	193,801
Compensated absences	-	-	750,743	750,743
Total liabilities	722,256	-	750,743	1,473,000
Fund Equity and Other Credit				
Investment in general fixed assets	-	3,800,883	-	3,800,883
Fund balances				
Reserved for other current expenditures	1,018,274	-	-	1,018,274
Unreserved, undesignated	5,073,548	-	-	5,073,548
Total fund equity and other credit	6,091,822	3,800,883	-	9,892,705
Total Liabilities, Fund Equity and Other Credit	\$ 7,721,478	\$ 3,800,883	\$ 750,743	\$ 12,273,104

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

*Statement of Revenues, Expenditures and
Changes in Fund Balance - General Fund*
Nine Months Ended June 30, 1997

Revenues	
State appropriation	\$ 15,404,656
Interest	275,611
Intergovernmental	228,095
Other	<u>46,551</u>
Total revenues	<u>15,954,913</u>
Expenditures	
Current operations -	
Personal services	5,735,568
Travel	209,560
Supplies	228,519
Telephones, utilities and building	483,719
Dues and subscriptions	44,124
Printing	278,974
Office expense and maintenance	542,404
Other fees and services	485,169
Capital outlay	<u>1,302,644</u>
Total expenditures	<u>13,696,631</u>
Excess of Revenues Over Expenditures	2,258,276
Fund Balance	
Beginning	<u>4,537,486</u>
Ending	<u>\$ 6,795,762</u>

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Statement of Revenues, Expenditures and Encumbrances, Also Funds Audited June 30, 1997
and Changes in Fund Balance - Budget (Legal Basis) and Actual
General Fund

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
State appropriation	\$ 15,484,688	\$ 15,484,688	\$ -
Interest	-	275,643	275,643
Intergovernmental	-	228,666	228,666
Other	-	46,553	46,553
Reappropriated fund balance	<u>4,818,990</u>	<u>4,818,990</u>	-
Total revenues	<u>30,213,638</u>	<u>30,773,520</u>	<u>559,882</u>
Expenditures and Encumbrances (See Note 1)			
Current expenditures -			
Personal services	39,098,826	6,813,131	(32,285,694)
Taxes	230,709	269,881	(39,172)
Supplies	283,648	218,809	(64,839)
Telephone, utilities and building	481,891	483,729	(17,838)
Books and subscriptions	15,808	64,124	(48,316)
Printing	294,428	276,913	(17,515)
Office expense and maintenance	885,792	913,298	(27,506)
Other fees and services	524,808	488,148	(36,660)
Capital outlay	<u>160,000</u>	<u>3,080,969</u>	<u>(2,920,969)</u>
Total expenditures and encumbrances	<u>42,580,102</u>	<u>15,471,294</u>	<u>(27,108,808)</u>
Excess of Revenues Over Expenditures and Encumbrances	<u>7,723,146</u>	<u>5,381,835</u>	<u>(2,341,311)</u>
Fund Balance:			
Beginning	4,818,990	4,818,990	-
Less reappropriated fund balance (2)	<u>(4,818,990)</u>	<u>(4,818,990)</u>	-
Ending	<u>\$ 7,712,146</u>	<u>5,381,835</u>	<u>\$ 2,330,311</u>
Adjustments to Generally Accepted Accounting Principles:			
Current year encumbrances included in expenditures		1,919,174	
Accrued payroll not budgeted in current year		<u>(213,487)</u>	
Ending (GAAP Basis)		<u>\$ 6,996,522</u>	

(2) Budgets include reappropriated fund balances carried over from prior years to cover expenditures of the current year. This amount is not a source of the current period, but is presented as revenue only for budgetary reporting purposes. Beginning budgetary fund balances have been reduced by the same year to reflect the budgetary ending fund balance projected.

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Notes to Financial Statements

June 30, 2007

1. Summary of Significant Accounting Policies

The House of Representatives is a part of the Legislative branch of government operating under Article III of the 1874 Louisiana Constitution.

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

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

Financial Reporting Entity. Application of Section 2100 of the GASB Codification defines the governmental reporting entity (in relation to the 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 general purpose financial statements, which include the activity contained in the accompanying financial statements.

Fund Accounting. The House of Representatives uses fund accounting (separate sets of self-balancing accounts) to reflect the sources and uses of available resources and the budgetary restrictions placed on those funds by the Louisiana Legislature. The fund and account groups presented in the accompanying financial statements, and as described below, comprise the General Fund and account groups of the House of Representatives.

Governmental Fund Type - General Fund. The general fund is used to account for all of the House of Representatives, State of Louisiana's general activities, including the acquisition of general fund assets and the servicing of general long-term debt. It is used to account for all activities of the House of Representatives.

Account Groups. The account groups are a reporting device designed to provide accountability for certain long-term assets and liabilities that are not recorded in the books because they do not directly affect net expendable, available financial resources.

Basis of Accounting. Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement basis applied.

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Notes to Financial Statements, Continued

June 30, 1997

Revenues. The governmental fund is accounted for using the modified accrual basis of accounting. The revenues are recognized when they become measurable and available. The revenues susceptible to accrual are state appropriations and interest revenue.

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

	Total Appropriation Authorized	Funds Collected As Of June 30, 1997	Amount Due From State Treasury As Of June 30, 1997
Art 1235 1895 R.S.	\$ 15,404,688	\$ 15,404,688	\$ -

Expenditures. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Statement C is not intended to reflect operations of the House of Representatives, State of Louisiana in accordance with generally accepted accounting principles in that:

- (1) re-appropriated funds from prior years are recognized as revenues in the current year;
- (2) salaries and related benefits are recognized when paid unless specific authorization is provided in the annual legislative appropriation; and
- (3) encumbrances are recorded as an expenditure when purchase orders are issued.

The statement is intended to compare the annual budget, which is not prepared in accordance with generally accepted accounting principles with comparable expenditures for the period.

Fixed Assets. The accompanying statements reflect furniture, fixtures, and equipment used by the House of Representatives, State of Louisiana, and funded by the legislative appropriation, in daily operations. These assets are recorded at cost in the General Fixed Asset Account Group. Fixed assets are not depreciated.

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

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Notes to Financial Statements, Continued

June 30, 1997

Budget and Budgetary Accounting. The House of Representatives, State of Louisiana is required to submit to the Legislative Budgetary Control Council an estimate of the financial requirements for the ensuing fiscal year. The General Fund appropriation is enacted into law by the Legislature and sent to the Governor for his signature. The House is authorized to transfer budget amounts between accounts in the general fund. Revisions which affect 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 (GAAP) basis of accounting. In compliance with budgetary authorization, the House of Representatives includes the prior year's fund balance represented by appropriated liquid assets remaining in the fund as budgeted revenue in the succeeding year. The results of operations on a GAAP basis do not recognize the fund balance allocation as revenue as it represents prior period's income of revenues over expenditures.

The House of Representatives changed its reporting period from a fiscal year ending September 30 to a fiscal year ending June 30. Changes have been by management made to the original budget to accommodate this change the accounting period from one year to nine months. These changes are as follows:

	Original Budget	Adjusted Budget	Change
Revenues			
Appropriations	\$13,404,688	\$13,404,688	\$
Expenditures and Encumbrances			
Personal expenses	12,581,510	10,090,878	(2,490,632)
Travel	280,158	260,708	(19,450)
Supplies	283,938	283,648	(290)
Telephone, utilities and building	563,548	401,993	(161,555)
Books and subscriptions	18,808	13,508	(5,300)
Printing	323,908	334,429	10,521
Office expense and maintenance	1,170,853	888,793	(282,060)
Other fees and services	483,808	324,808	(159,000)
Capital outlay	324,518	186,903	(137,615)
Total expenditures and encumbrances	15,484,688	12,581,958	(2,902,730)
Excess of Revenues Over Expenditures and Encumbrances	\$	\$ 2,902,730	\$ 2,902,730

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Notes to Financial Statements, Continued

June 30, 1997

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

Leave Benefits. Accumulated unpaid annual, sick, and compensatory leave are reported in the General Long-Term Obligation Account Group within the accompanying financial statements. 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. 1/2 pay for sick leave, annual leave in excess of 300 hours and unused sick leave are credited as retired savings 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, 1997, 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 *Comptroller of Governmental Accounting and Financial Reporting Standards Section C60.185*, total \$750,743.

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

Balance October 1, 1996	Net Change	Balance June 30, 1997
\$ 380,843	\$ 369,900	\$ 750,743

Past Retirement 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. Those benefits for retirees and similar benefits for active employees are provided through the State's Group Benefits Program whose monthly premiums are paid jointly by the employee and the House of Representatives. The House recognizes the cost of providing these benefits as an expenditure in the year paid. For the nine months ended June 30, 1997, those costs totaled \$131,314 which covered 55 retired employees, funded through the legislative appropriation. Retirees pay 1/3 of the cost of their benefits.

Total Columns on Combined Statements. Total columns on the combined statements in review are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

*Notes to Financial Statements, Continued**June 30, 1997*

analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. Deposits in Banks

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

Under State law, the House of Representatives may deposit funds in an approved bank located in this State selected by the presiding officer of the House of Representatives. These public deposits must be secured by federal deposit insurance or pledged securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent in a holding or custodial bank (category 5). The bank deposits at June 30, 1997, are as follows:

	Carrying Balance	Bank Balance	FDIC Insurance	Pledged Collateral
Cash in Bank	\$ 3,999,036	\$ 4,362,945	\$ 308,000	\$ 4,819,119
Certificate of Deposit	4,813,675	4,813,675	308,000	4,478,119
Total	\$ 8,812,711	\$ 9,176,620	\$ 616,000	\$ 9,297,238

3. Changes in General Fixed Assets

At June 30, 1997, the House of Representatives, State of Louisiana has an inventory totaling \$3,800,863 of furniture, fixtures, and equipment as movable property. The following summary summarizes transactions during the year:

	Balance October 1, 1996	Additions	Deletions	Balance June 30, 1997
Furniture, fixtures and equipment	\$ 2,791,843	\$ 1,282,909	\$ 200,867	\$ 3,800,863

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Notes to Financial Statements, Continued

June 30, 1997

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 Teacher's Retirement System of Louisiana (TRS), both of which are cost sharing, multiple-employer defined benefit pension plans administered by a separate Board of Trustees. The plans provide retirement, disability, and survivor benefits to participating, eligible employees. Benefits are established and amended by state statute. Benefits are guaranteed by the State of Louisiana under provisions of the Louisiana Constitution of 1974. LASERS and TRS issue publicly available financial reports that include financial statements and required supplementary information. The reports may be obtained by writing to Louisiana State Employees' Retirement System, Post Office Box 44212, Baton Rouge, Louisiana, 70804-4212, or by calling (504) 925-8600; or by writing to Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana, 70804-9123, or by calling (504) 925-8444.

Funding Policy. Plan members of the House of Representatives are required by state statute to contribute 7.0%, 8%, 8.05% or 11.66% of their annual covered salary to LASERS and TRS, respectively and the House of Representatives (as their employer) is required to contribute at an actuarially determined rate. The current employer rate is 32.4% and 16.2% of annual covered payroll for LASERS and TRS, respectively. The contribution requirements of plan members and the employer are established by, and amended by, state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The employer contribution is funded by the State of Louisiana through the annual legislative appropriation. The House of Representatives' employer contributions to LASERS and TRS for the nine months ending June 30, 1997, and the years ending June 30, 1996 and 1995, which were equal to the required contributions for each year, were as follows:

June 30,	LASERS	TRS	Total
1997	\$ 764,948	\$ 18,308	\$ 783,256
1996	893,857	25,190	919,047
1995	843,667	27,344	871,011

5. Deferred Compensation Plan

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

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Notes to Financial Statements, Continued

June 30, 1997

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

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

6. Lease Agreements

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

These lease agreements have nonappropriation escrow/contingency 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 \$141,456 for the year ended June 30, 1997.

7. Intergovernmental Revenue

Amounts received from other governmental units for the year ended June 30, 1997, consisted of the following:

Amount received from the Senate, State of Louisiana	\$	81,000
Amounts received from other agencies for reimbursement of personnel related expenditures	141,700
	\$	222,700

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Supplementary Information

June 10, 1997

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Schedule of Legislators' Per Diem and Other Compensation

New Monthly Budget Act No. 36, 1997

Legislator	Total	March 29 - June 29		Interrim Per Diem		Salary and
		Days	Amount	Days	Amount	Allowance
Allen, John A.	19,715	65	6,375	10	750	12,590
Alexander, Avery C.	20,315	65	6,375	18	1,350	12,590
Alexander, Rodney M.	12,375	65	6,375	44	3,000	12,590
Arnaud, Glenn	19,775	65	6,375	24	1,800	12,590
Baron, Robert E.	11,300	65	6,375	31	1,525	12,590
Baudin, Clara G.	20,650	65	6,375	23	1,675	12,590
Bayler, Emory, Jr.	19,715	65	6,375	10	750	12,590
Boudin, Shirley, D.	20,315	65	6,375	18	1,350	12,590
Brace, Beverly G.	20,700	65	6,375	23	1,725	12,590
Bray, Roy L.	20,675	65	6,375	23	1,675	12,590
Brennan, Charles B.	11,800	65	6,375	27	1,825	12,590
Caron, Robert J.	20,600	65	6,375	13	925	12,590
Chabroux, Aud T., II	20,575	65	6,375	-	-	12,590
Clarkson, Jacquelyn B.	20,375	65	6,375	28	1,900	12,590
Copelin, Sherman H., Jr.	20,000	65	6,375	15	1,125	12,590
Craig, Carl M.	12,415	65	6,375	46	3,400	12,590
Curry, Joseph B.	11,875	65	6,375	36	2,700	12,590
Dennis, Norris J.	20,615	65	6,375	22	1,625	12,590
David, William D., IV	20,100	65	6,375	15	1,125	12,590
Deville, John Dirk	12,275	65	6,375	44	3,300	12,590
Dewitt, Charles W.	21,000	65	6,375	47	3,525	12,590
Diaz, John C.	20,375	65	6,375	18	1,350	12,590
Dumas, Ann H.	20,200	65	6,375	7	525	12,590
George, Everett G.	20,825	65	6,375	14	1,050	12,590
Goodwin, James	20,100	55	5,475	15	1,125	12,590
Graves, H. B., Jr.	20,240	65	6,375	11	825	12,590
Hayes, Reggie F.	20,825	65	6,375	26	1,950	12,590
Harold, Sydney M.	19,850	65	6,375	13	975	12,590
Harris, Miami B.	20,600	65	6,375	20	1,525	12,590
Hechtman, Robert R., Jr.	21,275	65	6,375	32	2,400	12,590
Hevin, David T.	19,325	65	6,375	18	1,350	12,590
Houston, H. Clarence, Jr.	20,250	65	6,375	13	1,025	12,590
Payton, Gary J.	24,000	65	6,375	67	5,025	12,590
Irish, Lloyd, Jr.	20,020	65	6,375	14	1,050	12,590
Probst, Gregory L.	20,680	65	6,375	19	1,425	12,590
Johnson, D.A.	20,625	65	6,375	14	1,050	12,590
Glavin, Cedric B.	20,180	65	6,375	15	1,125	12,590
Gross, Kyle M.	20,375	65	6,375	28	2,100	12,590
Gaillard, Eric J.	21,700	65	6,375	33	2,475	12,590

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Schedule of Legislators' Per Diem and Other Compensation,

Nine Months Ended June 30, 1997

Continued

Legislator	Total	April 27 - June 11		Interim Per Diem		Salary and Expenses Allowance
		Days	Amount	Days	Amount	
Hammond, Bryant D., Jr.	19,725	25	6,375	18	150	17,000
Heaton, Alan M.	20,800	25	6,375	25	1,875	17,000
Hobart, Troy M.	21,125	25	6,375	42	3,150	17,000
Holt, Herman R.	19,800	25	6,375	11	825	17,000
Holmes, Melvin L.	20,425	25	6,375	22	1,650	17,000
Hopton, Roy	20,750	25	6,375	24	1,800	17,000
Hudson, Charles L.	19,950	25	6,375	13	975	17,000
Hunter, Willie, Jr.	19,575	25	6,375	8	600	17,000
Hus, Kay C.	21,900	25	6,375	21	2,325	17,000
Jenkins, Lewis	18,975	25	6,375	-	-	17,000
Jones, Raymond A.	20,800	25	6,375	25	1,875	17,000
Jones, Ronald	19,500	25	6,375	7	525	17,000
Kennard, Donald R.	21,075	25	6,375	28	2,000	17,000
Kenny, John L.	20,150	25	6,375	17	1,275	17,000
Laussac, Charles D.	20,075	25	6,375	28	2,000	17,000
Lambert, Michael	19,375	25	6,375	4	300	17,000
Lalonde, Jerry L.	20,925	25	6,375	28	2,000	17,000
Lang, Jerry D.	21,000	25	6,375	25	2,025	17,000
LeBlanc, Robert, Jr.	20,150	25	6,375	17	1,275	17,000
Marino, Daniel R.	19,650	25	6,375	9	675	17,000
McCain, Andrew A.	20,075	25	6,375	20	1,500	17,000
McCallum, Jay B.	19,500	25	6,375	7	525	17,000
McDonald, Charles F.	21,100	25	6,375	25	2,125	17,000
McMinn, P. Charles, Jr.	19,900	25	6,375	7	525	17,000
Michot, Michael J.	20,400	25	6,375	19	1,425	17,000
Mykoff, Danny R.	19,175	25	6,375	2	150	17,000
Nichols, Billy W.	21,900	25	6,375	21	2,325	17,000
Niswell, Arthur A.	20,175	25	6,375	26	1,950	17,000
Norick, Dan W.	19,700	25	6,375	5	450	17,000
Orrey, Edwin E.	21,075	25	6,375	26	2,000	17,000
Olsen, Kenneth L., Sr.	20,625	25	6,375	14	1,050	17,000
Palmer, Anthony R.	19,950	25	6,375	13	975	17,000
Parr, Wilfred	20,550	25	6,375	21	1,975	17,000
Petit, Gil	19,500	25	6,375	7	525	17,000
Powell, Henry	20,650	25	6,375	25	1,875	17,000
Pruitt, Renee G.	20,700	25	6,375	23	1,725	17,000
Quarles, Roy, Jr.	20,125	25	6,375	18	1,350	17,000
Rodde, Charles, III	20,625	25	6,375	21	1,650	17,000
Romero, Fred A.	17,700	25	6,375	20	750	17,000

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

Schedule of Legislators' Per Diem and Other Compensation, Nine Months Ended June 30, 1997

Continued

Legislator	Total	April 17 - June 12		Incarri Per Diem		Salary and Expense Allowance
		Days	Amount	Days	Amount	
Kennel, Darryl	21,875	85	6,375	28	2,180	17,500
Salter, Joe	21,875	85	6,375	28	2,180	17,500
Seafire, Steve	21,650	85	6,375	48	3,625	15,250
Suberino, Matthew, III	19,800	85	6,375	12	593	13,400
Starr, B. L.	21,675	85	6,375	36	2,760	15,300
Smith, Jack Donald	21,800	85	6,375	27	3,025	15,300
Smith, John B.	21,750	85	6,375	27	2,725	15,300
Solis, Victor T.	21,225	85	6,375	38	2,250	15,300
Starr, R. H.	19,225	85	6,375	2	150	12,500
Thibodeau, Michel	20,400	85	6,375	18	1,425	13,000
Thompson, Gerald	285	-	-	1	75	180
Thomas, Jerry A.	19,275	85	6,375	4	300	12,500
Thompson, Francis C.	21,225	85	6,375	38	2,250	14,500
Thornhill, Tom W.	20,775	85	6,375	24	1,800	14,500
Toomey, Joseph F.	19,875	85	6,375	8	680	13,400
Travis, John D.	21,825	85	6,375	38	2,850	15,000
Tricks, Warren J., Jr.	21,175	85	6,375	56	4,200	15,000
Vintz, David B.	19,425	85	6,375	6	450	13,000
Watersworth, Michael A.	19,800	85	6,375	10	825	12,500
Warner, Thomas R.	19,200	85	6,375	5	375	12,500
Wicks, Yvonne J.	21,675	85	6,375	36	2,700	15,000
Winton, Sharon	20,825	85	6,375	14	1,050	13,500
Wiggins, Randy	20,500	85	6,375	20	1,525	13,500
Willerson, Patrick	21,875	85	6,375	28	2,100	15,000
William-Lewis, Cynthia	20,325	85	6,375	18	1,350	13,000
Windham, Stephen J.	21,000	85	6,375	30	2,225	13,500
Winnon, Diane	21,225	85	6,375	38	2,250	14,000
Wright, Thomas H.	20,275	85	6,375	28	1,800	13,000
	\$ 2,174,485		\$ 665,475		\$ 177,825	\$ 1,330,185



United
Public
Accountants

James
Street

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

Honorable, Huntington B. Downer, Jr.
House of Representatives
State of Louisiana
Baton Rouge, Louisiana

We have audited the financial statements of the House of Representatives, State of Louisiana, as of and for the nine months ended June 30, 1997, and have issued our report thereon dated August 28, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

The management of the House of Representatives is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of an evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the House of Representatives, State of Louisiana, for the nine months ended June 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures, and whether they have been placed in operation, and we assessed control risk in order to

disclosure and auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the House of Representatives' management, the Legislative Budgetary Control Council and the Louisiana Legislative Audit. However, this report is a matter of public record and its distribution is not limited.

PROVOST, SALTER, HARPER & ALFORD, L.L.C.

Provost, Salter, Harper & Alford, L.L.C.
August 26, 1987

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN
AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH THE GOVERNMENT ACCOUNTING STANDARDS**

Honorable, Huntington B. Downer, Jr.
House of Representatives
State of Louisiana
Baton Rouge, Louisiana

We have audited the financial statements of the House of Representatives, State of Louisiana, as of and for the nine months ended June 30, 1997, and have issued our report thereon dated August 26, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations and contracts applicable to the House of Representatives is the responsibility of the House of Representatives' management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the House of Representatives' compliance with certain provisions of laws, regulations and contracts. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed two instances of noncompliance that are required to be reported under Government Auditing Standards. These instances of noncompliance are described in the accompanying schedule of compliance findings and recommendations.

We considered these instances of noncompliance in forming our opinion on whether the House's financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated August 26, 1997, on these financial statements.

This report is intended for the information of the House of Representatives' management, the Legislative Budgetary Control Council and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

PROVOST, SALTER, HARPER & ALFORD, L.L.C.

Provost, Salter, Harper & Alford, L.L.C.

August 26, 1997

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA

*Schedule of Compliance Findings and Recommendations**June 30, 1997***Finding 1. Noncompliance With the Louisiana Performance Audit Program**

Condition. The House of Representatives is not in compliance with the Louisiana Performance Audit Program.

Criteria. Revised Statute 24:522 D(2) states that "All state agencies shall develop specific goals and objectives for each of their programs to include measures of performance. They shall report on program goals and objectives in developing annual budgets and shall submit such information to the legislature as a part of the appropriation process."

Effect. The House of Representatives is not in compliance with Revised Statutes for the State of Louisiana.

Cause. Management is in the process of evaluating the requirements of R.S. 24:522.

Recommendation. Management should evaluate the requirements of Revised Statute 24:522 and develop goals and objectives for its programs accordingly.

Definite Response. Management will develop a strategic plan, establish goals and objectives for the future and strategies for achieving those goals and objectives. Management will also define their mission, establish their goals, objectives and develop measures of their performance.

HOUSE OF REPRESENTATIVES, STATE OF LOUISIANA*Schedule of Compliance Findings and Recommendations, Continued**June 28, 1997***Finding 2. Noncompliance With the Louisiana Constitution of 1974**

Condition. The House of Representatives is not in compliance with the Louisiana Constitution of 1974.

Criteria. The Louisiana Constitution of 1974, Article 7, Section 14A prohibits the donation of funds or property to any person. The House of Representatives purchases floral offerings for families of members and former members of the House of Representatives which is considered to be in violation of the Louisiana Constitution of 1974.

Effect. The House of Representatives is not in compliance with the Louisiana Constitution of 1974.

Cause. Management was unaware that these purchases were in violation of the Louisiana Constitution of 1974.

Recommendation. Management should discontinue this practice.

Auditor Response. Even though an auditor is not an interpreter of the law, we understand one of the roles is to assess compliance with applicable laws. This criterion exceeds that role.

However, the Speaker desires the House to be run in total and absolute compliance with our *auditor's* findings and decisions. Therefore, we are changing our position to assess expending House funds for these purchases. As advised, these purchases will be made through the Speaker's expense allowance.



STATE OF LOUISIANA

ALFRED W. SPIES
CLERK, HOUSE OF REPRESENTATIVES

POST OFFICE BOX 4826
BATON ROUGE, LOUISIANA 70804-1826
504 / 384-1926

December 24, 1987

Provest, Sator, Harper, Alford
8888 United Plaza Blvd., Suite 650
Baton Rouge, Louisiana 70809

Gentlemen:

Your audit states a noncompliance by the House of Representatives with R.S. 24:522.

Our response to this noncompliance is as follows:

Auditee must develop a strategic plan, establishing goals and objectives for future and strategies for achieving these goals and objectives. We must and define our mission, establish our goals, our objectives and develop measures of our performance.

This all will be accomplished before June 30, 1988.

Sincerely,

AWB:ajc

180177 5-11-87-10



STATE OF LOUISIANA

ALFRED W. SPIES
CLERK, HOUSE OF REPRESENTATIVES

HOUSE OFFICE BLDG 4281
BUTTE BOULEVARD, MONROE, LOUISIANA 70001-0001
(504) 343-7000

December 24, 1997

Provost, Galt, Hapes, Alford
8850 United Plaza Blvd., Suite 600
Metairie, Louisiana 70009

Gentlemen:

Your audit states a noncompliance by the House of Representatives of the Louisiana Constitution of 1874, Article 7, Section 14A, which prohibits the donation of lands or property to any person.

Our response to this noncompliance is as follows:

Even though an auditor is not an interpreter of the law, we understand one of the roles is to assure compliance with applicable laws. This criticism exceeds that role.

However, the Speaker desires the House to run in total and absolute compliance with our auditors' findings and decisions. Therefore, we are changing our practice to cease expending House funds for these purchases. As advised, these purchases will be made through the Speaker's expense allowance.

Sincerely,

AWSp:ajp

REC'D 5-13765