

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Department of the Treasury
State of Louisiana
Baton Rouge, Louisiana

December 15, 1999



Financial and Compliance Audit Division

***Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor***

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LEGISLATIVE AUDITOR

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**DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
Baton Rouge, Louisiana**

**Special Purpose Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 1999
With Supplemental Information Schedules**

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor.

December 15, 1999

**DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**

Special Purpose Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 1999
With Supplemental Information Schedules

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DANIEL G. KYLE, PH.D., CPA, CFE
LEGISLATIVE AUDITOR

November 23, 1999

Independent Auditor's Report
on the Financial Statements

HONORABLE KEN DUNCAN
STATE TREASURER
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the accompanying special purpose (legal basis) financial statements of the Department of the Treasury, a department within Louisiana state government, as of and for the year ended June 30, 1999, as listed in the foregoing table of contents. These financial statements are the responsibility of management of the Department of the Treasury. 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 the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in note 1-B to the financial statements, the accompanying special purpose financial statements present only the funds of the Department of the Treasury. As such, they present the appropriated and non-appropriated activity of the department that are part of the accounts and fund structure of the State of Louisiana. The General Appropriation Fund reflects appropriated activity of the department that is part of the General Fund of the State of Louisiana. The non-appropriated funds are individual funds of the State of Louisiana not subject to budgetary control. Furthermore, the special purpose financial statements have been prepared on a legal basis of accounting, the purpose of which is to reflect compliance with the annual appropriation act for the appropriated fund and the financial position of the non-appropriated funds. These procedures differ from generally accepted accounting principles as described in the notes to the financial statements. Accordingly, the accompanying special purpose financial statements are not intended to and do not present financial position and results of operations in conformity with generally accepted accounting principles.

LEGISLATIVE AUDITOR

HONORABLE KEN DUNCAN
STATE TREASURER
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
Audit Report, June 30, 1999

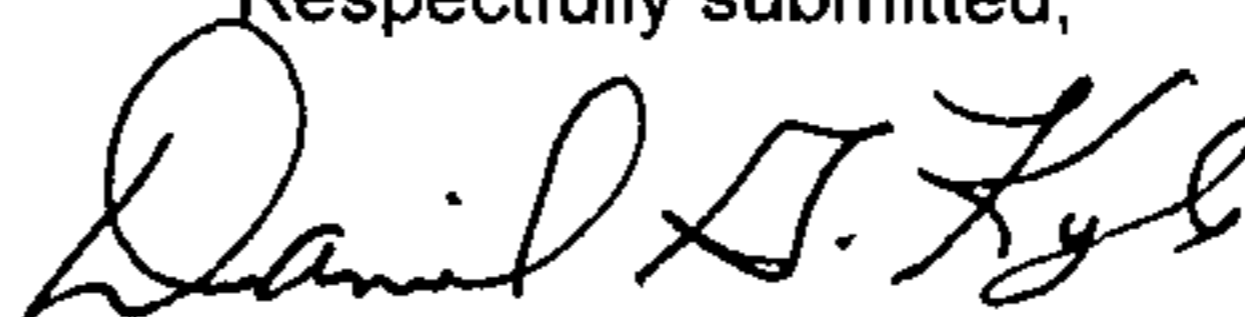
In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the balances within the appropriated and non-appropriated funds of the Department of the Treasury at June 30, 1999, and the transactions of the General Appropriation Fund for the year then ended, on the basis of accounting described in note 1-B.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 23, 1999, on our consideration of the Department of the Treasury's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

Our audit was made for the purpose of forming an opinion on the accompanying special purpose financial statements of the Department of the Treasury taken as a whole. The accompanying supplemental information schedules are presented for the purpose of additional analysis and have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are stated fairly in all material respects in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the Department of the Treasury and its management and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

VVV:WMB:BJJ:ss

[TREASURY]

DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
ALL APPROPRIATED AND
NON-APPROPRIATED FUNDS

Balance Sheet (Legal Basis), June 30, 1999

	APPROPRIATED FUND - GENERAL APPROPRIATION	NON-APPROPRIATED FUNDS			TOTAL (MEMORANDUM ONLY)
		MAJOR STATE REVENUES AND INCOME NOT AVAILABLE	PAYROLL CLEARING	ESCROW	
ASSETS					
Cash (note 1-C)	\$2,518,449		\$38,052	\$1,317,740	\$3,874,241
Major state revenues and income not available		\$20,260,377			20,260,377
Due from others (note 2)	185,534,059				185,534,059
Other receivables	4,172				4,172
TOTAL ASSETS	\$188,056,680	\$20,260,377	\$38,052	\$1,317,740	\$209,672,849
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$492,275				\$492,275
Payroll payable	110,523				110,523
Payroll deductions payable			\$17,053		17,053
Accrued employee benefits			20,999		20,999
Due to state General Fund (note 7)	186,265,252				186,265,252
Major state revenues and income not available due state treasury		\$20,260,377			20,260,377
Other liabilities				\$1,317,740	1,317,740
Total Liabilities	186,868,050	20,260,377	38,052	1,317,740	208,484,219
Fund Equity - fund balance:					
Reserved for continuing operations (note 10)	1,299,153				1,299,153
Unreserved - undesignated (deficit) (note 9)	(110,523)				(110,523)
Total Fund Equity	1,188,630	NONE	NONE	NONE	1,188,630
TOTAL LIABILITIES AND FUND EQUITY	\$188,056,680	\$20,260,377	\$38,052	\$1,317,740	\$209,672,849

The accompanying notes are an integral part of this statement.

DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
GENERAL APPROPRIATION FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance (Legal Basis)
For the Year Ended June 30, 1999

REVENUES

Appropriated by legislature:

State General Fund	\$1,074,669
State General Fund by fees and self-generated revenues	3,256,041
State General Fund by interagency transfers	1,069,363
Total revenues	<u>5,400,073</u>

EXPENDITURES

Administrative	736,471
Financial accountability and control	1,671,828
Debt management	1,040,647
Investment management	1,025,680
Total expenditures	<u>4,474,626</u>

EXCESS OF REVENUES OVER EXPENDITURES 925,447

OTHER APPROPRIATED FINANCING SOURCES (Uses)

Transfers in (note 8)	186,237,616
Transfers out (note 8)	(186,265,252)

FUND BALANCE AT BEGINNING OF YEAR 372,493

ADJUSTMENT (note 11) (81,674)

FUND BALANCE AT END OF YEAR \$1,188,630

The accompanying notes are an integral part of this statement.

DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
GENERAL APPROPRIATION FUND

Statement of Revenues, Expenditures, and
Unexpended Appropriation - Budget
Comparison of Current-Year Appropriation -
Budget (Legal Basis) and Actual
For the Year Ended June 30, 1999

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Appropriated by legislature:			
State General Fund	\$1,074,669	\$1,074,669	
Federal funds	1,000		(\$1,000)
State General Fund by fees and self-generated revenues	2,500,046	3,089,896	589,850
State General Fund by statutory dedication	705,700	525,957	(179,743)
State General Fund by interagency transfers	1,146,845	1,069,363	(77,482)
Total appropriated revenues	<u>5,428,260</u>	<u>5,759,885</u>	<u>331,625</u>
EXPENDITURES			
Appropriated for:			
Administrative	870,726	732,034	138,692
Financial accountability and control	1,993,224	1,663,244	329,980
Debt management	1,321,920	1,039,139	282,781
Investment management	1,242,390	1,026,315	216,075
Total appropriated expenditures	<u>5,428,260</u>	<u>4,460,732</u>	<u>967,528</u>
UNEXPENDED APPROPRIATION - CURRENT YEAR	<u>NONE</u>	<u>\$1,299,153</u>	<u>\$1,299,153</u>

The accompanying notes are an integral part of this statement.

**DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**

Notes to the Financial Statements
As of and for the Year Ended June 30, 1999

INTRODUCTION

The Louisiana Department of the Treasury is a department within the State of Louisiana reporting entity. The department was created in accordance with Title 36, Chapter 21 of the Louisiana Revised Statutes of 1950, as a part of the executive branch of government. The department is responsible for the custody, investment, and disbursement of public funds of the state. The department is funded by an annual appropriation from the General Fund, interagency transfers, and through self-generated fees charged by the State Bond Commission, whose administrative functions are included in the operations of the department. The department has 50 positions at June 30, 1999.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) promulgates generally accepted accounting principles and reporting standards for state and local governments. These principles are found in the Codification of Governmental Accounting and Financial Reporting Standards, published by the GASB. However, the accompanying special purpose financial statements have been prepared on a legal basis, which differs from generally accepted accounting principles as explained in the following notes.

The State of Louisiana has been determined to be the reporting entity under generally accepted accounting principles. The accompanying financial statements represent activity of a department of state government and, therefore, are a part of the fund and account group structure of the State of Louisiana and its general purpose financial statements.

A. FUND ACCOUNTING

The Department of the Treasury uses fund accounting, along appropriation lines, to reflect its compliance with provisions of the annual appropriation act and to reflect the financial position and results of operations of its non-appropriated funds. This differs from the fund accounting of generally accepted accounting principles where the intent is to measure the financial position and results of operations of the governmental reporting entity as a whole. Therefore, the funds within the accompanying financial statements have been divided between appropriated and non-appropriated funds and not by the conventional fund types of generally accepted accounting principles.

The funds do not include any noncurrent assets or liabilities. Noncurrent assets, general fixed assets, and long-term liabilities are reflected in the State of Louisiana's general purpose financial statements.

**DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**
Notes to the Financial Statements (Continued)

The funds presented in the special purpose financial statements are described as follows:

GENERAL APPROPRIATION FUND

The General Appropriation Fund accounts for all appropriated revenues, operating expenditures, and minor capital acquisitions. The fund also accounts for travel and imprest fund advances and seeds appropriated in the annual ancillary appropriations act for use by various state agencies.

NON-APPROPRIATED FUNDS

Major State Revenues and Income Not Available

The department collects major state revenues that are deposited in various statutorily dedicated funds. In addition, the department collects funds specifically identified by the Division of Administration, State Budget Office, as income not available to the department for expenditure and are, therefore, not included on Statement B but are detailed on Schedule 2.

Agency Funds

Payroll Clearing Fund

The Payroll Clearing Fund accounts for payroll deductions and accrued benefits.

Escrow Fund

The Escrow Fund consists of amounts received from other agencies and units of government. These agencies are required by statute to remit stale-dated checks, deposits received from others, and other funds not available for current operations and that are not required to be remitted to the state General Fund.

The non-appropriated funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

B. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The funds in the accompanying financial statements measure the resources provided by the legislature to fund current-year expenditures and the use of

DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

those resources by the department. This differs from generally accepted accounting principles in which the measurement focus would be to measure the flow of current resources.

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements, regardless of the measurement focus applied. The accompanying financial statements reflect revenues and expenditures in accordance with applicable statutory provisions and regulations of the Division of Administration, Office of Statewide Reporting and Accounting Policy. These legal requirements differ from generally accepted accounting principles as follows:

1. Revenues are recognized to the extent that they have been appropriated and not necessarily when measurable and available.
2. Expenditures are recognized to the extent that appropriation authority has been extended to the department and not necessarily when the fund liability has been incurred.

Under the foregoing legal provisions, the department uses the following practices in recognizing revenues and expenditures.

Revenues

The state General Fund appropriation is recognized in the amounts appropriated, to the extent withdrawn from the state treasury. Fees and self-generated revenues, interagency transfers, statutory dedications, and non-appropriated revenues are recognized in the amounts earned, to the extent that they will be collected within 45 days of the close of the fiscal year.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that obligations of employee vested annual and sick leave are recognized as expenditures when paid. Furthermore, any expenditures of a long-term nature for which funds have not been appropriated during the current year are not recognized in the accompanying financial statements.

Other Appropriated Financing Sources (Uses)

Transfers are recognized in the year the department is authorized to receive or make the transfer in accordance with provisions of the Division of Administration, Office of Statewide Reporting and Accounting Policy.

DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

The Escrow Fund is reported on a cash basis of accounting. Additions are recognized when they are received, and deductions are recognized when paid.

C. CASH

Cash is composed of the following:

Under control of the department:	
Cash in demand accounts	\$828
Petty cash (on hand)	100
Cash on deposit with the state treasury	<u>3,873,313</u>
Total	<u><u>\$3,874,241</u></u>

Under state law, these 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. The department has deposit balances (collected bank balances) of \$3,654 at June 30, 1999, which are fully secured from risk by federal deposit insurance (GASB Risk Category 1).

Cash balances are held and controlled by the state treasurer and are secured from risk by the state treasurer through separate custodial agreements, and the risk disclosures required by generally accepted accounting principles are included within the state's general purpose financial statements. The following is a summary of cash in the state treasury:

Means of finance	\$2,398,380
ISIS operating	119,141
Payroll clearing	38,052
Escrow Fund	<u>1,317,740</u>
Total	<u><u>\$3,873,313</u></u>

D. GENERAL FIXED ASSETS

At June 30, 1999, the department has stewardship responsibility for \$503,436 in governmental movable property, valued at historical cost at the time of acquisition. The movable property is not reflected in the accompanying special purpose financial statements. A summary of changes in movable property follows:

**DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**
Notes to the Financial Statements (Continued)

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Movable property	<u>\$502,167</u>	<u>\$40,427</u>	<u>\$39,158</u>	<u>\$503,436</u>

The department has complied with Louisiana Revised Statutes (R.S.) 39:321-332, the movable property statutes of the State of Louisiana.

E. LONG-TERM OBLIGATIONS

The department is by statute not allowed to incur bonded indebtedness and, therefore, no recognition within the accompanying financial statements is necessary. Furthermore, any long-term obligations of the department arising from lease commitments, judgments, compensated absences, or from any other source are not recognized in the accompanying special purpose financial statements.

F. ENCUMBRANCE ACCOUNTING

Encumbrances represent commitments relating to unperformed contracts for goods or services. The department employs encumbrance accounting during the year to ensure compliance with the annual appropriation act. Encumbrances are not included in the accompanying financial statements because R.S. 39:82 and the annual appropriation act do not allow the department to charge encumbrances against its current-year appropriation, the basis upon which the accompanying financial statements have been prepared. The department has no encumbrances at June 30, 1999.

G. BUDGET PRACTICES

The appropriation made for the general operations of the department is an annual lapsing appropriation valid for one year and is recorded in the General Appropriation Fund. Revenues and expenditures for budget are recognized on the same basis of accounting as described in note 1-B, except the accrual of payrolls at fiscal year-end are not recognized as expenditures on Statement C. The carryover of prior-year revenues and transfers in of statutory dedication are shown as revenues on Statement C.

The amounts reflected on Statement B are reconciled with the amounts reflected on Statement C as follows:

**DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**
Notes to the Financial Statements (Continued)

Statement B revenues	\$5,400,073
Transfer in (statutory dedication)	705,700
Transfer out (return of appropriation)	(733,336)
Carryover of prior-year revenues for State Bond Commission rebates	<u>387,448</u>
Statement C revenues	<u>\$5,759,885</u>
Statement B expenditures	\$4,474,626
Prior-year payroll accrual	96,629
Current-year payroll accrual	<u>(110,523)</u>
Statement C expenditures	<u>\$4,460,732</u>

The department is prohibited by statute from over expending the categories established in the general appropriation act. Budget revisions are granted by the Joint Legislative Committee on the Budget. Interim emergency appropriations may be granted by the Interim Emergency Board. The budget information included in the financial statements includes the original appropriation as follows:

	Programs				Total
	Administrative	Financial Accountability and Control	Debt Management	Investment Management	
Original approved budget	\$778,847	\$1,993,224	\$1,321,920	\$1,242,390	\$5,336,381
Preamble changes	91,879				91,879
Final Budget	<u>\$870,726</u>	<u>\$1,993,224</u>	<u>\$1,321,920</u>	<u>\$1,242,390</u>	<u>\$5,428,260</u>

The non-appropriated funds are not subject to budgetary control.

H. LEAVE BENEFITS

Employees earn and accumulate annual and sick leave at various rates depending on their years of service, without limitation on the balance that can be accumulated. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay but are not compensated for unused sick leave. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits. The liability for unused annual leave payable at June 30, 1999, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards Section C60.105, is estimated to be \$176,733. The leave payable is not recorded in the accompanying special purpose financial statements.

DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

I. TOTAL COLUMN ON BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position. Neither is such data comparable to a consolidation.

2. DUE FROM OTHERS

As shown on Statement A, the department has \$185,534,059 in due from others at June 30, 1999. This amount includes travel and imprest fund advances of \$2,357,016 paid by the department to various state agencies, as authorized by the Commissioner of Administration, seed advances of \$183,169,800 to various units of state government, as appropriated annually by the legislature in the Ancillary Appropriations Act, and \$7,243 of fees due to the Bond Commission. These amounts are returned annually to the state General Fund through the department's operating appropriation.

3. PENSION PLAN

Substantially all employees of the Department of the Treasury are members of the Louisiana State Employees Retirement System, a cost sharing, multiple-employer defined benefit pension plan, administered by a board of trustees. Required disclosures for the plan for fiscal year 1999 are included in the Louisiana Comprehensive Annual Financial Report prepared by the Louisiana Division of Administration, Post Office Box 94095, Baton Rouge, Louisiana 70804-9095.

**4. POSTRETIREMENT HEALTH CARE
AND LIFE INSURANCE BENEFITS**

The department provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the department's employees become eligible for these benefits if they reach normal retirement age while working for the department. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the department. The department's costs of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended June 30, 1999, the number of retirees was 17 and the costs of retiree benefits totaled \$29,602.

**5. JUDGMENTS, CLAIMS, AND
SIMILAR CONTINGENCIES**

Obligations and losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund or by General Fund appropriation and are not reflected in the accompanying special purpose financial statements. The self-insurance fund is operated

DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

by the Office of Risk Management, the state agency responsible for the state's self-insurance program.

6. LEASE OBLIGATIONS

The department had no material capital or operating leases as of June 30, 1999.

7. DUE TO STATE GENERAL FUND

As shown on Statement A, the department has \$186,265,252 due to the state General Fund. Of this amount, \$5,100 represents advances received by the department for the travel and imprest fund account and \$733,336 of excess self-generated revenue due to the state General Fund. The remainder of \$185,526,816, as discussed in note 2, represents advances made to various agencies for travel and imprest funds (\$2,357,016) and seed advances (\$183,169,800). These amounts are returned annually to the Department of the Treasury by the various agencies. At June 30, 1999, these advances represent a liability to the department and must be repaid to the state General Fund and reestablished annually by the Ancillary Appropriations Act.

8. TRANSFERS IN/OUT

Transfers in of \$186,237,616, as shown on Statement B, consist of \$185,531,916 of petty cash, travel advances, and seed monies and \$705,700 of statutory dedication.

Transfers out of \$186,265,252 consist of \$185,531,916 of petty cash, travel advances, and seed monies allocated to various state agencies and a return of appropriation of \$733,336.

**9. FUND BALANCE - UNRESERVED -
UNDESIGNATED (Deficit)**

As shown on Statement A, the department has an unreserved - undesignated fund deficit of \$110,523 at June 30, 1999, as a result of an adjustment for payroll payables. This deficit will be liquidated with funds appropriated for the 1999-2000 fiscal year.

10. RESERVED FOR CONTINUING OPERATIONS

The department has a total of \$1,299,153 reserved for continuing operations. This represents monies that will be rebated in fiscal year 1999-2000 to governmental and private issuers of debt for excess closing fees paid to the State Bond Commission in the previous fiscal year.

DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
Notes to the Financial Statements (Concluded)

**11. ADJUSTMENT TO FUND BALANCE
AT BEGINNING OF YEAR**

Adjustment to the beginning fund balance of the General Appropriation Fund, as shown on Statement B, is \$81,674, which was an adjustment to the carryover into fiscal year 1998-99 for the rebate that was overstated. The excess carryover was moved to the General Fund on September 18, 1998.

12. OTHER CHARGES

In accordance with instructions of the Division of Administration, State Budget Office, certain expenditures of the department are designated as other charges. These amounts represent banking and other financial service charges as well as the State Bond Commission rebates and totaled \$1,720,739 for the fiscal year.

13. DEFERRED COMPENSATION PLAN

Certain employees of the department participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana.

**DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended June 30, 1999**

**SCHEDULE OF PER DIEM PAID
STATE BOND COMMISSION MEMBERS**

The per diem paid to State Bond Commission members is presented on Schedule 1, as required by House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. In accordance with Louisiana Revised Statutes 24:31 and 42:3.1, each member receives per diem equal to the per diem (either federal amount of \$97 or \$101 or state amount of \$75) provided by law for members of the legislature.

**SCHEDULE OF NON-APPROPRIATED
REVENUES - MAJOR STATE REVENUES
AND INCOME NOT AVAILABLE**

Schedule 2 reflects major state revenues and income not available collected by the department during the year that was not available for expenditure.

SCHEDULE OF CHANGES IN BALANCES

Schedule 3 presents the changes in balances for the non-appropriated funds for the year ended June 30, 1999.

DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA

Schedule of Per Diem Paid
State Bond Commission Members
For the Year Ended June 30, 1999

	<u>NUMBER</u>	<u>AMOUNT</u>
John A. Alario, Jr.	11	\$1,067
Dennis Bagneris*	1	97
Robert J. Barham	7	525
Jay Dardenne*	4	300
John Deville*	1	101
Cleo Fields*	2	202
John Hainkel	5	485
Jon D. Johnson	10	970
Charles Jones*	1	101
Ron Landry*	1	101
Jerry LeBlanc	8	600
Wilfred Pierre*	1	101
Joe Salter*	1	97
Jack Smith*	1	101
John R. Smith	11	1,067
Warren Triche	4	388
		<hr/>
Total		<u><u>\$6,303</u></u>

*These persons are not members of the State Bond Commission
but substituted for the members and were paid per diem.

DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
MAJOR STATE REVENUES AND
INCOME NOT AVAILABLE

Schedule of Non-Appropriated Revenues
For the Year Ended June 30, 1999

NON-APPROPRIATED REVENUE FUND SOURCE	CASH RECEIPTS THROUGH JUNE 30, 1999	ACCOUNTS RECEIVABLE AT JUNE 30, 1999	TOTAL REVENUES
Income not available - miscellaneous	\$102		\$102
Major state revenues:			
Agricultural Commodity	40,554		40,554
Agricultural Products Processing Fund	936		936
Alarm Regulatory	21,617		21,617
Alcohol and Drug Abuse	344		344
Alternative School Fund	67,285		67,285
Artificial Reef Development Fund	701,175		701,175
Battered Women's Shelter	45,021	\$36,727	81,748
Blind Vendors Trust Fund	42,899		42,899
Boll Weevil Eradication Fund	8,241,673		8,241,673
Budget Stabilization Fund	64,041		64,041
Calcasieu Visitor Trust Fund	3,843		3,843
Capital Outlay TIMED Reserve	8,712,018		8,712,018
Center of Innovative Teaching and Learning	75,805		75,805
Classroom-Based Technology Fund	1,339,794		1,339,794
Community and Technical College Investment Fund	51,075		51,075
Compulsive and Problem Gaming	18,606		18,606
Concealed Handgun Permit Fund	29,365		29,365
Conservation Fund	166,116		166,116
Conservation Fund - Waterfowl Account	284		284
Deficit and Shortfall		211,866	211,866
Department of Insurance - Administrative Fund	12,953		12,953
Disability Affairs Trust	47,910	7,179	55,089
Drug Treatment Fund	5,754		5,754
DWI Test Maintenance and Training Fund	33,675		33,675
Economic Development Award Program	677,580		677,580
Education Quality Permanent Trust	35,093,541	2,328,612	37,422,153
Education Quality Support Fund	50,424,339	6,155,079	56,579,418
Emergency Medical Technician Fund	192		192
Federal Energy Settlement	4,202,830		4,202,830
Federal State Fiscal Assistance Trust Fund	28,261		28,261
Free School Fund Interest	765,245		765,245
Free School Fund Investments	143,443		143,443
Free School Fund Vacant Estates - New Orleans	60,037		60,037
Fuller Edwards Arboretum Trust	8,187		8,187

(Continued)

DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
MAJOR STATE REVENUES AND
INCOME NOT AVAILABLE
Schedule of Non-Appropriated Revenues, 1999

NON-APPROPRIATED REVENUE FUND SOURCE	CASH RECEIPTS THROUGH JUNE 30, 1999	ACCOUNTS RECEIVABLE AT JUNE 30, 1999	TOTAL REVENUES
Major state revenues: (Cont.)			
Fur and Alligator Education Fund	\$13,342		\$13,342
General Aviation and Reliever Airport Grant Program	208,861		208,861
Greater New Orleans Expressway Commission Additional Cost Fund	20,233	\$120	20,353
Health Care Facility Fund	752		752
Higher Education Distance Learning Account	51,280		51,280
Higher Education Library and Scientific Acquisitions	744,125		744,125
Interest earnings	63,296,546		63,296,546
Keep Louisiana Beautiful Fund	235		235
Legal Support Fund	157,477		157,477
Liquefied Petroleum Gas Rainy Day Fund	14,460		14,460
Literacy Fund	36		36
Louisiana Alligator Resource Fund	84,776		84,776
Louisiana Asbestos Detection and Abatement	101,758		101,758
Louisiana Charter Start-Up Loan Fund	157,560		157,560
Louisiana Economic Development Fund	846,045		846,045
Louisiana Education Savings and Tuition Fund	68,926		68,926
Louisiana Employment Opportunity Fund	23,802		23,802
Louisiana Environmental Education	1,214		1,214
Louisiana Homeless Trust Fund	1,524		1,524
Louisiana Lottery Proceeds	97,019,792	11,308,906	108,328,698
Louisiana Medical Assistant	2,982,431		2,982,431
Louisiana Operation Game Thief	148		148
Louisiana Senior Citizens Trust	540		540
Louisiana Special Olympics Checkoff	12		12
Louisiana State Wildlife Protection Trust Fund	202,018		202,018
Louisiana Technology Innovations Fund	472,887		472,887
Louisiana Tourism Promotion District Fund	56,426	7,253	63,679
Louisiana Wild Turkey Stamp Fund	9,770		9,770
Marsh Island Operating Fund	8,600		8,600
Medical Assistance Program Fraud Detection	2,140		2,140
Mineral Revenue Audit and Settlement Fund	19,456		19,456
Miscellaneous receipts	1,435,860	15,071	1,450,931
Natural Heritage Account Fund	8,559		8,559
New Orleans Area Tourism and Economic Development Fund	166,581		166,581

(Continued)

**DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
MAJOR STATE REVENUES AND
INCOME NOT AVAILABLE
Schedule of Non-Appropriated Revenues, 1999**

<u>NON-APPROPRIATED REVENUE FUND SOURCE</u>	<u>CASH RECEIPTS THROUGH JUNE 30, 1999</u>	<u>ACCOUNTS RECEIVABLE AT JUNE 30, 1999</u>	<u>TOTAL REVENUES</u>
Major state revenues: (Cont.)			
New Orleans Metro Convention and Visitor Bureau Fund	\$88,430		\$88,430
Oil Spill Contingency	397,598		397,598
Oilfield Site Restoration Fund	502,832		502,832
Oyster Development Account	8,688		8,688
Patient's Compensation Fund	4,124,308		4,124,308
Petroleum and Petroleum Products Fund	6,208		6,208
Reptile and Amphibian Research	106		106
Rockefeller Refuge Fund	874,772		874,772
Rockefeller Wildlife Trust & Protection Fund	2,305,838		2,305,838
Russell Sage/Marsh Island	647,759		647,759
Russell Sage/Marsh Island Capital Improvement	68,456		68,456
Russell Sage/Marsh Island Special Fund 2	51,788		51,788
School and District Accountability Fund	50,231		50,231
School Leadership Development Fund	29,198		29,198
Small Business Surety Bonding Fund	86,439		86,439
St. Bernard Parish Enterprise Fund	15,000		15,000
St. Mary Parish Local Government Gaming Mitigation	803		803
Teacher Preparation Loan Fund	56,156		56,156
Teachers Supplies Fund	316,619		316,619
Telecommunications for the Deaf	277,671		277,671
Tidelands Fund	172		172
To Help Our Wild Life Fund	2,171		2,171
Transportation Trust Fund	14,588,282		14,588,282
Traumatic Head and Spinal Cord	105	\$15	120
Trial Court Case Management Fund	132,443		132,443
Tuition Assistance	254,957		254,957
United States Olympic Checkoff Fund	118		118
Volunteer Firefighters Insurance	24,800		24,800
Washington Parish Infrastructure and Park Fund	150,000		150,000
Webster Parish Convention and Visitor	1,802		1,802
Wetlands Conservation	5,379,085	189,549	5,568,634
Winn Parish Tourism Fund	554		554
Workforce Development	480,861		480,861
Youthful Offender Management	25,024		25,024
Sub-total - major state revenues	<u>310,253,844</u>	<u>20,260,377</u>	<u>330,514,221</u>
Total non-appropriated state revenues	<u>\$310,253,946</u>	<u>\$20,260,377</u>	<u>\$330,514,323</u>

(Concluded)

DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
NON-APPROPRIATED - AGENCY FUNDS

Schedule of Changes in Balances
For the Year Ended June 30, 1999

	<u>PAYROLL CLEARING FUND</u>	<u>ESCROW FUND</u>
BALANCES AT BEGINNING OF YEAR	<u>\$35,989</u>	<u>\$835,009</u>
ADDITIONS		
Transfers from general appropriation	3,041,870	
Unclaimed property		604,795
Insurance Company - escrow		93,375
IDB ceiling deposit		97,500
Bond fees paid in protest		51,506
Total additions	<u>3,041,870</u>	<u>847,176</u>
Total	<u>3,077,859</u>	<u>1,682,185</u>
DEDUCTIONS		
Payroll deductions and employee benefits	3,039,807	
Unclaimed property		364,445
Total deductions	<u>3,039,807</u>	<u>364,445</u>
BALANCES AT END OF YEAR	<u><u>\$38,052</u></u>	<u><u>\$1,317,740</u></u>

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain a report on compliance with laws and regulations and on internal controls as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses in internal control or compliance matters that would be material to the presented financial statements.



DANIEL G. KYLE, PH.D., CPA, CFE
LEGISLATIVE AUDITOR

OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

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November 23, 1999

Report on Compliance and on Internal Control Over
Financial Reporting Based on an Audit of the Financial Statements
Performed in Accordance With Government Auditing Standards

HONORABLE KEN DUNCAN
STATE TREASURER
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the special purpose (legal basis) financial statements of the Department of the Treasury, a department within Louisiana state government, as of and for the year ended June 30, 1999, and have issued our report thereon dated November 23, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Department of the Treasury's special purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Department of the Treasury's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that could be material in relation to the financial statements being audited may occur and not be detected within a timely period by

EXHIBIT A

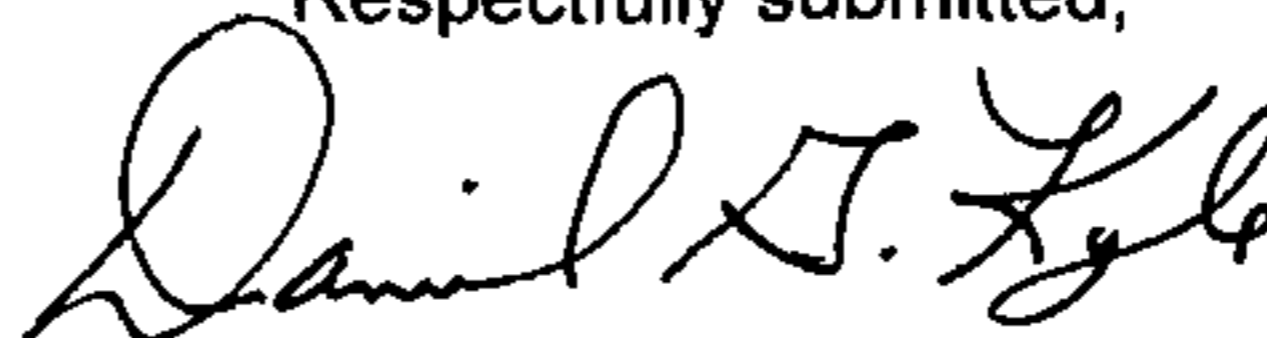
LEGISLATIVE AUDITOR

HONORABLE KEN DUNCAN
STATE TREASURER
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
Compliance and Internal Control Report
November 23, 1999
Page 2

employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Department of the Treasury and its management and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE
Legislative Auditor

VVV:WMB:BJJ:ss

[TREASURY]