

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Transportation Trust Fund and
Associated Accounts and Funds
Department of the Treasury
State of Louisiana
State House, Louisiana

December 22, 1997



Financial and Compliance Audit Division

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

LEGISLATIVE AUDIT ADVISORY COUNCIL

MEMBERS

Representative Francis C. Thompson, Chairman
Senator Ronald C. Bean, Vice Chairman

Senator Robert J. Barham

Senator Wilson E. Fields

Senator Thomas A. Greene

Senator Craig P. Romere

Representative F. Charles McMalin, Jr.

Representative Edwin R. Murray

Representative Warren J. Triche, Jr.

Representative David Ytter

LEGISLATIVE AUDITOR

Daniel G. Kyle, Ph.D., CPA, CFE

DIRECTOR OF FINANCIAL AND COMPLIANCE AUDIT

Albert J. Robinson, Jr., CPA

**TRANSPORTATION TRUST FUND AND
ASSOCIATED ACCOUNTS AND FUNDS
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
Baton Rouge, Louisiana**

**Special Purpose Financial Statement
and Independent Auditor's Report
For the Year Ended June 30, 1997
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 22, 1997

TRANSPORTATION TRUST FUND AND
ASSOCIATED ACCOUNTS AND FUNDS
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA

Special Purpose Financial Statement
and Independent Auditor's Report
For the Year Ended June 30, 1997
With Supplemental Information Schedules

CONTENTS

	Statement	Page No.
Independent Auditor's Report on the Financial Statement		2
Special Purpose Financial Statement - Transportation Trust Fund and Associated Accounts and Funds - Statement of Gasoline and Fuels Tax and Other Receipts, Disbursements, and Changes in Balances	A	4
Notes to the Financial Statement		6
	Schedule	Page No.
Supplemental Information Schedules:		
Schedule of Disbursements to the Department of Transportation and Development	1	15
Schedule of Disbursements to Reimburse the State General Fund	2	24



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-4997

DANIEL B. KOTZ, JR., CPA, CFE
LEGISLATIVE AUDITOR

2000 NORTH SHORE BLVD. #1
PO BOX 930000 DALLAS TX 75293
TELEPHONE: (972) 424-1200
FACSIMILE: (972) 424-1201

December 2, 1997

Independent Auditor's Report
on the Financial Statement

HONORABLE KEN DUNHAM, TREASURER
OFFICE OF THE STATE TREASURER
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the special purpose Statement of Gasoline and Fuels Tax and Other Receipts, Disbursements, and Changes in Balances of the Transportation Trust Fund and Associated Accounts and Funds for the year ended June 30, 1997. This financial statement is the responsibility of management of the Department of the Treasury. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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.

The accompanying special purpose financial statement was prepared for the purpose of complying with Section 361 of the Gasoline and Fuels Tax Collection and Allocation Agreement between the State of Louisiana and Bank One, formerly known as Premier Bank, N.A., trustee, as discussed in the notes to the financial statement, and is not intended to be a presentation in conformity with generally accepted accounting principles.

In our opinion, the special purpose financial statement referred to above presents fairly, in all material respects, the gasoline and fuels tax and other receipts, disbursements, and changes in balances of the Transportation Trust Fund and Associated Accounts and Funds for the year ended June 30, 1997, on the basis of accounting described in note 5.

Our audit was made for the purpose of forming an opinion on the special purpose financial statement. The accompanying supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the special purpose financial statement of the Transportation Trust Fund and Associated Accounts

LEGISLATIVE AUDITOR

HONORABLE KEN DUNCAN, TREASURER
OFFICE OF THE STATE TREASURER
STATE OF LOUISIANA
Audit Report, June 30, 1997

and Funds. Such information has been subjected to the procedures applied in the audit of the special purpose financial statement and, in our opinion, is fairly stated in all material respects in relation to the special purpose financial statement taken as a whole.

This report is intended solely for the information and use of the trustee, Bank One formerly known as Premier Bank, N.A., and management of the Department of the Treasury and should not be used for any other purpose.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

BCL, WMS:ada

2/2/98/20

**TRANSPORTATION TRUST FUND AND
ASSOCIATED ACCOUNTS AND FUNDS
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**

**Statement of Gasoline and Fuels Tax and Other
Receipts, Disbursements, and Changes in Balances
For the Year Ended June 30, 1987**

	<u>TRANSPORTATION TRUST FUND</u>	<u>TRANSPORTATION INFRASTRUCTURE MODEL FOR ECONOMIC DEVELOPMENT (TRUST) ACCOUNT</u>
BALANCES AT JUNE 30, 1986	<u>\$205,661,850</u>	<u>\$138,071,500</u>
RECEIPTS:		
Gasoline tax dedicated for debt service (note 5)		
Special fuels tax dedicated for debt service (note 5)		
Transferred through Bonds, Security and Receipts Fund		
Excise gasoline tax receipts (note 6)	320,887,121	83,809,613
Excise special fuels tax receipts (note 6)	77,328,098	12,917,014
Motor vehicle license tax (note 8)	28,954,750	
Aviation fuel (note 7)	8,000,000	
Interest earnings	18,622,000	8,600,180
Federal receipts (note 14)	<u>208,437,000</u>	
Total receipts	<u>653,831,069</u>	<u>105,326,807</u>
DISBURSEMENTS:		
State Police	11,718,838	
Public Transportation Program (note 9)	42,308,800	
Disbursement to the Department of Transportation and Development (note 12)	500,668,238	51,148,208
Reimbursement to the State General Fund (note 11)	1,475,342	
Federal disbursements by the Department of Transportation and Development (note 14)	<u>208,437,000</u>	
Debt service on bonds (note 10)		
Total disbursements	<u>1,040,548,218</u>	<u>102,296,416</u>
BALANCES AT JUNE 30, 1987	<u>\$125,939,692</u>	<u>\$135,775,884</u>

The accompanying notes are an integral part of this statement.

DEBT SERVICE TRUSTEE ACCOUNTS	TOTAL
<u>351,884,000</u>	<u>3458,657,567</u>
27,146,989	27,146,989
6,314,589	6,514,589
	307,170,138
	80,640,110
	29,184,738
	5,000,000
3,802,594	36,008,176
<u>38,468,272</u>	<u>388,411,801</u>
	750,839,127
	11,716,816
	42,384,830
	414,735,430
	1,410,347
	208,411,869
<u>34,568,179</u>	<u>34,568,179</u>
<u>34,568,179</u>	<u>719,214,899</u>
<u>386,158,689</u>	<u>3,617,322,411</u>

**TRANSPORTATION TRUST FUND AND
ASSOCIATED ACCOUNTS AND FUNDS
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**

Notes to the Financial Statement
For the Year Ended June 30, 1997

INTRODUCTION

The Transportation Trust Fund was established January 1, 1990, as a special permanent trust fund in the state treasury, by Act 647 of 1989, which added Part 4 of Article 7 of the 1974 Louisiana Constitution. The act allows the Louisiana State Bond Commission to issue and sell bonds, notes, or other obligations secured by gasoline and fuels tax revenues.

On March 15, 1990, the Louisiana State Bond Commission adopted the Gasoline and Fuels Tax Revenue Bond Resolution, which authorized the sale of \$200,000,040 of bonds. In connection with this bond issue, the State of Louisiana, acting through the Secretary of the Department of Revenue and Taxation of the State of Louisiana, the Treasurer of the State of Louisiana, and the Louisiana State Bond Commission, executed the Gasoline and Fuels Tax Collection and Allocation Agreement (the collection agreement) dated April 1, 1990, with Bank One, formerly known as Premier Bank, N.A., as trustee for the bond resolution. The collection agreement requires the Secretary of the Department of Revenue and Taxation (the Secretary) to deposit all gasoline and fuels taxes collected with the depository bank. The treasurer of the state is required to invest all such taxes on deposit with the depository bank, as permitted by state law. The agreement also requires the treasurer to transfer the gasoline and fuels taxes to the state's Bond Security and Redemption Fund, to meet debt service requirements, and to the Transportation Trust Fund, including the Transportation Infrastructure Model for Economic Development (TIMED) Account.

The Statement of Gasoline and Fuels Tax and Other Receipts, Disbursements, and Changes in Balances is prepared in accordance with the collection agreement. Article 3, Section 301 of the Collection Agreement requires that the accounts of the Transportation Trust Fund be audited annually.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

To provide the information required by the collection agreement, the accompanying financial statement has been prepared on the cash basis of accounting, with collections recognized when received and disbursements reflected when paid. As such, the accompanying financial statement does not reflect the receivables and accrued payables associated with the activities of the funds and accounts.

**TRANSPORTATION TRUST FUND AND
ASSOCIATED ACCOUNTS AND FUNDS
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**

Notes to the Financial Statement (Continued)

B. FUNDS AND ACCOUNTS

The accompanying Statement of Gasoline and Fuels Tax and Other Receipts, Disbursements, and Changes in Balances is a special presentation intended to provide only the information required by the collection agreement, as described previously. Accordingly, the statement does not necessarily present the financial activities of these funds and accounts in their entirety.

The financial activities of the funds and accounts as presented in Statement A are described as follows:

Transportation Trust Fund

This fund accounts for the proceeds of taxes and other receipts that are legally dedicated to the Transportation Trust Fund. The monies in the trust fund are to be used for construction and maintenance of state and federal roads and bridges, the Statewide Flood-Control Program, ports, airports, transit, state police traffic control projects, and the Parish Transportation Fund.

**Transportation Infrastructure Model for
Economic Development (TIMED) Account**

Act 16 of the 1999 First Extraordinary Session of the Louisiana Legislature [Louisiana Revised Statute (R.S.) 47:820.2] established the Transportation Infrastructure Model for Economic Development (TIMED) Account within the Transportation Trust Fund.

Monies in the account are to be used solely to fund the TIMED Account projects as identified in the act. The TIMED projects are to be funded from the avails of a gasoline and special fuels tax levied by Act 16 and the proceeds of bonds authorized by Article 7, Section 27(C) of the Louisiana Constitution.

Debt Service Trustee Accounts

Section 502 of the Bond Resolution requires the establishment of the Debt Service Trustee Accounts, to be held by the Trustee, and to consist of a Debt Service Account and a Debt Service Reserve Account. The Debt Service Account is used for the accumulation of receipts for the payment of bond principal, interest, and premiums. The Debt Service Reserve Account is used for the maintenance of the reserves as required by the bond resolution. The amounts included in the Debt Service Trustee Accounts reflect the distributions of both the Debt Service Account and the Debt Service Reserve Account.

**TRANSPORTATION TRUST FUND AND
ASSOCIATED ACCOUNTS AND FUNDS
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**

Notes to the Financial Statement (Continued)

C. RECEIPTS AND DISBURSEMENTS

Receipts

Gasoline and fuels taxes, motor vehicle license taxes, interest earnings, and federal receipts are recorded when the receipts are deposited in the depository bank and classified by the Department of Revenue and Taxation, the Department of Public Safety, the State Treasurer's Office, and the Department of Transportation and Development, respectively. Interfund loans are recognized when the funds are transferred by the State Treasurer's Office.

Disbursements

Disbursements are made as authorized by law. Article 7, Section 2778 of the Louisiana Constitution requires that monies in the trust fund be used only for trust fund appropriations, principal, interest, premiums, and costs incidental to the issuance of bonds. For the year ended June 30, 1987, disbursements of trust fund monies were made in accordance with the state general appropriation acts and the capital outlay acts, which are identified in notes 8, 9, 10, and 11.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Balances at June 30, 1987, totaling \$517,222,411, as shown on Statement A, are represented by cash, cash equivalents, and investments as detailed in the following Sections A and B:

A. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are composed of the following:

Cash on deposit with the State Treasury	\$491,263,425
Debt service trustee accounts:	
Cash in demand accounts	9
Money market accounts	<u>905,130</u>
Total	<u>\$491,268,564</u>

Cash and cash equivalents are stated at cost, which approximates market. Cash balances of \$491,263,425 held and controlled by the state treasurer 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

TRANSPORTATION TRUST FUND AND
ASSOCIATED ACCOUNTS AND FUNDS
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
Notes to the Financial Statement (Continued)

state's general purpose financial statements. Cash on deposit with the State Treasurer is invested in various instruments in the pooled investment account of the state treasurer. The investments are not identifiable by fund.

The cash on deposit with the trustee in demand accounts totaling \$1 is secured from risk by federal deposit insurance. The money market balance of \$693,130 is in investments of the trustee in United States securities and are considered credit risk Category 2 in applying the credit risk of GASB Codification Section 190.194.

B. INVESTMENTS

At June 30, 1997, the Transportation Trust Fund and Associated Accounts and Funds have investments stated at cost totaling \$54,953,855, which are composed entirely of invested trustee account balances. The TRRCD Account did not have a balance at June 30, 1997.

**Investments of the Debt Service
Accounts With the Trustee**

At June 30, 1997, the trustee's debt service accounts have investments in allowable investment securities as defined by Article 6, Section 603 of the bond resolution as follows:

	Carrying Amount (Book Value)	Market Value
United States Treasury strips	\$28,852,230	\$28,913,016
United States Treasury notes	26,101,625	26,539,506
Total	<u>\$54,953,855</u>	<u>\$55,452,521</u>

Because the investments of the debt service trustee accounts are held in the name of the State by an agent of the State, these investments are considered credit risk Category 1 in applying the credit risk of GASB Codification Section 190.194.

**TRANSPORTATION TRUST FUND AND
ASSOCIATED ACCOUNTS AND FUNDS
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**
Notes to the Financial Statement (Continued)

**3. GASOLINE AND SPECIAL FUELS TAXES
DEDICATED FOR DEBT SERVICE**

Article 7, Section 27 of the 1974 Louisiana Constitution requires that the prior lien obligations secured by taxes levied on gasoline and motor fuels at January 1, 1990, are to be satisfied before the gasoline and special fuels tax collections can be transferred to the trust fund. The collections for the Lake Charles Harbor and Terminal District Fund represented 1/20th of one cent of the 12 cents gasoline and special fuels taxes. This prior obligation consisted of Public Improvement Bonds and Certificates of Indebtedness of the district. In March 1996, a final payment was made to the district, thus satisfying all prior lien obligations to the district. These funds were paid directly to the district without flowing through the Bond Security and Redemption Fund because collections to provide for debt service are not available to pay obligations secured by the full faith and credit of the state.

Prior lien obligations are also required for the Port Improvement Bonds, 1966 Series, dated January 1, 1966, of the Port of New Orleans and the State of Louisiana Highway Bonds, Fourth Series, dated March 5, 1958. These bonds have been repaid, but the trust fund bond indenture requires a transfer of \$500,000 a year until the year 2006, as long as the port has other bond issues outstanding.

After satisfying prior lien obligations, Section 204 of the collection agreement requires that the treasurer transfer gasoline and special fuels tax collections to the debt service trustee accounts in amounts sufficient to meet the next debt service payments established by the bond resolution. During the year ended June 30, 1997, the treasurer transferred the amount needed to fund the payments of principal and interest due on November 15, 1996, of \$26,525,967 and interest due on May 15, 1997, of \$5,975,379. The transfer amounts for the year were \$27,140,709 of gas taxes and \$5,914,659 of special fuels tax.

**4. GASOLINE AND SPECIAL FUELS TAXES
DEDICATED TO THE BOND SECURITY
AND REDEMPTION FUND**

The 1974 Louisiana Constitution requires that all revenues deposited in the state treasury, with certain exceptions, be first credited to the Bond Security and Redemption Fund (B. S. and R.). Therefore, the collections of gas and special fuels taxes, except for the amounts collected as described in note 3, are first credited to the state's B. S. and R. Fund.

Article 7, Section 27(A) of the 1974 Louisiana Constitution requires for fiscal years beginning on July 1, 1991, and thereafter, the sums of all affected taxes collected be transferred to the Transportation Trust Fund from the state's B. S. and R. Fund.

**TRANSPORTATION TRUST FUND AND
ASSOCIATED ACCOUNTS AND FUNDS
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**

Notes to the Financial Statement (Continued)

**6. EXCESS GASOLINE AND SPECIAL
FUELS TAX RECEIPTS**

Article 7, Section 27 of the 1974 Louisiana Constitution establishes that after the payment of certain obligations, taxes identified as excess revenues shall be deposited to the Transportation Trust Fund and the TIMED Account. As of July 1, 1991, this excess is defined as the amount of all taxes levied on gasoline and motor fuels and special fuels. For the year ended June 30, 1997, the amount of 16 cents and 4 cents per gallon of taxes collected were excess revenues deposited to the trust fund and the TIMED Account, respectively. Excess gas taxes for the year were \$377,712,730 and excess special fuels taxes were \$90,643,112.

6. MOTOR VEHICLE LICENSE TAX

Act 28 of the 1997 Second Extraordinary Session of the Louisiana Legislature amended Article 7, Section 5 of the 1974 Louisiana Constitution to provide for a tax on the actual value of automobiles in private use of not less than \$10 per automobile. After satisfying the prior dedications on these tax proceeds, the remaining taxes collected are required to be deposited into the Transportation Trust Fund. In Opinion No. 89-655, the Attorney General for the State of Louisiana opined that the \$3 per automobile tax in effect before January 1, 1990, represents the amount of prior dedications, and the remaining collections are those required to be deposited into the Transportation Trust Fund. During the year ended June 30, 1997, the Transportation Trust Fund received \$20,164,730 of motor vehicle license taxes.

7. AVIATION FUEL TAX

In accordance with Article 7, Section 27 of the 1974 Louisiana Constitution, the trust fund began collecting aviation fuel taxes effective July 1, 1991. The aviation tax is a special tax that is derived from the state sales tax. For the year ended June 30, 1997, the aviation fuel tax amounted to \$5,060,000. Those taxes are used for the financing of the annual appropriations for airports but are not required to be used solely for airports.

8. INTERFUND LOANS

Monies in the TIMED Account can be loaned to the Transportation Trust Fund, as provided by R.S. 47:605.3(C), and can be used for purposes consistent with the trust fund. The total of these loans cannot exceed \$180,000,000 and must be repaid by no later than June 30, 2010. By June 30, 1991, the Transportation Trust Fund had borrowed \$180,000,000, which includes \$97,106,000 of borrowed TIMED bond proceeds and \$82,894,000 of borrowed TIMED excess 4-cent gasoline and special fuels tax collections. On April 2, 1993, the Department of Transportation and Development (DOTD) notified the state treasurer that federal funds were expended on TIMED projects in prior years and were to be considered as a partial payback of the interfund borrowing. These expenditures were originally charged to the Capital Outlay

**TRANSPORTATION TRUST FUND AND
ASSOCIATED ACCOUNTS AND FUNDS
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
Notes to the Financial Statement (Continued)**

Escrow Fund and not to the Transportation Trust Fund or the TIMED accounts. The Attorney General in Opinion No. 87-87 confirmed the constitutionality of using these expenditures to reduce the interfund loan balance. The state treasurer adjusted the accounting records accordingly for the Transportation Trust Fund and the TIMED accounts. These adjustments are not reported in Statement A, which reflects cash receipts and disbursements. As of June 30, 1997, \$133,167,674 has been repaid from the Transportation Trust Fund to the TIMED Account.

**9. DISBURSEMENTS TO THE PARISH
TRANSPORTATION PROGRAM**

Act 17 of the 1998 Regular Session of the Louisiana Legislature (General Appropriations Act) appropriated \$40,600,000 out of the Transportation Trust Fund to the Parish Transportation Program, of which \$8,000,000 was for the Mass Transit Program. The state treasurer disbursed \$40,600,000 of this appropriation and \$1,504,268 from the prior year's appropriation to the Parish Transportation Program and the Mass Transit Program in accordance with a distribution formula and payment schedule established by R.S. 48:725. The remaining appropriation balance of \$2,196,370 was disbursed subsequent to June 30, 1997.

**10. DISBURSEMENTS TO THE DEPARTMENT OF
TRANSPORTATION AND DEVELOPMENT**

DOTD warrants and received \$414,775,436 in appropriations to the department. Included on Schedule 1 is the amount of warrants drawn by DOTD for fiscal years ending June 30, 1990, 1991, 1992, 1993, 1994, 1995, 1996, and 1997. These warrants do not include federal funds. For amounts budgeted/appropriated by Acts 602, 653, 1013, 1133, 645, 45, 1096, and 45, the original contract amount is given for all contracts signed at June 30, 1997.

**11. REIMBURSEMENTS TO/FROM STATE
GENERAL FUND**

Capital Outlay Act 602 of 1989 requires that expenditures made from certain General Fund appropriations be reimbursed by the Transportation Trust Fund. Schedule 2 depicts reimbursements to the state General Fund for fiscal years ended June 30, 1990, 1991, 1992, 1993, 1994, 1995, 1996, and 1997. The amount of expenditures reimbursed during the year ended June 30, 1997, was \$1,678,342.

12. LONG-TERM OBLIGATIONS

At June 30, 1997, the trust fund has outstanding \$903,022,640 of Gasoline and Fuel Tax Revenue Bonds 1990 Series A, issued by the State of Louisiana on April 15, 1990. These bonds have maturities from fiscal years 1996 to 2005 and interest rates of 6.6 to 7.25 percent.

**TRANSPORTATION TRUST FUND AND
ASSOCIATED ACCOUNTS AND FUNDS
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**
Notes to the Financial Statement (Continued)

All principal and interest requirements are funded in accordance with Article 7, Section 27(C) of the 1874 Louisiana Constitution. These bonds are not general obligations of the state or any political subdivision thereof, and the faith and credit of the state is not pledged to the payment of these bonds. The bonds are payable solely from and secured by the pledge of gasoline and fuels taxes as defined by the Gasoline and Fuels Tax Revenue Bond Resolution adopted by the Louisiana State Bond Commission on March 15, 1990. The annual requirements of the bonds outstanding at June 30, 1997, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1998	\$23,365,000	\$11,150,347	\$34,515,347
1999	24,060,000	9,482,687	34,432,687
2000	25,705,000	7,648,237	34,349,237
2001	26,520,000	5,640,562	34,209,562
2002	13,508,275	21,808,813	35,307,088
2003-2005	75,187,305	27,427,468	102,614,833
Total	<u>\$193,322,640</u>	<u>\$83,165,114</u>	<u>\$276,487,754</u>

Debt service payments for fiscal year ended June 30, 1997, were \$24,560,376.

13. REQUIRED RESERVES

The Gasoline and Fuels Tax Revenue Bond Resolution requires the establishment of a Debt Service Reserve Account. The First Supplemental Bond Resolution, dated April 18, 1990, establishes the amount to be deposited in the reserve account as an amount equal to the greatest annual aggregate debt service on all bonds outstanding provided however that as a result of the issuance of any series of bonds, the debt service-reserve requirement may not exceed the sum of the debt service reserve requirement immediately before the issuance of such bonds, plus 10 percent of the net proceeds of the bonds. For the year ended June 30, 1997, the reserve requirement is \$26,035,441. The Debt Service Reserve Account has \$27,090,496 on deposit at June 30, 1997.

14. FEDERAL FUNDS

Article 7, Section 27(A) of the 1874 Louisiana Constitution requires all monies appropriated by the Federal Highway Administration (FHWA) and Federal Aviation Administration (FAA) to be paid directly or deposited in and credited to the Transportation Trust Fund. For the year ended June 30, 1997, \$341,098,687 of FHWA, and FAA funds were received by the state and were credited and deposited into the Transportation Trust Fund. Of this total, \$166,692,160 was

**TRANSPORTATION TRUST FUND AND
ASSOCIATED ACCOUNTS AND FUNDS
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
Notes to the Financial Statement (Continued)**

transferred to and subsequently disbursed out of the Capital Outlay Escrow Fund and \$21,498,033 was disbursed directly out of the Transportation Trust Fund for a total of \$208,431,283.

Federal funds that are required by law to be deposited into the Transportation Trust Fund are not available or dedicated in any manner to the payment of debt service on Transportation Trust Fund 1993 Series A outstanding bonds.

15. FUND BALANCES

Statement A is presented on a cash basis of accounting and, accordingly, the receivables and payables associated with the Transportation Trust Fund's activities are not reflected in the statement. However, the general purpose financial statements of the State of Louisiana include the financial activities of the Transportation Trust Fund and the TIMED Account prepared on the modified accrual basis of accounting. The state's general purpose financial statements for the fiscal year ended June 30, 1997, have not been issued as of the date of this report.

16. LITIGATION AND CLAIMS

There is no litigation pending against the Transportation Trust Fund at June 30, 1997.

17. ARBITRAGE REBATE REQUIREMENTS

The state originally elected the "rebate" method of arbitrage calculations in accordance with Sections 14300(c) and 14804(c)(7)(A) of the Internal Revenue Code. Subsequently, the state elected to apply Section 1.148-11(b) of the Treasury Regulations, issued June 14, 1995, to the Gasoline and Fuels Tax Revenue Bonds 1993 Series A. The calculation of arbitrage for the periods ended November 3, 1994, and May 3, 1995, depicted the expenditure of all available construction proceeds. As a result, no arbitrage rebate was due for the period ended June 30, 1997.

18. TIMED APPROPRIATIONS

The TIMED appropriations included on Schedule 1 are funded from bond proceeds of \$200,768,184, as originally appropriated in Act 822 of the 1989 Regular Session of the Louisiana Legislature, and receipts from the gasoline and special fuels tax of 4 cents.

**TRANSPORTATION TRUST FUND AND
ASSOCIATED ACCOUNTS AND FUNDS
DEPARTMENT OF THE TREASURY
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended June 30, 1987**

**DISBURSEMENTS TO THE DEPARTMENT OF
TRANSPORTATION AND DEVELOPMENT**

The schedule of disbursements to the Department of Transportation and Development presents disbursements made by that department from general and capital outlay appropriations, including disbursements funded through the General Fund, the Transportation Trust Fund, and the TIMED Account (including borrowed bond proceeds). These disbursements do not include federal funds used on these projects.

**DISBURSEMENTS TO REIMBURSE
THE STATE GENERAL FUND**

The schedule of disbursements to reimburse the state General Fund presents disbursements funded by General Fund appropriations that have been reimbursed to the General Fund through the collection and transfer of gasoline and special fuels taxes.

**TRANSPORTATION TRUST FUND AND
ASSOCIATED ACCOUNTS AND FUNDS
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**

**Schedule of Disbursements to the Department
of Transportation and Development
for the Year Ended June 30, 1997**

	CONTRACTED AMOUNT		
	APPROPRIATED	JUNE 30, 1997	PY 96
DISBURSEMENTS FROM THE TRANSPORTATION TRUST FUND			
Act 26 of the 1993 Regular Session of the Louisiana Legislature (General Appropriations Act)			
Office of the Secretary	\$495,000		\$295,011
Office of Management and Finance	865,000		311,830
Office of Engineering	1,660,000		1,460,041
Subtotal	<u>2,920,000</u>	<u>None</u>	<u>2,156,882</u>
Act 21 of the 1993 Regular Session of the Louisiana Legislature (General Appropriations Act)			
Office of the Secretary	1,468,775		
Office of Management and Finance	16,808,000		
Office of Engineering	161,827,000		
Subtotal	<u>178,103,775</u>	<u>None</u>	<u>None</u>
Act 602 of the 1993 Regular Session of the Louisiana Legislature (Special Duties Appropriations Act) - Statewide and Special Funds Taxes			
Overlays program	18,572,000	18,572,000	16,111,586
State-funded construction	1,717,000	1,717,000	111,995
Capital maintenance	18,000,000	18,000,000	165,414
Statewide Flood Control Program	5,885,000	5,885,000	1,000
Flood priority program	3,888,000	3,888,000	
Subtotal	<u>47,062,000</u>	<u>47,062,000</u>	<u>16,395,995</u>
Act 603 of the 1993 Regular Session of the Louisiana Legislature (Capital Duty Appropriations Act) - Statewide and Special Funds Taxes			
Overlays program	88,000,000	88,000,000	
Highway construction	41,483,000	41,483,000	
State-funded construction	28,000,000	28,000,000	
Statewide Flood Control Program	6,493,700	6,493,700	
Flood priority program	8,718,000	8,718,000	
Subtotal	<u>172,694,700</u>	<u>172,694,700</u>	<u>None</u>
Act 10 of the 1991 Regular Session of the Louisiana Legislature (General Appropriations Act)			
Office of the Secretary	741,400		
Office of Management and Finance	18,800,000		
Office of Engineering	97,100,000		
Subtotal	<u>116,641,400</u>	<u>None</u>	<u>None</u>
Act 1013 of the 1991 Regular Session of the Louisiana Legislature (Capital Duty Appropriations Act) - Statewide and Special Funds Taxes			
Recreation of the District 2 Subdistrict			
Headquarters (Terrebonne)	203,700	203,700	
Report/priority program	8,000,000	8,000,000	
Overlays program	81,871,000	81,871,000	
Highway construction	38,776,000	38,776,000	
State-funded construction	17,349,200	17,349,200	
Statewide Flood Control Program	8,893,000	8,893,000	
Flood priority program	14,540,000	14,540,000	
Subtotal	<u>163,536,600</u>	<u>163,536,600</u>	<u>None</u>

UNRECORDED DEBTS						
FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06
822,801						
484,580						
(1,360)						
<u>483,921</u>	<u>NCM</u>	<u>NCM</u>	<u>NCM</u>	<u>NCM</u>	<u>NCM</u>	<u>NCM</u>
1,081,841	800,070					
14,983,330	180,700					
128,433,811	871,874					
<u>130,217,042</u>	<u>1,062,700</u>	<u>NCM</u>	<u>NCM</u>	<u>NCM</u>	<u>NCM</u>	<u>NCM</u>
170,040	108,047	26,733	288,882	87,704		
1,277,244	480,412	144,240	57,276		866,100	
4,278,847	4,689,414	737,714	218,847	388,488	100	649,113
580,497	3,994,649	662,714	8,718	2,788		
70,824	1,630,340	222,814	80,508	1,438,789		
<u>6,582,702</u>	<u>10,771,271</u>	<u>1,694,256</u>	<u>348,882</u>	<u>1,641,197</u>	<u>866,100</u>	<u>649,113</u>
48,848,248	30,498,408	740,000	1,284,264	821,023	88,207	48,700
11,204,828	14,001,007	8,800,870	5,144,487	1,142,484	260,881	2,265,700
5,800,718	4,861,347	2,717,890	898,870	807,004	680,880	1,771,888
	864,814	2,208,800	2,088,247	790,755	(87,668)	281,848
18,878	1,884,510	8,427,000	1,787,470	704,121	87,668	28,888
<u>64,848,872</u>	<u>47,046,077</u>	<u>18,202,760</u>	<u>10,114,131</u>	<u>2,347,348</u>	<u>704,368</u>	<u>2,291,637</u>
	507,850	13,810				
	15,158,115	483,288				
	145,140,885	891,688				
<u>NCM</u>	<u>157,807,300</u>	<u>1,311,871</u>	<u>NCM</u>	<u>NCM</u>	<u>NCM</u>	<u>NCM</u>
	203,700					
	1,213,000	1,640,844	801,624	1,271,064	2,790,771	
28,724,740	21,897,708	7,097,004	809,180	481,898	83,828	83,828
10,828,884	71,613,767	5,004,889	2,843,776	813,478	8,560,101	8,560,101
8,488,882	4,888,788	4,157,807	891,588	(182,614)	2,040,420	
682,212	738,838	700,188	1,245,807	738,000	5,140,000	
1,884,718	154,878	1,814,708	8,788,888	471,400	191,688	
<u>NCM</u>	<u>18,088,742</u>	<u>11,112,811</u>	<u>10,262,288</u>	<u>11,621,718</u>	<u>1,924,711</u>	<u>15,228,707</u>

**TRANSPORTATION TRUST FUND AND
ASSOCIATED ACCOUNTS AND FUNDS
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**

**Schedule of Disbursements to the Department
of Transportation and Development, 1997**

	COMMITMENTS		
	BUDGETARY APPROPRIATED	AS OF JUNE 30, 1997	FY 97
DISBURSEMENTS FROM THE TRANSPORTATION TRUST FUND (CONT.)			
Act 1107 of the 1997 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act)-			
General and Special Fund Items			
Refundation of Reluctantes Parish Appearance Unit	\$475,456	\$475,456	
Railway improvements	507,500	507,500	
Inspection and repairs for the ferry vessels	1,000,000	1,000,000	
Highway construction	49,000,000	49,000,000	
Country program	49,700,000	49,700,000	
State-funded construction	19,000,000	19,000,000	
Statewide Flood Control Program	19,000,000	19,000,000	
Ferry priority program	19,000,000	19,000,000	
Airport priority program	9,000,000	9,000,000	
Subtotal	<u>138,682,956</u>	<u>138,682,956</u>	None
Act 110 of the 1997 Regular Session of the Louisiana Legislature (General Appropriations Act)-			
Office of the Secretary			
Office of Management and Finance	714,844		
Office of Engineering	18,000,000		
Subtotal	<u>18,714,844</u>	None	None
Act 11 of the 1994 Regular Session of the Louisiana Legislature (General Appropriations Act)-			
Office of the Secretary			
Office of Management and Finance	778,894		
Office of Engineering	18,000,000		
Subtotal	<u>18,778,894</u>	None	None
Act 845 of the 1993 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act)-			
Motor Vessel New Roads Districting			
Manufacture/Repair Bridge and Approaches	500,000	500,000	
Manufacture/Leasing Facility	400,000	400,000	
Highway Construction	50,444,473	50,444,473	
Country Program	49,700,000	49,700,000	
State-funded construction	13,527,000	13,527,000	
Statewide Flood Control Program	19,000,000	19,000,000	
Ferry Priority Program	19,000,000	19,000,000	
Airport Priority Program	4,000,000	4,000,000	
Subtotal	<u>188,571,473</u>	<u>188,571,473</u>	None
Act 11 of the 1994 Regular Session of the Louisiana Legislature (General Appropriations Act)-			
Office of the Secretary			
Office of Management and Finance	600,700		
Office of Engineering	187,044,000		
Subtotal	<u>187,644,700</u>	None	None
Act 81 of the 1994 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act)-			
Motor Vessel System			
Highway Construction	1,000,000	1,000,000	
Country Program	91,200,000	91,200,000	
State-funded construction	91,270,000	91,270,000	
Statewide Flood Control Program	27,000,000	27,000,000	
Ferry Priority Program	90,000,000	90,000,000	
Airport Priority Program	91,000,000	91,000,000	
Subtotal	<u>4,000,000</u>	<u>4,000,000</u>	None
	<u>170,482,910</u>	<u>170,482,910</u>	None

WARDEN'S CHARGE						
FY 88	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
				1004,231	1020,207	
		1000,000				
		790,111	1000,000			
		10,186,502	10,249,989	7,664,019	2,251,483	88,208,200
		26,158,697	21,693,989	2,188,580	111,386	633,790
		5,664,567	4,869,298	1,058,717	100,817	4,278,918
				6,000,000	5,589,507	5,483,489
			139,500	1,461,001	500,000	2,485,100
WASH	WASH	47,873,100	34,244,200	11,133,290	6,302,847	27,702,600
		647,000	(28,870)			
		18,628,887	228,404			
WASH	WASH	117,507,000	2,918,730			
			677,488	170,070		
			10,091,881	154,198		
			107,094,889	174,138		
WASH	WASH	46,000	10,070,107	134,482		
			288,888			
			7,207	2,073,010	24,834	188,826
			787,888	282,262		
			11,488,840	88,410,248	11,450,150	11,478,791
			26,200,818	21,837,171	1,584,135	854,808
			4,287,107	1,790,188	2,710,440	5,008,881
					2,488,180	2,870,107
					1,900,888	18,070,718
					1,588,100	10,000,708
WASH	WASH	47,000,000	47,000,000	47,000,000	47,000,000	47,000,000
				101,004	10,000	
				23,734,183	100,000	
WASH	WASH	47,000,000	47,000,000	47,000,000	47,000,000	47,000,000
				81,000	1,000,000	18,000
				11,488,840	17,011,004	18,258,581
				14,888,008	84,390,027	8,788,481
				7,488,088	2,710,000	14,172,000
					1,788,001	2,807,800
				21,871	1,418,888	18,000,888
WASH	WASH	47,000,000	47,000,000	47,000,000	47,000,000	47,000,000

**TRANSPORTATION TRUST FUND AND
ASSOCIATED ACCOUNTS AND FUNDS
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**

**Schedule of Disbursements to the Department
of Transportation and Development, 1993**

	BUDGETED APPROPRIATION	CONTRACTED AMOUNT APR. 30, 1993	FY 93
DISBURSEMENTS FROM THE TRANSPORTATION TRUST FUND (20871)			
Art. 10 of the 1990 Regular Session of the Louisiana Legislature (General Appropriations Act)			
Office of the Secretary	\$97,157		
Office of Management and Finance	26,871,699		
Office of Engineering	99,724,828		
Subtotal	<u>126,593,684</u>	<u>None</u>	<u>None</u>
Art. 1006 of the 1990 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act)			
Major Vessel Drydock	600,000	\$64,580	
Highway Construction	43,500,000	55,829,175	
Overlays Program	59,579,107	59,579,107	
State-Sponsored Construction	34,700,000	11,773,209	
Statewide Fiscal Control Program	19,800,000	19,800,000	
Ports/Piers Program	19,800,000	19,800,000	
Airport Priority Program	4,100,000	19,800,000	
Subtotal	<u>187,709,107</u>	<u>137,885,071</u>	<u>None</u>
Art. 11 of the 1990 Regular Session of the Louisiana Legislature (General Appropriations Act)			
Office of the Secretary	\$94,499		
Office of Management and Finance	26,882,179		
Office of Engineering	79,494,828		
Subtotal	<u>106,471,506</u>	<u>None</u>	<u>None</u>
Art. 41 of the 1990 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act)			
Major Vessel Drydock	1,000,000	200,000	
Lake/Lake/Pond/Maintenance	200,000		
Boating and Growth	800,000	\$93,984	
DOT/Transporters Lab	1,000,000		
Emergency Generator	1,870,000	332,161	
Highway Construction	64,000,000	11,638,249	
Overlays Program	76,000,000	55,489,819	
State-Sponsored Construction	59,800,000	13,876,507	
Statewide Fiscal Control Program	19,800,000	19,800,000	
Ports/Piers Program	19,800,000	19,800,000	
Airport Priority Program	4,100,000	19,800,000	
Subtotal	<u>184,770,000</u>	<u>171,047,011</u>	<u>None</u>
Subtotal from Transportation Trust Fund	<u>3,626,249,216</u>	<u>1,626,887,082</u>	<u>\$17,060,871</u>
DISBURSEMENTS FROM THE TRUST ACCOUNT			
Art. 833 of the 1990 Regular Session, Art. 1810 of the 1991 Regular Session, and Art. 11 of the 1990 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act)			
LB 171	170,000,000	27,400,072	60,000
LB 180	248,000,000	25,079,432	
LB 88	270,000,000	123,999,760	
LB 187	882,000,000	16,282,000	
LA 2241	60,000,000	3,499,244	
Jefferson Parish West Bank Expressway	30,000,000	14,194,200	
New Orleans Transportation Access Corridor	70,000,000	34,690,874	
Barkley Boulevard	10,000,000	6,143,800	

WARRANTY OBLIGATIONS						
FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
					2000,000	227,187.00
					20,070,000	1,201,000.00
					178,680,000	983,000.00
					200,750,000	1,211,187.00
					20,000	43,870
					4,000,177	149,100.00
					20,770,824	20,780,200.00
					2,000,000	2,040,000.00
					227,187	149,000.00
					480,000	81,000.00
					50,717,121	31,870,000.00
						500,000
						20,780,200.00
						20,780,200.00
						200,870,112.00
						267,000
						150,000
						400,000
						10,700,000
						4,400,000
						500
						10,000,000.00
\$210,000,000	\$200,000,000	\$200,000,000	\$200,000,000	\$200,000,000	\$200,000,000	\$20,000,000.00

200,000	1,200,000	2,400,000	1,177,100	5,500,000	6,000,000	2,000,000
1,000,000	2,000,000	4,000,000	1,200,000	7,000,000	7,500,000	2,500,000
50,000,000	20,000,000	50,000,000	50,000,000	70,000,000	80,000,000	20,000,000
10,000	100,000	1,000,000	1,000,000	1,000,000	4,000,000	1,000,000
		10,000	100,000	100,000	500,000	1,000,000
5,000,000	10,000,000	4,000,000	400,000	100,000	100,000	1,000,000
5,000,000	1,000,000	2,000,000	1,000,000	10,000,000	4,000,000	4,000,000
100,000		1,000,000	1,000,000	200,000	400,000	2,000,000

**TRANSPORTATION TRUST FUND AND
ASSOCIATED ACCOUNTS AND FUNDS
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**

**Schedule of Disbursements to the Department
of Transportation and Development, 1997**

	<u>BUDGETED APPROPRIATED</u>	<u>CONTRACTED AMOUNT APR. 30, 1997</u>	<u>PERCENT</u>
DISBURSEMENTS FROM THE TRUST ACCOUNT			
(PART)			
Art. 832 of the 1988 Regular Session, Art. 1072 of the 1997 Regular Session, and Art. 1137 of the 1993 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act) (Cont.)			
West Rapides (Jefferson Parish)	\$29,000,000	\$29,000,000	
LA 95	52,000,000	5,000,000	
95-97	52,000,000	5,000,000	
New Mississippi River Bridge at St. Francisville	50,000,000	1,707,000	
Hwy. 71 (cont) Bridge	50,000,000		
New Florida Avenue Bridge over Industrial Canal	57,000,000	5,970,000	
Port of New Orleans	100,000,000	100,000,000	
New Orleans International Airport	75,000,000	75,000,000	
Contract for monitoring of construction projects		3,508,000	
Red River Project			
Subtotal from Trust Account	<u>630,000,000</u>	<u>430,205,000</u>	<u>68.3%</u>
Total	<u>\$2,887,260,215</u>	<u>\$1,892,182,718</u>	<u>65.6%</u>
Revised TRUST Bond Proceeds			
Railway construction	\$47,700,000	\$47,700,000	
Charity program	48,400,000	48,400,000	
Total	<u>\$96,100,000</u>	<u>\$96,100,000</u>	<u>100%</u>

SUBPARTS EXPENSE

FFBI	FFBI	FFBI	FFBI	FFBI	FFBI	FFBI
\$1,795,237	\$2,568,778	\$2,821,281	\$1,248,171	\$2,799,880		
188,828	477,408	418,228	814,204	208,898	\$268,714	\$811,094
248,174	177,777	28,888	288,588	(781,078)	184,828	478,148
	214,879	218,288	282,082	188,282	121,888	18,888
	58,588	882,274	882,244	1,188,244	1,188,848	182,548
8,488,882	28,488,888	18,888,888	21,888,888	28,798,288	8,798,182	
1,888,788	8,888,888	18,888,788	28,888,788	38,888,888		
8,888	2,888,888					
	8,888					
41,888,788	87,798,778	82,888,888	88,888,888	88,888,888	11,888,888	11,888,888
\$82,888,888	\$88,888,888	\$88,888,888	\$88,888,888	\$88,888,888	\$88,888,888	\$88,888,888
882,888,888	884,888,888	882,888,888	884,888,888			
88,888,888	1,128,888	188,888	188,888			
878,888,888	885,778,888	882,888,888	884,888,888	88888	88888	88888

**TRANSPORTATION TRUST FUND AND
ASSOCIATED ACCOUNTS AND FUNDS
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**

**Schedule of Disbursements to Reimburse
the State General Fund
For the Year Ended June 30, 1997**

	<u>BUDGETED APPROPRIATED</u>	<u>CONTRACTED AMOUNT JUNE 30, 1997</u>
DISBURSEMENTS FROM THE TRANSPORTATION TRUST FUND		
Act 632 of the 1996 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act) - Department of Transportation and Development - Gasoline and Special Fuels Taxes		
Highway construction	\$492,000	\$452,000
State-funded construction	7,283,000	7,283,000
Demolition program	\$0,000,000	28,000,000
Cresco-Lake Charles (LA 37) studies, engineering, survey, construction, right-of-way (Calcasieu Parish)	<u>1,000,000</u>	<u>1,000,000</u>
Total	<u>\$8,775,000</u>	<u>\$28,763,000</u>

ACTUAL PERFORMANCE							
FY 90	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
\$347,308	\$84,048	\$26,147					
1,504,023	4,533,184	287,612	\$235,275	\$215,885	\$85,788	(\$184,887)	\$478,342
14,526,457	4,588,148	471,357					
							1,088,000
<u>\$18,173,788</u>	<u>\$9,205,380</u>	<u>\$749,116</u>	<u>\$235,275</u>	<u>\$215,885</u>	<u>\$85,788</u>	<u>(\$184,887)</u>	<u>\$1,476,342</u>