

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



FINANCIAL STATEMENT AUDIT
ISSUED FEBRUARY 11, 2009

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	Page
Independent Auditor's Report on the Financial Statement	3
Statement	
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	5
Notes to the Financial Statement	7
Schedule	
Supplemental Information Schedule - Schedule of Disbursements to the Department of Transportation and Development 1	26
Exhibit	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance With <i>Government Auditing Standards</i>	A



LOUISIANA LEGISLATIVE AUDITOR
STEVE J. THERIOT, CPA

January 7, 2009

Independent Auditor's Report
on the Financial Statement

THE HONORABLE JOHN KENNEDY, 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, 2007. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial 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 301 of the Gasoline and Fuels Tax Collection and Allocation Agreement between the State of Louisiana and Bank One Trust Company, N.A. (now JPMorgan Chase & Co.), as discussed in the notes to the financial statement, and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between this regulatory presentation and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Department of the Treasury, Transportation Trust Fund as of June 30, 2007, or changes in financial position for the year then ended.

In our opinion, the special purpose financial statement referred to previously 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, 2007, on the basis of accounting described in note 1.

During August and September of 2005, the State of Louisiana suffered considerable damage from two major hurricanes, Katrina and Rita, resulting in the President of the United States declaring Louisiana a major disaster area. Because of the severity of these two separate events and the resulting losses sustained, it is unknown exactly what economic impact recovery will have on state and local governmental operations in Louisiana. While the Transportation Trust Fund did not directly suffer any major effects of these two hurricanes, the long-term effects of these events directly on the fund cannot be determined at this time.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2009, on our consideration of the Department of the Treasury, Transportation Trust Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the accompanying special purpose financial statement. The accompanying supplemental information schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the special purpose financial statement of the Transportation Trust Fund and Associated Accounts and Funds. Such information has been subjected to the auditing 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, JPMorgan Chase & Co., management of the Department of the Treasury, others within the department, and the Louisiana Legislature 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,



Steve J. Theriot, CPA
Legislative Auditor

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TTF07

**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, 2007**

	TRANSPORTATION TRUST FUND	TRANSPORTATION INFRASTRUCTURE MODEL FOR ECONOMIC DEVELOPMENT (TIMED) ACCOUNT	DEBT SERVICE TRUSTEE ACCOUNTS	TOTAL
BALANCES AT JUNE 30, 2006	\$295,161,441	\$580,048,266	\$21,195,005	\$896,404,712
RECEIPTS				
Gasoline tax dedicated for debt service (note 3)			52,984,211	52,984,211
Special fuels tax dedicated for debt service (note 3)			16,564,984	16,564,984
Transferred through Bond Security and Redemption Fund:				
Excess gasoline tax receipts (note 5)	381,750,033	42,453,297		424,203,330
Excess special fuels tax receipts (note 5)	118,850,623	13,272,598		132,123,221
Motor vehicle license tax (note 6)	41,824,700			41,824,700
Aviation fuels (note 7)	10,225,000			10,225,000
Weights and Standards (note 8)	1,183,310			1,183,310
DOTD special permit fees (note 9)	23,150,374			23,150,374
Bond proceeds (note 13)		1,120,004,559		1,120,004,559
Interest earnings	14,892,832	51,776,005	1,205,877	67,874,714
Federal receipts (note 14)	646,423,259			646,423,259
Total Receipts	<u>1,238,300,131</u>	<u>1,227,506,459</u>	<u>70,755,072</u>	<u>2,536,561,662</u>
DISBURSEMENTS				
State Police	34,844,633			34,844,633
Parish Transportation Program (note 10)	48,251,223			48,251,223
Disbursed to the Department of Transportation and Development (note 11)	414,372,239	438,365,824		852,738,063
Disbursed to Facility Planning and Control (note 12)	1,044,620			1,044,620
Federal disbursements by the Department of Transportation and Development (note 14)	688,129,375			688,129,375
Debt service on bonds (note 13)			70,913,447	70,913,447
Bond related costs (note 13)		569,330		569,330
Total Disbursements	<u>1,186,642,090</u>	<u>438,935,154</u>	<u>70,913,447</u>	<u>1,696,490,691</u>
BALANCES AT JUNE 30, 2007	<u>\$346,819,482</u>	<u>\$1,368,619,571</u>	<u>\$21,036,630</u>	<u>\$1,736,475,683</u>

The accompanying notes are an integral part of this statement.

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INTRODUCTION

The Transportation Trust Fund was established January 1, 1990, as a special permanent trust fund in the state treasury, by Act 847 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 \$263,902,640 of bonds. In connection with this bond issue, the State of Louisiana, acting through the Secretary of the Department of Revenue 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 (collection agreement) dated April 1, 1990, with Bank One Trust Company, N.A., formerly known as Premier Bank, N.A., now known as JPMorgan Chase & Co., as trustee for the bond resolution. The collection agreement requires the Secretary of the Department of Revenue (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 this 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 related payables associated with the activities of the funds and accounts.

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 1989 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. The Debt Service Trustee Accounts are used for the accumulation of receipts for the payment of bond principal, interest, and premiums.

C. RECEIPTS AND DISBURSEMENTS

Receipts

Gasoline and fuels taxes, motor vehicle license taxes, aviation fuels, weights and standards penalties, interest earnings, and federal receipts are recorded when the receipts are deposited in the depository bank and classified by the Department of Revenue, the Department of Public Safety, the State Treasurer's Office, and the Department of Transportation and Development, as applicable. 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 27(B) 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, 2007, disbursements of trust fund monies were made in accordance with the state general appropriation acts and the capital outlay acts.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Balances at June 30, 2007, totaling \$1,736,475,683 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	\$835,503,506
Cash in trustee accounts	5
Debt service trustee accounts - money market accounts	137,362
Total	\$835,640,873

Cash and cash equivalents are stated at cost, which approximates market. Cash balances of \$835,640,873 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 state's basic 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.

Cash in the debt service trustee accounts, on deposit with the paying agent, is invested in money market funds that invest in U.S. Treasury obligations and repurchase agreements backed by such obligations. These money market funds are rated AAA by Standard and Poor's. The weighted-average maturity of these funds is less than 90 days.

B. INVESTMENTS

At June 30, 2007, the Transportation Trust Fund and Associated Accounts and Funds have investments stated at cost totaling \$900,834,810 which are composed of invested TIMED balances and invested trustee account balances.

Investments of TIMED Account Bond Proceeds

At June 30, 2007, the unexpended 2005 Series A and 2006 Series A TIMED account bond proceeds are \$878,305,593, of which \$23,305,593 is included in cash and cash equivalents and the remaining portion is invested in the following investments:

	Carrying Amount (Book Value)	Fair Value
Repurchase Agreements	\$855,000,000	\$855,000,000

As of June 30, 2007, the repurchase agreements as allowed by Article 1 of the Fourth Supplemental State of Louisiana Gasoline and Special Fuels Tax Revenue Bond Resolution adopted August 15, 2002, totaled \$855,000,000. The repurchase agreements were collateralized by Federal National Mortgage Association, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association agency debentures, with a fair market value of \$664,200,235 (75.11%); \$137,700,117 (15.57%); \$77,566,087 (8.77%); and \$4,842,854 (0.55%), respectively.

As of June 30, 2007, the weighted-average duration of the portfolio was 1.753 years. All investments of the portfolio were either explicitly guaranteed by the U.S. government or implicitly guaranteed by the U.S. government and rated AAA by Standard & Poor's and/or Moody's.

Investment of 4 cent Gasoline and Special Fuels Tax

At June 30, 2007, the unexpended 4 cent Gasoline and Special Fuels Tax are \$490,313,978, of which \$465,378,431 is included in cash and cash equivalents and the remaining portion is invested in the following investments:

	Carrying Amount (Book Value)	Fair Value
U.S. Treasury Notes	\$24,935,547	\$24,982,500

As of June 30, 2007, the weighted-average duration of the investments was .085 years.

Investments of the Debt Service Accounts With the Trustee

At June 30, 2007, the trustee's debt service accounts for the Gasoline and Special Fuels Tax Revenue Bonds 2002 Series A, 2005 Series A, and 2006 Series A have investments in allowable investment securities as provided by the bond resolution and Louisiana Revised Statutes as follows:

	Carrying Amount (Book Value)	Fair Value
U.S. Treasury Bills	\$20,899,263	\$20,921,194

As of June 30, 2007, the weighted-average duration of the portfolio was .34 years.

Credit Risk. State statutes and investment policies limit fixed income investments to government securities with explicit U.S. government guarantees, government sponsored entities with implicit U.S. government guarantees, and other fixed income securities with investment grade ratings by Moody's and/or Standard & Poor's. Furthermore, the state limits its credit risk by mandating that the market value and accrued interest of the securities underlying repurchase agreements must equal at least 102% of the value of the repurchase securities. The state also limits its credit risk by limiting collateral for repurchase agreements, and its investment securities to securities issued with an explicit U.S. government guarantee (U.S. Treasury, Ginnie Mae, et cetera) and securities issued with an implicit U.S. government guarantee by government sponsored entities (Fannie Mae, Freddie Mac, Federal Home Loan Bank, et cetera).

Custodial Credit Risk. The state limits its custodial credit risk by requiring state investments to be held in the name of the state by an agent of the state.

Concentration of Credit Risk. The State Treasury places no limit on the amount it may invest in any one issuer. It is the policy of the state to sufficiently diversify its investments to avoid any unforeseen risks regarding security type, duration, credit quality, and interest rate.

The state addresses the concentration of credit risks as it pertains to repurchase agreements by limiting these transactions to financial institutions listed by the Market Reports Division of the Federal Reserve Bank of New York as a "Primary Dealer," and whose debt rating is investment grade quality or short-term issue credit rating is of the prime credit quality and the total amount of repurchase agreements and reverse repurchase agreements that the state may enter into with any institution may not exceed 10% of the institution's total equity.

Interest Rate Risk. Interest rate risk is limited by the state by restricting maturities of their investment to 10 years or less. It is also the policy of the state to sufficiently diversify to avoid any unforeseen risks regarding security type, duration, credit quality, and interest rate.

Interest Rate Sensitivity. The state has no investments that substantially alter their characteristics due to high sensitivity to changes in interest rate.

Foreign Currency Risk. The state has no investments in securities denominated in foreign securities. The State Treasury limits the foreign currency risk of the state's investments by prohibiting investing in securities denominated in foreign currencies.

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

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, 2007, the state treasurer transferred the amounts needed to fund the payments of interest and principal totaling \$70,913,447 as follows: interest due on November 1, 2006, of \$13,132,497; of interest due on December 1, 2006, of \$6,310,861; of interest due on May 1, 2007, of \$39,904,228; of interest due on June 1, 2007, of \$6,310,861; and principal due on June 1, 2007, of \$5,255,000. The transfer amounts for the year were \$52,984,211 of gasoline taxes and \$16,564,984 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 avails of all affected taxes collected be transferred to the Transportation Trust Fund from the state's B. S. and R. Fund.

**5. 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 avails of all taxes levied on gasoline and motor fuels and special fuels. For the year ended June 30, 2007, the avails 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 \$424,203,330 and excess special fuels taxes were \$132,123,221.

6. MOTOR VEHICLE LICENSE TAX

Act 28 of the 1989 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 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, 2007, the Transportation Trust Fund received \$41,824,700 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, 2007, the aviation fuel tax amounted to \$10,225,000. Those taxes are used for the financing of the annual appropriations for airports but are not required to be used solely for airports.

8. WEIGHTS AND STANDARDS MOBILE POLICE

Act 685 of the 1999 Regular Session of the Louisiana Legislature effective July 1, 1999, requires payments for penalties imposed under this act by the Department of Public Safety and Corrections to be remitted to the Transportation Trust Fund. For the year ended June 30, 2007, the Transportation Trust Fund received \$1,183,310.

9. SPECIAL PERMITS AND PENALTIES

Act 1219 of the 2003 Regular Session of the Louisiana Legislature effective July 1, 2003, requires all payments for special permits and penalties imposed under this act by the Department of Transportation and Development to be remitted to the Transportation Trust Fund. For the year ended June 30, 2007, the Transportation Trust Fund received \$23,150,374.

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

Act 17 of the 2006 Regular Session of the Louisiana Legislature (General Appropriations Act) appropriated \$47,962,500 out of the Transportation Trust Fund to the Parish Transportation Program, of which \$4,962,500 was for the Mass Transit Program and \$3,000,000 was for the Off-System Roads and Bridges Match Program. The state treasurer disbursed \$45,476,380 of the fiscal year 2007 appropriation and \$2,774,843 from the prior year's appropriation to the Parish Transportation Program, Mass Transit Program, and Off-System Roads and Bridges Match Program in accordance with a distribution formula and payment schedule established by R.S. 48:755. The remaining appropriation balance of \$2,486,120 of fiscal year 2007 was disbursed subsequent to June 30, 2007.

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

The Louisiana Department of Transportation and Development (DOTD) warranted and received \$852,738,063 in appropriations to the department. Included on Schedule 1 is the amount of

warrants drawn by DOTD for fiscal years ending June 30, 1990 through 2001, 2002, 2003, 2004, 2005, 2006, and 2007. These warrants do not include federal funds. For amounts budgeted/appropriated by Capital Outlay Appropriation Acts 822, 853, 1013, 1137, 645, 45, 1096, 45, 28, 29, 20, 21, 22, 23, 24, 2, 26, and 27, the original contract amount is given for all contracts signed at June 30, 2007.

12. DISBURSEMENTS TO FACILITY PLANNING AND CONTROL

Act 20 of the 1999 Regular Session of the Louisiana Legislature and Act 21 of the 2000 Regular Session of the Louisiana Legislature appropriated from the Transportation Trust Fund monies for the planning and construction of the Louisiana Transportation Research Center, Education and Training Center (LTRC) in Baton Rouge in the amount of \$580,000 and \$180,000, respectively. In addition, the Louisiana Legislature appropriated from the Transportation Trust Fund monies for the renovation of floors 1-4 of the DOTD Headquarters Building in the amount of \$12,540,000 in Acts 20, 21, 22, 23, 24, 2, 26, and 27 of the 1999-2006 Regular Sessions of the Louisiana Legislature, respectively.

Facility Planning and Control in the Division of Administration administers these projects. The total amount warranted from the Transportation Trust Fund to the Capital Outlay Escrow Account is \$8,804,620 in anticipation of expenditures for these projects. Total disbursements from the Capital Outlay Escrow Account were \$66,760 for fiscal year 2007, bringing the total disbursements from inception to \$6,511,137.

13. LONG-TERM OBLIGATIONS

At June 30, 2007, the trust fund has outstanding \$251,330,000; \$525,000,000; and \$1,107,490,000 of Gasoline and Fuels Tax Revenue Bonds 2002 Series A, 2005 Series A, and 2006 Series A, respectively.

On August 27, 2002, the Louisiana State Bond Commission issued \$275,000,000 of Gasoline and Fuels Tax Revenue Bonds 2002 Series A, in accordance with the Fourth Supplemental State of Louisiana Gasoline and Fuels Tax Revenue Bond Resolution adopted on August 15, 2002. These bonds have maturities between June 1, 2003, and June 1, 2032, with interest rates from 3.00% to 5.375%.

On May 12, 2005, the Louisiana State Bond Commission issued \$525,000,000 of Gasoline and Special Fuels Tax Revenue Bonds 2005 Series A, in accordance with the Amended and Restated Fourth Supplemental State of Louisiana Gasoline and Fuels Tax Revenue Bond Resolution adopted on August 15, 2002, as supplemented by the Fifth Supplemental State of Louisiana Gasoline and Special Fuels Tax Revenue Bonds adopted on April 21, 2005. These bonds have maturities between May 1, 2012 and May 1, 2035, with interest rates from 3.40% to 5.25%. The bond proceeds have been issued for the purpose of paying state transportation system costs and paying cost of issuance. The bonds are issued on a parity with the issuer's outstanding State of Louisiana Gasoline and Special Fuels Tax Revenue Bonds, 2002 Series A.

On November 1, 2006, the state issued Gasoline and Special Fuels Tax Revenue Bonds 2006 Series A in the amount of \$1,107,490,000 to finance a portion of the remaining highway and bridge projects specified in R.S. 47:820.2(B)(1). The true interest rate is 4.753098%.

The aggregate purchase price of the 2006 Series A bonds is determined as follows:

\$1,107,490,000	Par Amount of Bonds
21,282,929	Plus: Net Original Issue Premium
<u>(2,337,025)</u>	Less: Underwriter's Discount
<u><u>\$1,126,435,904</u></u>	Aggregate Purchase Price

Uses of Proceeds:

\$1,120,004,559	Construction Fund
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Delivery date expenses:

\$680,000	Cost of Issuance
<u>5,751,345</u>	Bond Insurance
<u><u>\$6,431,345</u></u>	

The 2006 Series A bonds are issued pursuant to the Amended and Restated State of Louisiana Gasoline and Special Fuels Tax Revenue Bond Resolution adopted by the State Bond Commission on August 15, 2002, as amended and supplemented through the Sixth Supplemental State of Louisiana Gasoline and Special Fuels Tax Revenue Bond Resolution adopted by the State Bond Commission on October 19, 2006. The 2006 Series A bonds are secured by a pledge of a state tax of 4 cents per gallon on gasoline and motor fuels and on special fuels used, sold, or consumed in the state. The 2006 Series A bonds are issued on a parity basis with the outstanding 2002 Series A and 2005 Series A bonds. The 2006 Series A bonds will mature May 1, 2041.

All principal and interest for both 2002 Series A and 2005 Series A bonds are funded in accordance with Article 7, Section 27 of the Louisiana Constitution of 1974. 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 changes in long-term obligations are as follows:

TRANSPORTATION TRUST FUND

	<u>2002 Series A</u>	<u>2005 Series A</u>	<u>2006 Series A</u>	<u>Total</u>
Principal balance at June 30, 2006	\$256,585,000	\$525,000,000		\$781,585,000
2006 Series A issue on November 1, 2006			\$1,107,490,000	1,107,490,000
Bond payment on June 1, 2007	<u>(5,255,000)</u>			<u>(5,255,000)</u>
Principal Balance at June 30, 2007	<u>\$251,330,000</u>	<u>\$525,000,000</u>	<u>\$1,107,490,000</u>	<u>\$1,883,820,000</u>

The annual requirements of the bonds outstanding, including interest of \$2,320,408,713 at June 30, 2007, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$5,415,000	\$92,272,529	\$97,687,529
2009	5,685,000	92,001,779	97,686,779
2010	5,880,000	91,809,910	97,689,910
2011	6,090,000	91,598,230	97,688,230
2012	8,270,000	91,336,475	99,606,475
2013-2017	63,980,000	449,752,721	513,732,721
2018-2022	131,565,000	427,105,764	558,670,764
2023-2027	225,745,000	385,045,250	610,790,250
2028-2032	350,945,000	316,836,630	667,781,630
2033-2037	516,525,000	213,554,100	730,079,100
2038-2041	<u>563,720,000</u>	<u>69,095,325</u>	<u>632,815,325</u>
Total	<u>\$1,883,820,000</u>	<u>\$2,320,408,713</u>	<u>\$4,204,228,713</u>

Debt service payments, including interest of \$65,658,447 for fiscal year ended June 30, 2007, were \$70,913,447. Bond related costs of \$569,330 were paid from the TIMED Account during FY 2006-07.

The State Bond Commission at its November 16, 2006, meeting authorized the issuance of \$485,000,000 in Gasoline and Fuels Tax Revenue Bond, Series 2008 to finance multiple projects associated with the TIMED program and to pay costs of issuance. On December 21, 2006, the State Bond Commission authorized the state, through the Commission, to enter into a Forward Purchase Delivery Contract with Morgan Keegan & Company (as senior managing underwriter) and Citigroup Global Markets, Inc., (as co-senior manager) (collectively known as the "Underwriters"). The purpose being to set terms and obligations for the issuance by the state of \$485,000,000 on December 1, 2008, of variable rate bonds to be acquired by the Underwriters for an aggregate purchase price of \$484,054,250 (consisting of \$485,000,000 face amount of bonds, less underwriters' discount of \$1.95/\$1000 or \$947,450). The 2008 Series A bonds shall be issued as Variable Interest Rate bonds, shall mature on the dates and in the principal amounts as shown below, and shall bear interest payable on the dates and at the respective rates per annum as set forth in the 2008 Supplemental Resolution which is to be adopted by the State Bond Commission before closing.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Insured By</u>
May 1, 2024	\$330,000	XLCA
May 1, 2025	825,000	XLCA
May 1, 2026	1,350,000	XLCA
May 1, 2027	1,905,000	XLCA
May 1, 2028	2,500,000	XLCA
May 1, 2029	3,130,000	XLCA
May 1, 2030	3,795,000	XLCA
May 1, 2031	4,505,000	XLCA
May 1, 2032	5,260,000	XLCA
May 1, 2033	6,055,000	XLCA
May 1, 2034	6,900,000	XLCA
May 1, 2035	7,795,000	XLCA
May 1, 2036	8,740,000	XLCA
May 1, 2037	9,745,000	XLCA
May 1, 2038	10,800,000	XLCA
May 1, 2039	11,920,000	XLCA
May 1, 2040	13,100,000	XLCA
May 1, 2041	14,345,000	XLCA
May 1, 2042	179,920,000	CIFG
May 1, 2043	192,080,000	CIFG

Derivative Disclosure

The resolution further authorized the Commission, through the Director, to enter into a forward floating to fix interest rate swap agreement(s) with a swap provider(s) to be selected by a competitive process the purpose being to mitigate interest rate risk associated with the proposed issuance. Such obligations and the associated hedge obligations to be entered into are issued on parity with the outstanding bonds with hedge charge being subordinate.

On December 13, 2006, the state entered into floating to fixed interest rate swap agreements with four providers, namely Morgan Keegan Financial Products, Inc., (MKFP); Merrill Lynch Capital Services, Inc., (MLCS); Citibank, N.A.; JPMorgan Chase Bank, N.A. (JPMorgan), to become effective December 1, 2008. There were no cash payments or receipts received, paid or due by any party upon the transactions initiation.

The objectives of the transaction were to:

- a. provide an assured source of funding for multiple TIMED projects whose projected cash construction draw downs would require the requisite funding provided;
- b. provide a mechanism for the completion of the TIMED projects;

- c. mitigate the state's exposure to interest rate risk; and
- d. remove the state from market access risk.

The swap was competitively bid resulting in a winning bid of 3.602% by Morgan Keegan Financial Products, Inc. The swap was structured to provide 50% of the swap valuation to Morgan Keegan, 25% of the swap valuation to Merrill Lynch, and 12.5% of the swap valuation each to Citigroup and JPMorgan with all providers agreeing to the 3.602% bid. Insurance guarantees policies on components of the swap were obtained from CIFG Assurance North America, Inc., (CIFG) and from XL Capital Assurance, Inc., (XLCA) in the amounts of \$372,000,000 and \$93,000,000, respectively.

The following were the specific transactional parameters applicable on all components of the swap:

Trade Date: December 13, 2006
Effective Date: December 1, 2008
Termination Date: May 1, 2043

Fixed Rate Payor: State (Counterparty)

Fixed Rate Payer Period End Dates: The first day of each month, commencing on January 1, 2009, through and including the Termination Date, subject to no adjustment.

Fixed Rate Payment Dates: The first day of each month, commencing on January 1, 2009, through and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Conversion.

Fixed Rate: 3.602% per annum

Fixed Rate Date Count Fraction: 30/360

Floating Rate Payor: Swap Providers

Floating Rate Payer Period End Dates: The first day of each month, commencing on January 1, 2009, through and including the Termination Date, subject to no adjustment.

Floating Rate Payment Dates: The first day of each month, commencing on January 1, 2009, through and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Conversion.

Floating Rate Option: 70% of USD-LIBOR-BBA

Designated Maturity: 1 month

Floating Rate Spread: None

Floating Rate Date Count Fraction: Actual/360

Floating Rate Determination Date: Two London Business Days before the Reset Date

Floating Rate Reset Date: The Effective Date and thereafter the first day of each month, subject to adjustment in accordance with the Modified Following Business Day Convention.

Compounding: Inapplicable

Method of Averaging: Inapplicable

Business Days Base: New York

In addition, all payments shall be settled in U.S. dollar values, providers shall provide credit enhancement to the state's benefit, and the transaction shall contain early termination options at the option of the state.

The initial notional value, and underlying credit providers, applicable to each provider was as follows:

<u>Provider</u>	<u>Notional Amount</u>	<u>Credit Provider/Amount</u>			
Morgan Keegan	\$242,500,000	XL	\$56,500,000	CIFG	\$186,000,000
Merrill Lynch	121,250,000	XL	28,250,000	CIFG	93,000,000
Citibank	60,625,000	XL	14,125,000	CIFG	46,500,000
JPMorgan	60,625,000	XL	14,125,000	CIFG	46,500,000

Objective of the interest rate hedge agreement: The original objective of the swap agreement was to provide a lower effective rate of borrowing through the use of a synthetic fixed rate structure which under perfect conditions would yield borrowing costs at rates noted above with the four swap providers. While that objective remains, extension was driven by a number of changing factors which were primarily the result of massive market changes.

Fair value: The fair value of the swap agreement as of June 30, 2008, which is not reported in the financial statements, was \$6,481,441 in favor of the four swap providers. The fair value was provided by Morgan Keegan and is based on mid-market levels at the close of business on June 30, 2008. The fair valuation was confirmed by the state's financial advisor, GFA, Inc. In comparison, the fair value of the swap agreement as of June 30, 2007, which is not reported in the financial statements, was \$32,421,478 in favor of the state. The fair valuation for June 30, 2007, was provided by the state's financial advisor, GFA, Inc.

Credit Risk: Credit risk is the risk that a counterparty will not fulfill its obligations. At June 30, 2007, there was minimal exposure risk to all parties although that risk did rise as the result of the financial market crisis after that date. To mitigate the potential for credit risk, the original and revised hedge agreements include provisions for collateral thresholds and transfer amounts that correspond to the credit ratings of the providers.

Basis Risk: Basis risk arises when the variable payment component of a fixed payer interest rate swap does not match the associated underlying variable rate bonds. This variance could adversely affect the probability that the entities payment and/or synthetic fixed debt costs will be realized. To mitigate this risk, the state has structured a higher percentage of LIBOR fixed payer hedge (70%) on the bonds, when issued.

Termination Risk: Termination risk is the risk that an unscheduled early termination of the hedge agreements will affect the state/department's asset/liability strategy or will result in significant unanticipated termination payment to the counterparty. The early termination provisions in both the original and revised agreements are optional to the state. Should the bonds

be issued and an optional termination occurs, the variable-rate bonds would no longer carry a synthetic fixed interest rate.

Subsequent Information

The collapse of the financial markets during 2008 resulted in the rating downgrade of the two insurance providers, CIFG and XL, to below that stipulated within the various bond and hedge documents. As a result, the value of the insurance policies has subsequently been determined to be of no value and is no longer a component of the transaction. In addition, because of the collapse of the auction rate market, the issue structure of the bond component of the transaction was modified by the Commission from auction rate to variable rate demand in August 21, 2008. On October 16, 2008, the Commission approved a resolution authorizing the negotiation of an extension of the swap to a term date with a defined swap interest rate parameter not to exceed 4.0% and a date-termination payment coupled with a delegation of authority to the sub-committee to terminate the swap should it be in the best interest of the state. This delegation provided for a termination payment of up to \$10,000,000 on the part of the state.

Concurrent with the aforementioned events the price of petroleum based fuels experienced a dramatic rise in costs, resulting in extreme cost increases for gasoline and related fuel products and a concurrent dramatic decrease in gasoline consumption and the concurrent tax collections (which are based on volume and not value). As the result of a decrease in gasoline and fuels tax collections, it was determined that the coverage test necessary to issue additional senior line Gasoline and Fuels Tax Revenue Bonds could not be met and consequently the anticipated senior line Gasoline and Fuels Tax Series 2008A was not possible. In addition, because of the credit market collapse, the ability to issue a subordinate lien issue, wherein a pledge of the 16 cent gasoline and fuels tax collections would be used as security, was not possible due to the inability to acquire the required letter of credits.

As a consequence, the state and Department of Transportation was faced with the potential for the execution of a swap termination payment transaction arising from the hedge agreement. Before the collapse of the credit markets, the swap termination valuation as of July 1, 2008, was negative to the state in the amount of \$4,918,512. As the result of the market instability, the valuation of the swap termination payments (due to the four providers) to the state was facing as of the effective start date of the swap was \$158,751,745. With the approval of the State Bond Commission and Joint Legislative Committee on the Budget, an extension on the start date of the hedge agreement was negotiated/approved with the four providers and the actual extension documents were executed on December 13, 2008, effective December 1, 2008, the parameters of which are stated below:

1. Approve the format of the Cooperative Endeavor Agreement (CEA) associated with resolution reflected in item 2, below
2. Approve the Resolution authorizing:

- a) executing of a CEA by and among the Louisiana State Bond Commission, the Department of Transportation and Development, and the Division of Administration, whereby the state will agree, subject to appropriation, to make certain payments, including termination payments, regularly scheduled interest payments, and certain collateral payments if there are insufficient Gasoline and Fuels Taxes in the Debt Service Fund or Transportation Trust Fund available in the form of cash;
 - b) issuing Subordinate Lien Debt Series 2009 pursuant to a Subordinate Resolution to be adopted by the Commission and pay costs of issuing the 2009 Series A Bonds;
 - c) covenanting to issue no Additional Bonds on a *pari passu* basis with Outstanding Prior Lien Bonds;
 - d) authorizing the chairman and/or director to act on behalf of the State Bond Commission/state to execute and deliver any and all instruments required to effect the purpose of the resolution;
 - e) approving the payment of costs, fees, and expenses related to the amendments to the Hedge Agreements from amounts on deposit in the Transportation Trust Fund; and
 - f) providing for other matters connect therewith.
3. Approve the Resolution authorizing the State Bond Commission to take certain action with respect to the previously authorized but unissued not exceeding \$485,000,000 State of Louisiana Gasoline and Fuels Tax Revenue Bonds, 2009 Series A, including:
- a) authorizing the extension or termination of the 2009A Swap Agreement at a rate not to exceed 4% and authorizing execution of amended and restated hedge agreements with Citigroup, Morgan Keegan, Merrill Lynch, and JPMorgan; authorizing the director/chairman to execute such documents;
 - b) authorizing the director/secretary of the State Bond Commission to take those actions necessary with respect to the extension or termination of the 2009A Swap Agreement;
 - c) requesting the State Bond Commission amend from \$10,000,000 upward its prior October 16, 2008, resolution approval providing the director or chairman the discretion to execute the swap termination should that value fall below a State Bond Commission determined authorized level;

- d) declaring the intent of the Commission to reimburse itself, for any termination payment made under the CEA, from future collections of the Transportation Trust Fund or bond issues; and
- e) providing for other matters in connection therewith.

As the result of that authorization, negotiations were successfully completed with the four providers to execute an extension of the start date on the swap hedge transaction from December 1, 2008, to May 1, 2009. As was noted in earlier presentations, it was our expectation that some changes would occur in the structure and financial terms of an extension request.

The end result can be broken down into these change items:

1. Under the original structure, there were four separate provider agreements having identical terms with one master swap rate of 3.602%.
2. Under the revised terms, there are seven separate agreements with the four providers having consistent but not identical terms, the most notable differences being:
 - a) each has a differing master swap rate; and
 - b) six of the seven agreements provide for a hard date execution of May 1, 2009.

<u>Firm</u>	<u>Effective (Hard) Date</u>	<u>Coverage</u>	<u>Rate</u>
JP Morgan	5/1/09	First \$14,125,000	3.6690%
JP Morgan	5/1/09	Next \$46,500,000	3.6640%
Citigroup	5/1/09	First \$14,125,000	3.6600%
Citigroup	5/1/09	Next \$46,500,000	3.6520%
Merrill Lynch	5/1/09	First \$28,250,000	3.6765%
Merrill Lynch	5/1/09	Next \$93,000,000	3.6685%
Morgan Keegan	5/1/09 Subject to future negotiation	Full \$242,500,000	3.6920%

The following were the specific transactional parameters applicable on all components of the revised hedge agreements:

Effective Start Date: May 1, 2009

Termination Date: May 1, 2043

Fixed Rate Payor: State (Counterparty)

Fixed Rate Payer Period End Dates: The first day of each month, commencing on June 1, 2009, through and including the Termination Date, subject to no adjustment.

Fixed Rate Payment Dates: The first day of each month, commencing on June 1, 2009, through and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Conversion.

Fixed Rate: See table above.

Fixed Rate Date Count Fraction: 30/360

Floating Rate Payor: Swap Providers

Floating Rate Payer Period End Dates: The first day of each month, commencing on June 1, 2009, through and including the Termination Date, subject to no adjustment.

Floating Rate Payment Dates: The first day of each month, commencing on June 1, 2009, through and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Conversion.

Floating Rate Option: 70% of USD-LIBOR-BBA

Designated Maturity: 1 month

Floating Rate Spread: None

Floating Rate Date Count Fraction: Actual/360

Floating Rate Determination Date: Two London Business Days before the Reset Date

Floating Rate Reset Date: The Effective Date and thereafter the first day of each month, subject to adjustment in accordance with the Modified Following Business Day Convention.

Compounding: Inapplicable

Method of Averaging: Inapplicable

Business Days Base: New York

In addition, all payments shall be settled in U.S. dollar values, providers shall provide credit enhancement to the state's benefit, and the transaction shall contain early termination options at the option of the state.

14. FEDERAL FUNDS

Article 7, Section 27(A) of the 1974 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, 2007, a total of \$646,423,259 of FHWA and FAA funds were received by the state and were credited and deposited into the Transportation Trust Fund. From available prior year and current year federal funds collected, \$589,187,223 was transferred to and subsequently disbursed out of the Capital Outlay Escrow Fund and \$98,942,152 was disbursed directly out of the Transportation Trust Fund for a total of \$688,129,375.

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 Gasoline and Fuels Tax Revenue Bonds 2002 Series A, 2005 Series A, and 2006 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 basic 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 basic financial statements for the fiscal year ended June 30, 2007, indicate that fund balances for the Transportation Trust Fund and the TIMED Account are \$368,730,000 and \$1,313,910,000, respectively.

16. LITIGATION AND CLAIMS

No litigation is pending against the Transportation Trust Fund at June 30, 2007.

17. ARBITRAGE REBATE REQUIREMENTS

The proceeds of the 2002 Series A, 2005 Series A, and 2006 Series A bonds are subject to the arbitrage rebate requirements of Section 148(f) of the Code. In accordance with the Non-Arbitrage Certificates dated August 27, 2002; May 12, 2005; and November 1, 2006, respectively, the state will take steps to ensure that 2002, 2005, and 2006 Series A bond proceeds will not be defined as "Arbitrage Bonds" as defined in the Code. At June 30, 2007, no liability is due the federal government under Section 148(f) of the Code.

18. TIMED APPROPRIATIONS

The TIMED appropriations included on Schedule 1 are funded from bond proceeds of 1999, 2002, 2005, and 2006 Series A bonds in the amounts of \$232,789,184; \$277,369,410; \$547,888,078; and \$1,120,004,559, respectively, 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.

**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.

**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, 2007**

	BUDGETED/ APPROPRIATED	CONTRACTED/ COMMITTED AMOUNT JUNE 30, 2007	FY 90-01
DISBURSEMENTS FROM THE TRANSPORTATION TRUST FUND			
Act 20 of the 1989 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Office of the Secretary	\$499,355		\$309,012
Office of Management and Finance	840,000		840,000
Office of Engineering	5,660,645		5,658,885
Subtotal	<u>7,000,000</u>	NONE	<u>6,807,897</u>
Act 822 of the 1989 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act) - Gasoline and Special Fuels Taxes:			
Overlay Program	10,572,000	\$10,572,000	10,572,000
State-funded construction	1,717,000	1,717,000	1,717,000
Contract maintenance	10,000,000	10,000,000	10,000,000
Statewide Flood-Control Program	5,265,923	5,265,923	5,265,923
Ports Priority Program	3,949,028	3,949,028	3,949,028
Subtotal	<u>31,503,951</u>	<u>31,503,951</u>	<u>31,503,951</u>
Act 21 of the 1990 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Office of the Secretary	2,446,776		1,954,921
Office of Management and Finance	16,939,012		15,072,001
Office of Engineering	141,827,395		139,280,841
Subtotal	<u>161,213,183</u>	NONE	<u>156,307,763</u>
Act 853 of the 1990 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act) - Gasoline and Special Fuels Taxes:			
Overlay Program	80,000,000	80,000,000	80,000,000
Highway construction	41,402,000	41,402,000	41,396,555
State-funded construction	20,000,000	20,000,000	20,000,000
Statewide Flood-Control Program	6,463,700	6,463,700	6,463,700
Ports Priority Program	9,714,629	9,714,629	9,714,629
Subtotal	<u>157,580,329</u>	<u>157,580,329</u>	<u>157,574,884</u>
Act 12 of the 1991 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Office of the Secretary	741,498		610,115
Office of Management and Finance	16,695,568		15,681,982
Office of Engineering	151,686,669		147,031,774
Subtotal	<u>169,123,735</u>	NONE	<u>163,323,871</u>

(Continued)

Schedule 1

<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>TOTAL</u>
						\$309,012
						840,000
						5,658,885
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>6,807,897</u>
						10,572,000
						1,717,000
						10,000,000
						5,265,923
						3,949,028
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>31,503,951</u>
						1,954,921
						15,072,001
						139,280,841
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>156,307,763</u>
						80,000,000
\$5,444		(\$1)	\$1			41,401,999
		(58)	(20,477)	\$20,535		20,000,000
						6,463,700
						9,714,629
<u>5,444</u>	<u>NONE</u>	<u>(59)</u>	<u>(20,476)</u>	<u>20,535</u>	<u>NONE</u>	<u>157,580,328</u>
						610,115
						15,681,982
						147,031,774
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>163,323,871</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, 2007**

	BUDGETED/ APPROPRIATED	CONTRACTED/ COMMITTED AMOUNT JUNE 30, 2007	FY 90-01
DISBURSEMENTS FROM THE TRANSPORTATION TRUST FUND (CONT.)			
Act 1013 of the 1991 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act) - Gasoline and Special Fuels Taxes:			
Relocation of the District 2 Subdistrict			
Headquarters (Terrebonne)	\$203,700	\$203,700	\$203,700
Airport Priority Program	8,000,000	8,000,000	8,000,000
Overlay Program	61,071,429	61,071,429	61,071,429
Highway construction	38,775,510	38,775,510	38,771,224
State-funded construction	17,245,280	17,245,280	17,245,280
Statewide Flood-Control Program	9,693,878	9,693,878	9,693,878
Ports Priority Program	14,540,815	14,540,815	14,540,815
Subtotal	<u>149,530,612</u>	<u>149,530,612</u>	<u>149,526,326</u>
Act 13 of the 1992 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Office of the Secretary	715,884		601,960
Office of Management and Finance	16,684,667		14,964,381
Office of Engineering	173,143,137		165,299,436
Subtotal	<u>190,543,688</u>	NONE	<u>180,865,777</u>
Act 1137 of the 1992 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act) - Gasoline and Special Fuels Taxes:			
Relocation of Natchitoches Parish Maintenance Unit			
Railway improvements	476,438	476,438	476,438
Inspection and repairs for five ferry vessels	323,562	323,562	323,562
Highway construction	1,000,000	1,000,000	1,000,000
Overlay Program	40,011,687	40,011,434	39,995,475
State-funded construction	48,700,000	48,700,000	48,700,000
Statewide Flood-Control Program	15,988,313	15,988,313	15,884,924
Ports Priority Program	10,000,000	10,000,000	10,000,000
Airport Priority Program	15,000,000	15,000,000	15,000,000
Subtotal	<u>8,300,000</u>	<u>8,300,000</u>	<u>8,300,000</u>
Subtotal	<u>139,800,000</u>	<u>139,799,747</u>	<u>139,680,399</u>
Act 14 of the 1993 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Office of the Secretary	716,084		607,049
Office of Management and Finance	16,690,298		15,488,199
Office of Engineering	174,547,825		168,718,619
Subtotal	<u>191,954,207</u>	NONE	<u>184,813,867</u>

(Continued)

Schedule 1

<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>TOTAL</u>
						\$203,700
						8,000,000
						61,071,429
(\$212,488)	\$151,743	\$11,344	\$21,372	\$19,122	\$930	38,763,247
			(645,173)	34,038	576,273	17,210,418
						9,693,878
						14,540,815
<u>(212,488)</u>	<u>151,743</u>	<u>11,344</u>	<u>(623,801)</u>	<u>53,160</u>	<u>577,203</u>	<u>149,483,487</u>
						601,960
						14,964,381
						165,299,436
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>180,865,777</u>
						476,438
						323,562
						1,000,000
2,297		(100,102)	101,878	1,331	10,356	40,011,235
		(32,272)	(79,616)	17,636	285	48,700,000
						15,790,957
						10,000,000
						15,000,000
						8,300,000
<u>2,297</u>	<u>NONE</u>	<u>(132,374)</u>	<u>22,262</u>	<u>18,967</u>	<u>10,641</u>	<u>139,602,192</u>
						607,049
						15,488,199
						168,718,619
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>184,813,867</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, 2007**

	BUDGETED/ APPROPRIATED	CONTRACTED/ COMMITTED AMOUNT JUNE 30, 2007	FY 90-01
DISBURSEMENTS FROM THE TRANSPORTATION TRUST FUND (CONT.)			
Act 645 of the 1993 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act):			
Motor Vessel New Roads Dry-docking	\$300,000	\$300,000	\$300,000
Mississippi River Bridge and Approaches	3,200,000	3,200,000	3,000,707
Accelerated Loading Facility	400,000	400,000	400,000
Highway construction	52,444,413	52,437,323	52,295,926
Overlay Program	49,700,000	49,700,000	49,700,000
State-funded construction	13,527,000	13,527,000	13,527,000
Statewide Flood-Control Program	10,000,000	10,000,000	10,000,000
Ports Priority Program	15,000,000	15,000,000	15,000,000
Airport Priority Program	4,500,000	4,481,182	3,223,581
Subtotal	149,071,413	149,045,505	147,447,214
Act 15 of the 1994 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Office of the Secretary	640,456		571,592
Office of Management and Finance	23,934,336		23,084,133
Office of Engineering	186,825,983		174,994,305
Subtotal	211,400,775	NONE	198,650,030
Act 45 of the 1994 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act):			
Motor Vessel Dry-dock	1,685,000	1,685,000	1,685,000
Highway construction	51,200,000	51,198,284	49,297,609
Overlay Program	61,375,616	61,375,616	61,375,616
State-funded construction	27,100,000	27,100,000	26,455,460
Statewide Flood Control Program	10,000,000	10,000,000	9,814,247
Ports Priority Program	15,000,000	15,000,000	15,000,000
Airport Priority Program	4,100,000	4,100,000	2,619,335
Subtotal	170,460,616	170,458,900	166,247,267
Act 16 of the 1995 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Office of the Secretary	580,643		526,645
Office of Management and Finance	27,165,987		25,960,095
Office of Engineering	192,350,753		179,428,392
Subtotal	220,097,383	NONE	205,915,132

(Continued)

Schedule 1

<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>TOTAL</u>
						\$300,000
\$199,293						3,200,000
						400,000
(53,173)	\$106,236	(\$120,866)	\$96,183	\$53,625	\$5,796	52,383,727
						49,700,000
			(45,086)	4,760	10,533	13,497,207
		(216,959)	216,959			10,000,000
						15,000,000
28,228	51,347	2,142	83,845	551,358	204,639	4,145,140
<u>174,348</u>	<u>157,583</u>	<u>(335,683)</u>	<u>351,901</u>	<u>609,743</u>	<u>220,968</u>	<u>148,626,074</u>
						571,592
						23,084,133
						174,994,305
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>198,650,030</u>
						1,685,000
247,046	538,595	365,952	326,144	159,544	22,922	50,957,812
						61,375,616
53,818	(36,399)	155,787		9,174	8,887	26,646,727
39,135		146,618				10,000,000
						15,000,000
302,207	43,244		777,448	137,400	161,814	4,041,448
<u>642,206</u>	<u>545,440</u>	<u>668,357</u>	<u>1,103,592</u>	<u>306,118</u>	<u>193,623</u>	<u>169,706,603</u>
						526,645
						25,960,095
						179,428,392
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>205,915,132</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, 2007**

	BUDGETED/ APPROPRIATED	CONTRACTED/ COMMITTED AMOUNT JUNE 30, 2007	FY 90-01
DISBURSEMENTS FROM THE TRANSPORTATION TRUST FUND (CONT.)			
Act 1096 of the 1995 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act):			
Motor Vessel Dry-dock	\$500,000	\$500,000	\$500,000
Highway construction	43,648,876	43,622,207	39,287,259
Overlay Program	59,929,122	59,929,122	59,929,122
State-funded construction	24,551,124	24,551,124	22,884,763
Statewide Flood Control Program	10,000,000	10,000,000	9,446,655
Ports Priority Program	15,000,000	15,000,000	14,610,615
Airport Priority Program	4,100,000	4,100,000	3,451,833
Subtotal	157,729,122	157,702,453	150,110,247
Act 17 of the 1996 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Office of the Secretary	584,496		536,223
Office of Management and Finance	28,662,170		27,881,602
Office of Engineering	218,462,048		199,934,369
Subtotal	247,708,714	NONE	228,352,194
Act 45 of the 1996 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act):			
Motor Vessel Dry-dock	1,000,000	1,000,000	691,376
LaSalle Parish Maintenance	225,000	225,000	225,000
Buildings and Grounds	886,000	886,000	885,960
DOTD Headquarters Lab	89,325	89,325	89,325
Emergency generator	1,670,000	1,670,000	1,622,957
Highway construction	54,460,000	54,447,130	47,484,598
Overlay Program	70,500,000	70,500,000	70,268,097
State-funded construction	26,440,000	26,440,000	23,462,857
Statewide Flood Control Program	10,000,000	10,000,000	9,453,379
Ports Priority Program	15,000,000	15,000,000	14,550,551
Airport Priority Program	4,100,000	4,100,000	3,388,765
Subtotal	184,370,325	184,357,455	172,122,865
Act 18 of the 1997 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Office of the Secretary	548,377		501,592
Office of Management and Finance	29,976,758		28,830,702
Office of Engineering	243,919,274		221,044,350
Subtotal	274,444,409	NONE	250,376,644

(Continued)

Schedule 1

<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>TOTAL</u>
						\$500,000
\$2,958,425	\$321,616	\$232,259	\$237,965	\$265,302	\$54,530	43,357,356
						59,929,122
36,737	(264,274)	282,497	(8,720)	113,274	3,644	23,047,921
108,680	11,813	122,266	296,569		14,018	10,000,001
140,717	72,339	88,295	88,034			15,000,000
372,645	17,910	975	107,776	88,482	252	4,039,873
<u>3,617,204</u>	<u>159,404</u>	<u>726,292</u>	<u>721,624</u>	<u>467,058</u>	<u>72,444</u>	<u>155,874,273</u>
						536,223
						27,881,602
						199,934,369
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>228,352,194</u>
						691,376
						225,000
40						886,000
						89,325
47,042						1,669,999
2,387,728	1,364,239	998,408	507,030	336,361	256,698	53,335,062
216,655	10,385	1,866			2,997	70,500,000
84,146	171,660	117,127	(631,728)	232,307	422,629	23,858,998
93,149	83,062	225,742	144,668			10,000,000
371,850	77,599					15,000,000
372,975	138,105		59,729	35,015		3,994,589
<u>3,573,585</u>	<u>1,845,050</u>	<u>1,343,143</u>	<u>79,699</u>	<u>603,683</u>	<u>682,324</u>	<u>180,250,349</u>
						501,592
						28,830,702
						221,044,350
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>250,376,644</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, 2007**

	BUDGETED/ APPROPRIATED	CONTRACTED/ COMMITTED AMOUNT JUNE 30, 2007	FY 90-01
DISBURSEMENTS FROM THE TRANSPORTATION TRUST FUND (CONT.)			
Act 28 of the 1997 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act):			
New Orleans Parish Maintenance	\$166,902	\$166,902	\$166,902
District 08 Headquarters	75,028	75,028	75,028
District 02 Design	250,000	250,000	24,593
District 04 Headquarters	325,000	325,000	325,000
St. Martin Parish Maintenance	100,000	100,000	81,000
Vermilion Parish Maintenance	668,236	668,236	86,010
Relocate Assumption Parish Maintenance	350,000	350,000	350,000
Relocate Madison Parish Maintenance	100,000	89,877	89,877
Motor Vessel Dry-dock	1,000,000	1,000,000	1,000,000
LaSalle Parish Maintenance	40,000	40,000	40,000
Buildings and Grounds	714,000	714,000	713,872
DOTD Headquarters Complex	120,000	120,000	
Emergency generator	373,459	370,959	
Highway construction	20,173,911	20,159,302	18,295,855
Overlay Program	89,000,000	89,000,000	88,548,544
State-funded construction	19,326,089	19,326,089	18,432,374
Statewide Flood Control Program	10,000,000	10,000,000	9,659,948
Ports Priority Program	24,500,000	24,500,000	24,451,772
Airport Priority Program	4,100,000	4,100,000	3,329,430
Subtotal	171,382,625	171,355,393	165,670,205
Act 19 of the 1998 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Administration	32,655,835		31,635,242
Public Works and Intermodal Transportation	3,724,153		3,663,739
Engineering and Operation	233,261,707		218,075,035
Subtotal	269,641,695	NONE	253,374,016
Act 29 of the 1998 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act):			
Motor Vessel Dry-dock	700,000	700,000	700,000
FCC Mandate Upgrade Microwave	332,164	332,164	243,889
Relocate St. Martin Parish Maintenance Unit	485,000	485,000	
District 4 Administration Building	2,130,000	2,130,000	2,086,501
Buildings and Grounds	1,335,000	1,335,000	1,224,358
Catahoula Parish Maintenance Unit	390,000	390,000	
Reappropriation from Act 28	48,080	48,080	48,080

(Continued)

Schedule 1

<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>TOTAL</u>
						\$166,902
						75,028
\$224,872						249,465
						325,000
		\$19,000				100,000
569,340	\$10,542	2,344				668,236
						350,000
						89,877
						1,000,000
						40,000
128						714,000
98,571	21,429					120,000
186,686	184,273					370,959
467,838	452,838	11,454	\$378,748	\$270,200	\$58,266	19,935,199
450,833	121				503	89,000,001
64,081	(48,285)	318,485	34,606	63,657	3,807	18,868,725
116,428	205,117	18,507				10,000,000
48,228						24,500,000
199,949		189,425	38,343	247,040	14,539	4,018,726
<u>2,426,954</u>	<u>826,035</u>	<u>559,215</u>	<u>451,697</u>	<u>580,897</u>	<u>77,115</u>	<u>170,592,118</u>
						31,635,242
						3,663,739
						218,075,035
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>253,374,016</u>
						700,000
						243,889
		201,823	283,177			485,000
43,499						2,130,000
110,642						1,335,000
55,007	334,993					390,000
						48,080

**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, 2007**

	BUDGETED/ APPROPRIATED	CONTRACTED/ COMMITTED AMOUNT JUNE 30, 2007	FY 90-01
DISBURSEMENTS FROM THE TRANSPORTATION TRUST FUND (CONT.)			
Act 29 of the 1998 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act): (Cont.)			
Reappropriation from Act 45	\$14,030	\$14,030	\$14,030
Reappropriation from prior years	9,900,000	9,900,000	9,836,874
Contract maintenance	13,400,000	13,397,599	13,281,132
Highway construction	40,602,633	40,602,323	30,508,064
Overlay Program	71,381,120	71,326,584	69,854,667
State-funded construction	18,816,247	18,803,727	14,796,046
Statewide Flood Control Program	100,000	100,000	10,244
Ports Priority Program	2,000,000	2,000,000	1,872,038
Airport Priority Program	4,100,000	4,098,657	3,273,768
Subtotal	165,734,274	165,663,164	147,749,691
Act 10 of the 1999 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Administration	34,001,260		33,784,662
Public Works and Intermodal Transportation	4,121,104		3,764,735
Engineering and Operation	241,161,915		218,761,883
Subtotal	279,284,279	NONE	256,311,280
Act 20 of the 1999 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act) and Act 99 of the 2000 First Extraordinary Session:			
Gasoline and Special Fuel Taxes:			
Motor Vessel Dry-docking	500,000	500,000	500,000
Construct Madison Parish Maintenance Unit	200,000		
Relocate St. John Parish Maintenance Unit	300,000	300,000	300,000
Construct District 04 Headquarters Administration Building	339,993	339,993	329,301
Buildings and Grounds	3,215,000	3,215,000	725,737
Construct Shreveport Maintenance Unit	350,000	350,000	
Relocate Fleet Landing	300,000	146,350	
Contract maintenance	20,000,000	20,000,000	17,294,928
Highway construction	63,612,229	63,478,931	35,652,088
Overlay Program	46,068,000	45,674,363	42,356,618
State-funded construction	26,419,771	26,419,771	21,242,601
Statewide Flood Control Program	100,000	100,000	
Ports Priority Program	18,000,000	18,000,000	17,335,356
Airport Priority Program	4,000,000	4,000,000	730,296
Subtotal	183,404,993	182,524,408	136,466,925

(Continued)

Schedule 1

<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>TOTAL</u>
						\$14,030
\$62,091	\$591	\$444				9,900,000
53,956	7,996	7,790	\$11,148	\$23,523	\$12,053	13,397,598
3,460,827	2,452,239	1,657,670	871,350	578,343	317,874	39,846,367
967,059	177,015	38,140	91,704	107,411	58,500	71,294,496
2,211,163	646,157	201,229	258,344	95,627	15,432	18,223,998
89,030	726					100,000
84,283		43,679				2,000,000
393,794	62,201	107,652	22,314	16,070	13,192	3,888,991
<u>7,531,351</u>	<u>3,681,918</u>	<u>2,258,427</u>	<u>1,538,037</u>	<u>820,974</u>	<u>417,051</u>	<u>163,997,449</u>
						33,784,662
						3,764,735
						218,761,883
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>256,311,280</u>
						500,000
						300,000
10,692						339,993
1,966,164	327,541	97,234	8,414			3,125,090
	324,969	25,031				350,000
			89,410			89,410
1,896,799	440,482	296	2,170	(1,817)	5,517	19,638,375
15,147,022	6,991,997	1,813,883	1,090,899	1,060,541	360,067	62,116,497
2,610,375	486,577	173,127	9,659	3,592	17,984	45,657,932
3,358,593	828,179	252,094	(260,110)	62,225	204,025	25,687,607
100,000						100,000
664,645		(1)				18,000,000
2,055,321	269,304	40,287	273,620	266,401	75,870	3,711,099
<u>27,809,611</u>	<u>9,669,049</u>	<u>2,401,951</u>	<u>1,214,062</u>	<u>1,390,942</u>	<u>663,463</u>	<u>179,616,003</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, 2007**

	BUDGETED/ APPROPRIATED	CONTRACTED/ COMMITTED AMOUNT JUNE 30, 2007	FY 90-01
DISBURSEMENTS FROM THE TRANSPORTATION TRUST FUND (CONT.)			
Act 11 of the 2000 Second Extraordinary Session of the Louisiana Legislature (General Appropriations Act):			
Administration	\$37,841,867		\$35,821,073
Public Works and Intermodal Transportation	4,155,569		3,315,546
Engineering and Operations	240,698,460		200,767,662
Subtotal	<u>282,695,896</u>	NONE	<u>239,904,281</u>
Act 21 of the 2000 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act):			
Gasoline and Special Fuel Taxes:			
Motor Vessel Dry-docking	1,400,000	\$1,400,000	606,713
Construct Madison Parish Maintenance Unit	200,000		
Relocate St. John Parish Maintenance Unit	550,000	550,000	550,000
Construction District 02 Headquarters	350,000		
Buildings and Grounds	2,768,000	2,767,999	20,121
Relocate St. Tammany Maintenance Unit	550,000		
Relocate fleet landing	250,000		
Contract maintenance	10,000,000	10,000,000	139,404
Highway construction	34,624,588	34,539,316	8,439,462
Overlay Program	36,100,000	35,798,477	7,688,337
State-funded construction	9,875,412	6,579,544	6,538,122
Statewide Flood-Control Program	5,000,000	5,000,000	4,083,091
Ports Priority Program	25,000,000	25,000,000	6,748,163
Airport Priority Program	4,000,000	3,973,947	30,067
Project Engineer Office Building	220,000	220,000	
District 02 Design Office	130,000	130,000	
Subtotal	<u>131,018,000</u>	<u>125,959,283</u>	<u>34,843,480</u>
Act 12 of the 2001 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Administration	23,391,860		
Public Works and Intermodal Transportation	6,049,086		
Engineering and Operations	245,953,133		
Subtotal	<u>275,394,079</u>	NONE	NONE

(Continued)

Schedule 1

<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>TOTAL</u>
\$719,354						\$36,540,427
431,160						3,746,706
17,788,149						218,555,811
<u>18,938,663</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>258,842,944</u>
244,948	\$548,339					1,400,000
						550,000
670,035	1,279,096	\$115,242	\$670,181	\$13,324		2,767,999
8,586,596	1,086,159	95,104	7,865	(9,278)	\$22,632	9,928,482
10,102,808	6,740,621	3,296,173	1,480,178	2,026,978	561,875	32,648,095
23,933,378	3,281,917	593,912	45,413		252,531	35,795,488
2,986,534	(535,063)	(1,334,038)	(803,178)	2,666,186	(2,988,173)	6,530,390
877,075		39,834				5,000,000
10,941,764	5,219,488	1,525,101	267,248	22,101	276,134	24,999,999
2,269,830	320,227	459,462	2,837	362,726	452,877	3,898,026
8,620						8,620
130,000						130,000
<u>60,751,588</u>	<u>17,940,784</u>	<u>4,790,790</u>	<u>1,670,544</u>	<u>5,082,037</u>	<u>(1,422,124)</u>	<u>123,657,099</u>
21,705,364	547,834					22,253,198
5,116,061	(761,047)					4,355,014
220,285,863	5,635,647					225,921,510
<u>247,107,288</u>	<u>5,422,434</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>252,529,722</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, 2007**

	BUDGETED/ APPROPRIATED	CONTRACTED/ COMMITTED AMOUNT JUNE 30, 2007	FY 90-01
DISBURSEMENTS FROM THE TRANSPORTATION TRUST FUND (CONT.)			
Act 22 of the 2001 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act):			
Gasoline and Special Fuel Taxes:			
Motor Vessel Dry-docking	\$1,300,000	\$1,300,000	
Construct Madison Parish Maintenance Unit	200,000		
Construction District 02 Headquarters	300,000		
Buildings and Grounds	2,180,000	2,120,724	
Relocate Farmerville Maintenance Unit	30,000	30,000	
Relocate Minden Maintenance Unit	450,000	450,000	
Relocate Assumption Maintenance Unit	19,777	19,777	
Construct District 04 Administration Building	97,013	97,013	
Highway construction	84,310,380	84,121,367	
Relocate Greensburg Maintenance Unit			
State-funded construction	54,989,620	45,925,241	
Statewide Flood-Control Program	10,000,000	9,839,699	
Ports Priority Program	24,500,000	24,500,000	
Airport Priority Program	4,076,569	4,049,751	
District 02 Design Office	150,000	150,000	
Subtotal	<u>182,603,359</u>	<u>172,603,572</u>	NONE
Act 13 of the 2002 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Administration	23,883,007		
Public Works and Intermodal Transportation	5,332,199		
Engineering and Operations	247,814,539		
Subtotal	<u>277,029,745</u>	NONE	NONE

(Continued)

Schedule 1

<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>TOTAL</u>
	\$909,423	\$390,577	\$1			\$1,300,001
\$15,933	168,230 28,000	1,558,401	369,834	\$8,326		2,120,724 28,000
19,777						19,777
71,176	25,180					96,356
	42,528,733	32,431,064	4,645,858	1,650,189	\$763,487	82,019,331
18,744,206		(18,744,206)				
19,376,171	16,828,811	6,664,188	597,377	3,957,309	(2,623,785)	44,800,071
4,748,925	3,755,393	1,015,745	16,846	7,059		9,543,968
5,573,833	16,022,899	1,528,235	713,102	434,579		24,272,648
379,076	2,159,724	1,070,066	311,407	126,625		4,046,898
58,004	91,996					150,000
<u>48,987,101</u>	<u>82,518,389</u>	<u>25,914,070</u>	<u>6,654,425</u>	<u>6,184,087</u>	<u>(1,860,298)</u>	<u>168,397,774</u>
	21,862,480	806,050				22,668,530
	5,269,899	(170,661)				5,099,238
	<u>228,233,356</u>	<u>9,669,219</u>				<u>237,902,575</u>
<u>NONE</u>	<u>255,365,735</u>	<u>10,304,608</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>265,670,343</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, 2007**

	BUDGETED/ APPROPRIATED	CONTRACTED/ COMMITTED AMOUNT JUNE 30, 2007	FY 90-01
DISBURSEMENTS FROM THE TRANSPORTATION TRUST FUND (CONT.)			
Act 23 of the 2002 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act):			
Gasoline and Special Fuel Taxes:			
Motor Vessel Dry-docking	\$500,000	\$500,000	
Buildings and Grounds	2,082,915	2,082,915	
Contract maintenance	10,000,000	9,997,484	
Highway construction	80,448,476	80,172,829	
State-funded construction	11,651,524	8,998,801	
Statewide Flood-Control Program	10,000,000	9,962,830	
Ports Priority Program	20,000,000	20,000,000	
Airport Priority Program	4,000,000	3,904,083	
Subtotal	<u>138,682,915</u>	<u>135,618,942</u>	NONE
Act 14 of the 2003 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Administration	25,560,125		
Public Works and Intermodal Transportation	5,710,649		
Engineering and Operations	277,968,238		
Subtotal	<u>309,239,012</u>	NONE	NONE
Act 24 of the 2003 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act):			
Gasoline and Special Fuels Taxes:			
Motor Vessel Dry-docking	2,200,000	2,200,000	
Buildings and Grounds	5,500,098	5,430,430	
Contract maintenance	10,862,555	10,862,555	
Highway construction	87,710,367	87,604,110	
State-funded construction	9,827,078	9,033,444	
Statewide Flood-Control Program	10,000,000	9,997,734	
Ports Priority Program	20,000,000	20,000,000	
Airport Priority Program	6,300,000	6,299,551	
Subtotal	<u>152,400,098</u>	<u>151,427,824</u>	NONE

(Continued)

Schedule 1

<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>TOTAL</u>
	\$211,598	\$275,566	\$12,836			\$500,000
	375,500	1,644,969	46,558			2,067,027
	4,353,989	3,552,265	763,518	\$261,778	\$25,542	8,957,092
	18,039,010	38,531,839	13,340,817	6,508,572	1,360,797	77,781,035
	3,955,405	7,327,112	(2,617,211)	803,201	(941,118)	8,527,389
	2,872,262	4,943,631	1,406,032	239,139	148,394	9,609,458
	5,508,531	7,644,225	3,628,852	3,208,493	8,931	19,999,032
	1,186,295	1,123,835	1,344,315	104,093	58,617	3,817,155
<u>NONE</u>	<u>36,502,590</u>	<u>65,043,442</u>	<u>17,925,717</u>	<u>11,125,276</u>	<u>661,163</u>	<u>131,258,188</u>
		22,867,934	666,022			23,533,956
		5,685,087	(834,885)			4,850,202
		256,278,542	5,845,105			262,123,647
<u>NONE</u>	<u>NONE</u>	<u>284,831,563</u>	<u>5,676,242</u>	<u>NONE</u>	<u>NONE</u>	<u>290,507,805</u>
		1,381,347	818,653			2,200,000
		671,217	3,458,488	1,045,388	208,969	5,384,062
		3,555,995	5,921,240	130,244	206,544	9,814,023
		16,182,255	42,547,636	17,252,446	4,332,221	80,314,558
		4,633,748	2,979,243	(316,297)	(551,636)	6,745,058
		1,440,150	2,454,211	3,414,244	2,158,698	9,467,303
			6,155,772	9,219,350	1,750,984	17,126,106
		1,361,660	2,852,797	1,578,327	243,414	6,036,198
<u>NONE</u>	<u>NONE</u>	<u>29,226,372</u>	<u>67,188,040</u>	<u>32,323,702</u>	<u>8,349,194</u>	<u>137,087,308</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, 2007**

	BUDGETED/ APPROPRIATED	CONTRACTED/ COMMITTED AMOUNT JUNE 30, 2007	FY 90-01
DISBURSEMENTS FROM THE TRANSPORTATION TRUST FUND (CONT.)			
Act 1 of the 2004 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Administration	\$26,867,127		
Public Works and Intermodal Transportation	6,027,447		
Engineering and Operations	277,590,639		
Subtotal	<u>310,485,213</u>	NONE	NONE
Act 2 of the 2004 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act):			
Gasoline and Special Fuels Taxes:			
Motor Vessel Dry-docking	1,000,000	\$1,000,000	
Buildings and Grounds	4,606,000	2,388,357	
Contract maintenance	5,200,000	5,199,094	
Highway construction	74,412,066	72,289,227	
State-funded construction	41,687,934	28,646,469	
Statewide Flood-Control Program	10,000,000	9,913,963	
Ports Priority Program	20,000,000	20,000,000	
Airport Priority Program	5,460,000	5,379,957	
Subtotal	<u>162,366,000</u>	<u>144,817,067</u>	NONE
Act 16 of the 2005 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Administration	28,423,597		
Public Works and Intermodal Transportation	6,391,404		
Engineering and Operations	254,228,184		
Subtotal	<u>289,043,185</u>	NONE	NONE
Act 26 of the 2005 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act):			
Gasoline and Special Fuels Taxes:			
Motor Vessel Dry-docking	2,500,000	2,396,642	
Buildings and Grounds	1,356,000	1,000,712	
Contract maintenance	4,600,000	4,595,169	
Highway construction	57,200,000	55,135,857	
State-funded construction	61,768,202	44,180,148	
Statewide Flood-Control Program	10,000,000		
Ports Priority Program	20,000,000	19,389,871	
Airport Priority Program	5,348,263	4,793,969	
Subtotal	<u>162,772,465</u>	<u>131,492,368</u>	NONE

(Continued)

Schedule 1

<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>TOTAL</u>
			\$24,430,845	\$1,163,124		\$25,593,969
			5,761,718	(295,355)		5,466,363
			268,296,628	2,168,163		270,464,791
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>298,489,191</u>	<u>3,035,932</u>	<u>NONE</u>	<u>301,525,123</u>
			286,898	86,591	\$614,511	988,000
				436,166	1,921,297	2,357,463
			1,791,710	2,834,431	184,475	4,810,616
			7,404,418	34,038,490	22,325,034	63,767,942
			18,060,892	6,410,806	2,076,397	26,548,095
				3,128,822	5,828,747	8,957,569
				10,209,958	7,414,003	17,623,961
			3,414,918	978,035	894,214	5,287,167
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>30,958,836</u>	<u>58,123,299</u>	<u>41,258,678</u>	<u>130,340,813</u>
				26,531,838	975,286	27,507,124
				6,041,959	(129,040)	5,912,919
				250,184,339	3,138,213	253,322,552
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>282,758,136</u>	<u>3,984,459</u>	<u>286,742,595</u>
					2,371,468	2,371,468
				48,245	27,893	76,138
				2,710,357	1,063,288	3,773,645
				4,191,657	32,298,776	36,490,433
				36,745,181	1,839,170	38,584,351
				126,562	10,507,975	10,634,537
				1,143,040	1,354,904	2,497,944
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>44,965,042</u>	<u>49,463,474</u>	<u>94,428,516</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, 2007**

	BUDGETED/ APPROPRIATED	CONTRACTED/ COMMITTED AMOUNT JUNE 30, 2007	FY 90-01
DISBURSEMENTS FROM THE TRANSPORTATION TRUST FUND (CONT.)			
Act 17 of the 2006 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Administration	\$31,868,452		
Public Works and Intermodal Transportation	8,124,766		
Engineering and Operations	278,929,643		
Subtotal	<u>318,922,861</u>	NONE	NONE
Act 27 of the 2006 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act):			
Gasoline and Special Fuels Taxes:			
Motor Vessel Dry-docking	1,500,000	\$713,576	
Buildings and Grounds	1,885,980	74,942	
Contract maintenance	7,500,000	6,114,511	
Highway construction	94,891,731	68,872,032	
State-funded construction	40,027,150	33,469,280	
Statewide Flood-Control Program	10,000,000		
Ports Priority Program	20,000,000		
Airport Priority Program	8,412,812	3,562,098	
Subtotal	<u>184,217,673</u>	<u>112,806,439</u>	NONE
Subtotal from Transportation Trust Fund	<u>7,059,850,829</u>	<u>2,634,247,412</u>	<u>\$3,923,946,206</u>
DISBURSEMENTS FROM THE TIMED ACCOUNT			
Act 11 of the 1989 Second Extraordinary Session Act 64 of the 1998 Regular Session, DOTD memorandum to legislative committees dated 9/5/02 and departmental updates through June 30, 2007:			
US 171	592,000,000	492,996,469	82,662,639
US 165	944,000,000	677,992,980	68,725,439
US 90	256,000,000	193,729,910	193,436,147
US 167	693,000,000	448,460,539	47,149,359
LA 3241	149,000,000	6,962,152	965,127
Jefferson Parish West Bank Expressway	33,000,000	33,194,206	33,194,206
New Orleans Tchoupitoulas Street Corridor	52,000,000	49,969,558	35,000,000
Earhart Boulevard	20,000,000	19,094,550	9,028,773
West Napoleon (Jefferson Parish)	69,000,000	69,000,000	27,000,000
LA 15	86,000,000	78,338,534	25,415,356
US 61	111,000,000	38,607,190	4,145,887

(Continued)

Schedule 1

<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>TOTAL</u>
					\$27,466,639	\$27,466,639
					8,056,591	8,056,591
					242,877,823	242,877,823
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>278,401,053</u>	<u>278,401,053</u>
					713,576	713,576
					70,458	70,458
					1,220,685	1,220,685
					13,563,862	13,563,862
					14,667,834	14,667,834
					2,385,395	2,385,395
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>32,621,810</u>	<u>32,621,810</u>
<u>\$421,355,152</u>	<u>\$414,786,154</u>	<u>\$427,611,458</u>	<u>\$433,401,592</u>	<u>\$448,469,588</u>	<u>414,372,241</u>	<u>6,483,942,391</u>
36,320,882	30,314,459	36,942,494	67,632,818	67,650,432	74,360,549	395,884,273
39,931,762	28,379,603	34,811,199	31,470,444	99,375,537	127,021,852	429,715,836
13,957	11,729	255,719	(98)	12,456		193,729,910
11,301,992	20,196,240	22,153,436	44,134,795	55,984,459	77,806,289	278,726,570
80,283	465,130	1,022,481	2,362,321	601,345	688,021	6,184,708
						33,194,206
1,866,122	8,133,878	4,223,927	743,357	2,274	(2,250)	49,967,308
	971,227		3,608,003	3,299,465	1,235,387	18,142,855
1,270,062	818,692	17,091,010	19,199,513	3,620,723		69,000,000
3,315,628	1,095,021	8,211,996	8,784,139	9,209,677	11,653,046	67,684,863
3,767,906	5,382,845	5,645,505	7,237,941	5,867,053	2,826,287	34,873,424

**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, 2007**

	BUDGETED/ APPROPRIATED	CONTRACTED/ COMMITTED AMOUNT JUNE 30, 2007	FY 90-01
DISBURSEMENTS FROM THE TIMED ACCOUNT (CONT.)			
Act 11 of the 1989 Second Extraordinary Session Act 64 of the 1998 Regular Session, DOTD memorandum to legislative committees dated 9/5/02 and departmental updates through June 30, 2007: (Cont.)			
New Mississippi River Bridge at St. Francisville	\$404,000,000	\$373,533,782	\$2,084,087
Huey P. Long Bridge	989,000,000	155,544,175	980,197
New Florida Avenue Bridge over Industrial Canal	359,000,000	22,262,478	4,253,974
Port of New Orleans	100,000,000	100,000,000	100,000,000
New Orleans International Airport	75,000,000	75,000,000	75,000,000
Contract for monitoring of construction projects		2,747,664	2,536,090
State Time Take-up Projects (Various)		2,009,881	4,315
Consultant Management of TIME		141,182,812	
Red River Project			9,024
Subtotal	<u>4,932,000,000</u>	<u>2,980,626,880</u>	<u>711,590,620</u>
Act 11 of the 2000 Second Extraordinary Session of the Louisiana Legislature (General Appropriations Act):			
Engineering and Operations	4,000,000		2,811,831
Subtotal	<u>4,000,000</u>	NONE	<u>2,811,831</u>
Act 12 of the 2001 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Engineering and Operations	4,000,000		
Subtotal	<u>4,000,000</u>	NONE	NONE
Act 13 of the 2002 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Engineering and Operations	4,083,850		
Subtotal	<u>4,083,850</u>	NONE	NONE
Act 1 of the 2004 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Engineering and Operations	4,000,000		
Subtotal	<u>4,000,000</u>	NONE	NONE
Act 16 of the 2005 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Engineering and Operations	5,500,000		
Subtotal	<u>5,500,000</u>	NONE	NONE
Act 17 of the 2006 Regular Session of the Louisiana Legislature (General Appropriations Act):			
Engineering and Operations	5,500,000		
Subtotal	<u>5,500,000</u>	NONE	NONE
Subtotal from TIMED Account	<u>4,959,083,850</u>	<u>2,980,626,880</u>	<u>714,402,451</u>
Total	<u>\$12,018,934,679</u>	<u>\$5,614,874,292</u>	<u>\$4,638,348,657</u>

(Continued)

Schedule 1

<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>TOTAL</u>
\$368,032	\$1,179,939	\$856,825	\$1,788,277	\$52,532,247	\$60,324,595	\$119,134,002
732,320	1,393,240	2,421,338	1,582,037	5,332,272	38,071,015	50,512,419
20,610	105,245	2,327,933	1,974,545	2,456,824	999,971	12,139,102
						100,000,000
						75,000,000
		43,849		140,977	20,441	2,741,357
100,756	102,437	150,001	625,929	427,877	495,083	1,906,398
450,000	16,627,449	16,605,745	23,645,758	35,943,775	38,852,584	132,125,311
						9,024
<u>99,540,312</u>	<u>115,177,134</u>	<u>152,763,458</u>	<u>214,789,779</u>	<u>342,457,393</u>	<u>434,352,870</u>	<u>2,070,671,566</u>
1,187,550						3,999,381
<u>1,187,550</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>3,999,381</u>
2,255,461	1,744,539					4,000,000
<u>2,255,461</u>	<u>1,744,539</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>4,000,000</u>
	2,468,564	1,615,286				4,083,850
<u>NONE</u>	<u>2,468,564</u>	<u>1,615,286</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>4,083,850</u>
			4,000,000			4,000,000
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>4,000,000</u>	<u>NONE</u>	<u>NONE</u>	<u>4,000,000</u>
				4,655,459	844,541	5,500,000
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>4,655,459</u>	<u>844,541</u>	<u>5,500,000</u>
					3,168,412	3,168,412
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>3,168,412</u>	<u>3,168,412</u>
102,983,323	119,390,237	154,378,744	218,789,779	347,112,852	438,365,823	2,095,423,209
<u>\$524,338,475</u>	<u>\$534,176,391</u>	<u>\$581,990,202</u>	<u>\$652,191,371</u>	<u>\$795,582,440</u>	<u>\$852,738,064</u>	<u>\$8,579,365,600</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, 2007**

	BUDGETED/ APPROPRIATED	CONTRACTED/ COMMITTED AMOUNT JUNE 30, 2007	FY 90-01
DISBURSEMENTS FROM THE TIMED ACCOUNT (CONT.)			
Borrowed TIMED Bond Proceeds:			
Highway construction	\$47,700,000	\$47,700,000	\$47,700,000
Overlay Program	49,400,000	49,400,000	49,400,000
	<u>\$97,100,000</u>	<u>\$97,100,000</u>	<u>\$97,100,000</u>
Total	<u>\$97,100,000</u>	<u>\$97,100,000</u>	<u>\$97,100,000</u>

(Concluded)

Schedule 1

<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>TOTAL</u>
						\$47,700,000
						49,400,000
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>\$97,100,000</u>

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OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain our report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statement performed in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statement and includes, where appropriate, any significant deficiencies and/or material weaknesses in internal control, compliance, or other matters that would be material to the presented financial statement.



LOUISIANA LEGISLATIVE AUDITOR
STEVE J. THERIOT, CPA

January 7, 2009

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

**THE HONORABLE JOHN KENNEDY, TREASURER
OFFICE OF THE STATE TREASURER
STATE OF LOUISIANA**
Baton Rouge, Louisiana

We have audited the special purpose financial statement of the Transportation Trust Fund and Associated Accounts and Funds for the year ended June 30, 2007, and have issued our report thereon dated January 7, 2009. Our report was modified to include an emphasis of a matter regarding the impact of hurricanes Katrina and Rita. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Department of the Treasury, Transportation Trust Fund's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement but not for the purpose of expressing an opinion on the effectiveness of the department's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Department of the Treasury's internal control over financial reporting for the Transportation Trust Fund.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination

of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiency to be a significant deficiency in internal control over financial reporting.

**Inadequate Preparation of the Transportation
Trust Fund Financial Statement**

The Department of the Treasury (Department) did not submit an accurate special purpose Statement of Gasoline and Special Fuels Tax and Other Receipts, Disbursements, and Changes in Balances of the Transportation Trust Fund and Associated Accounts and Funds (Statement A) for fiscal year ended June 30, 2007, to the Office of Legislative Auditor. Good internal control over financial reporting should include adequate procedures for compiling the financial statement and should allow for adequate review so that any preparation errors can be detected and corrected before submission of the financial statement.

The special purpose 2007 financial statement included numerous errors requiring adjustment, as follows:

- Federal Receipts and Disbursements were overstated by \$15,178,914. The Department did not include all necessary accounts in the calculation of federal receipts and used incorrect reports. This error affected Statement A and the related note disclosure (note 14).
- Receipts and Cash were overstated by \$21,643 because of an error in the allocation of interest. This error affected Statement A and the related note disclosure (note 2).
- In Schedule 1, Act 17 of 2006 was not updated for fiscal year 2007 activity in the TTF and TIMED sections and there were formula errors in the expenditure total columns. Total understatement of the TTF budget was \$184,217,673; total understatement of the TTF contracted/committed column was \$112,806,439; and total understatement of TTF total expenditures was \$311,022,861. Total understatement of the TIMED budget on Schedule 1 was \$270,500,000 and the total TIMED expenditures were understated by \$3,168,411.
- In the Cash, Cash Equivalents, and Investments note disclosure (note 2), investments were understated by \$20,899,262 and cash was overstated by the same amount (misclassification).
- The Cash, Cash Equivalents, and Investments note disclosure (note 2) was incomplete. A required disclosure for repurchase agreements was excluded.

- The disclosure for Gasoline and Special Fuels Taxes Dedicated for Debt Service (note 3) reported the transfer amounts for gasoline tax and special fuels tax as \$32,593,511 and \$9,967,209, respectively. These amounts were the same amounts reported in fiscal year 2006. For fiscal year 2007, the gasoline tax transfer amount should have been \$52,984,211 and the transfer amount for special fuels should have been reported as \$16,564,984.

Management of the Department has not established adequate internal controls over financial reporting to include detailed, written procedures for the compilation of the financial statements. In addition, management has not developed an adequate review process to ensure that the financial statements are accurately presented.

Failure to establish adequate internal controls over financial reporting could result in undetected errors and/or fraud and incomplete or inaccurate financial statements. Such incomplete or inaccurate statements could be misleading to those individuals and organizations that rely on the financial statements.

Management of the Department should establish a formal written compilation process to ensure that adequate supporting documentation for the financial statements is maintained and the financial statements are adequately reviewed. We requested a written response from the Department's management for inclusion in this report; however, management declined to provide us a formal response.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

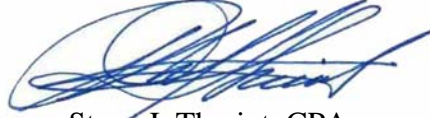
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not consider the significant deficiency described above to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department of the Treasury, Transportation Trust Fund's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the trustee, JPMorgan Chase & Co., management of the Department of the Treasury, others within the department, and the Louisiana Legislature 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,



Steve J. Theriot, CPA
Legislative Auditor

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