



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

July 16, 2003

OSRAP MEMORANDUM 04-04

TO: All ISIS and Non-ISIS State Agencies, Elected Officials, Office of Risk Management and Office of Group Benefits

FROM: F. Howard Karlton, CPA, CGFM
Director

SUBJECT: Transmittal of Leave Liability Reports and Amendments to OSRAP Memorandums 03-36 and 03-37, Instructions for Preparation of the Annual Fiscal Report

Enclosed are the following items related to the preparation of the Annual Fiscal Report (AFR) for Fiscal Year 2003:

1. Annual Leave Liability Reports, the Fair Labor Standards Act (FLSA) Compensatory Leave Liability Reports and the Payroll Accrual Report for those reporting agencies on ISIS HR. Amounts in the "Ttl Liab" column of these reports should be used, as described in the instructions for preparation of Note J - Leave, to complete the AFR. The Payroll Accrual Report should be used to complete Note R.

As explained in the instructions for Section 1 of Note J, each agency on ISIS HR should determine whether the provisions of Louisiana Revised Statute 17:425 are applicable concerning payment of up to 25 days of unused sick leave to unclassified employees. If applicable, the agency should run a Sick Leave Liability Report number ZP112 with an "as of date" of June 23, 2003 (the date used for the attached Annual and FLSA reports), using the appropriate personnel numbers. The balance of the "Ttl Liab" column of the Sick Leave Liability Report should be added to the amount previously calculated for annual leave and entered as the total for Section 1 of Note J.

Copies of all reports should be maintained at the agency as documentation of the reported liability for compensated absences at June 30, 2003.

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2. Replace Schedule 15 of the AFR packet with the enclosed Revised Schedule 15 that eliminates the second section of schedule 2.
3. Replace Note D located at page 7 of the AFR packet with the Revised Note D that includes: a reference concerning the use of additional pages as needed to list leased assets, a column in the schedule for Tag Number, and a change to the title of the last column to "Original Present Value of the Lease".
4. Replace Note M, Section 2, Schedule A located at page 11 of the AFR packet with the Revised Note M, which contains a change to the title of the third column to "Remaining interest and executory costs to end of lease".

If you have any questions concerning the leave reports or the amendments to the AFR packets, please contact the OSRAP analyst assigned to your agency. Your cooperation in providing the information required for the Louisiana Comprehensive Annual Financial Report is greatly appreciated.

FHK:CMB

[Enclosures](#)

c: Ms. Jennifer Rabalais, CPA

STATE OF LOUISIANA

_____ (Agency)

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the state and reason for the changes in the budget, please complete the schedule below. If the change is greater than 10%, explain the reason for the change.

	<u>2003*</u>	<u>2002</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ _____	\$ _____	\$ _____ -	\$ _____
Expenses	_____	_____	_____ -	_____
Explanation for change:	_____			

	<u>2003 Original Budget</u>	<u>2003 Final Budget</u>	<u>Difference</u>	<u>Percentage Change</u>
2) Revenues	\$ _____	\$ _____	\$ _____ -	\$ _____
Expenditures	_____	_____	_____ -	_____
Explanation of change:	_____			

- *Revenues-must equal the following:
- Total Revenue on Schedule 3 or Schedule 3-1
 - + Full Current Year Accrual Revenues on Schedule 14
 - Full Prior Year Accrual Revenues on Schedule 14
 - + 2003 Payroll Revenue Accrual from Note R
 - 2002 Payroll Revenue Accrual from Note R

Expenditures- must agree with total expenditures on Schedule 1 or Schedule 3-1, **plus** 2003 Payroll Accrual, **less** 2002 Payroll Accrual.

STATE OF LOUISIANA

(Agency)

**NOTES TO THE FINANCIAL REPORTS
FOR THE YEAR ENDED JUNE 30, 20__**

D. GENERAL FIXED ASSETS –CAPITAL LEASES ONLY (REVISED)

List, individually, those items of movable property with a value of \$5,000 or above (attach additional sheets as needed) and those buildings with a value of \$100,000 or above that are under capital leases (See definition on page 12). We no longer need a complete list of General Fixed Assets. The total must agree with the historical cost reflected in Column 1 of Note M(2) Schedule A.

<u>Description of Item</u>	<u>Movable Property Tag No.</u>	<u>Date Acquired</u>	<u>Historical Cost of each Item</u>
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

E. INVENTORY OF MATERIALS AND SUPPLIES

In general, inventories are recorded as an expenditure when purchased. The cost value of inventory, determined under (perpetual or periodic) inventory system using the (FIFO, LIFO, etc.) valuation method, at June 30, 2003, is \$_____. **NOTE: Do not count postage as inventory, include in prepayments, if material.**

F. SEEDS

The agency is in receipt of a seed in the amount of \$_____ as authorized by the joint approval of the State Treasurer and the Commissioner of Administration and drawn against the State Treasurer. The seed represents a liability to the unit and must be repaid if not reauthorized annually.

The breakdown of advances by unit are as follows:

	<u>Fund</u>	<u>Date Authorized</u>	<u>Amount</u>
1.	_____	_____	\$ _____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
	Total		\$ _____

G. DEFERRED REVENUE

Deferred Revenue represents revenue (generally federal) that was received during fiscal year 2003 and not yet earned. Certain federal grants may fit this description. The deferred revenue amount(s) is/are \$_____ (federal), \$_____ (self-generated), and/or \$_____ (IAT).

STATE OF LOUISIANA

(Agency)

NOTES TO THE FINANCIAL REPORTS
FOR THE YEAR ENDED JUNE 30, 20__

Nature of lease	FY2004	FY2005	FY2006	FY2007	FY2008	FY 2009- 2013
a. Office space	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____	_____	_____	_____
c. Land	_____	_____	_____	_____	_____	_____
d. Other	_____	_____	_____	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Rental expense for operating leases with scheduled rent increases is based on the relevant lease agreement except in those cases where a temporary rent reduction is used as an inducement to enter the lease. In those instances, rental expense is determined on either a straight-line or interest basis over the term of the lease, as required by GASB 13, and not in accordance with lease terms. The agency does (does not) have leases with scheduled rent increases due to temporary rent reductions used as an inducement to enter the lease.

2. CAPITAL LEASES AND LEASE PURCHASES-Do not include leases on state office buildings financed through Louisiana Office Facilities

Capital leases are defined as an arrangement in which any one of the following conditions apply (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

Schedule A should be used to report all capital leases (including new leases, in effect as of 6/30/03. In schedule B, report only those new leases entered into during fiscal year 2002-2003. Note: LEAF leases should not be shown in Schedule.

SCHEDULE A – CAPITAL LEASES EXCEPT LEAF LEASES (REVISED)

Nature of lease	Gross Amount of Leased Asset (Historical Cost)	Remaining		Fund that pays lease
		Interest and executory costs to end of lease	Remaining principal to end of lease	
a. Office space	\$ _____	\$ _____	\$ _____	_____
b. Equipment	_____	_____	_____	_____
c. Land	_____	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____	_____

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2003: