

STATE OF LOUISIANA LEGISLATIVE AUDITOR

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Department of the Treasury
State of Louisiana
Baton Rouge, Louisiana

January 20, 1998



Financial and Compliance Audit Division

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

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LEGISLATIVE AUDITOR

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

**Special Purpose Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 1968
With Supplemental Information Schedules**

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

January 30, 1969

DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA

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

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HAROLD G. KYLL, PRESIDENT
LEGISLATIVE AUDITOR

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December 9, 1995

Independent Auditor's Report
on the Financial Statements

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

We have audited the accompanying special purpose (legal basis) financial statements of the Department of the Treasury, a department within Louisiana state government, as of and for the year ended June 30, 1995, as listed in the foregoing table of contents. These financial statements are the responsibility of management of the Department of the Treasury. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

LEGISLATIVE AUDITOR

HONORABLE KEM DUNCAN
STATE TREASURER
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
Audit Report, June 30, 1998

In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the balances within the appropriated and non-appropriated funds of the Department of the Treasury at June 30, 1998, and the transactions of the General Appropriation Fund for the year then ended, on the basis of accounting described in note 1-B.

In accordance with Government Auditing Standards, we have also issued a report dated December 9, 1998, on our consideration of the Department of the Treasury's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

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

In accordance with Louisiana Revised Statute 24:519, our report is intended for the information and use of the department and its management and should be used solely as intended by the foregoing statute. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

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ISSUING

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

Balance Sheet (Legal Basis), June 30, 1998

	APPROPRIATED FUNDS - GENERAL APPROPRIATION	NON-APPROPRIATED FUNDS			TOTAL (MEMORANDUM ONLY)
		SAVING FUND REVENUES AND INCOME NOT AVAILABLE	PAYROLL CLEARING	FISCAL FUNDING	
ASSETS					
Cash (note 1.C)	\$7,858,480		\$25,889	\$200,000	\$8,084,369
Major state revenues and income not available (See non-ovens (note 2) Other revenues)	\$2,747,740	\$18,964,830			\$20,712,570
					\$639
TOTAL ASSETS	<u>\$10,606,220</u>	<u>\$18,964,830</u>	<u>\$25,889</u>	<u>\$200,000</u>	<u>\$29,817,139</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$207,888				\$207,888
Payroll payable	\$5,828				\$5,828
Payroll deductions payable			\$75,577		\$75,577
Accrued employees/benefits			\$2,470		\$2,470
Due to state General Fund (note 5)	\$4,416,191				\$4,416,191
Major state revenues and income not available (see note 1) (note 2)		\$18,964,830			\$18,964,830
Other payables				\$200,000	\$200,000
Total Liabilities	<u>\$10,235,907</u>	<u>\$18,964,830</u>	<u>\$78,047</u>	<u>\$200,000</u>	<u>\$29,474,784</u>
Fund Equity - fund balance:					
Reserved for continuing operations (note 1E)	408,133				408,133
Unreserved - appropriated funds (note 8)	\$9,198,080				\$9,198,080
Total Fund Equity	<u>\$9,606,213</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$9,606,213</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$20,042,120</u>	<u>\$18,964,830</u>	<u>\$78,047</u>	<u>\$200,000</u>	<u>\$29,474,997</u>

The accompanying notes are an integral part of this statement.

DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
GENERAL APPROPRIATION FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance (Legal Basis)
For the Year Ended June 30, 2018

REVENUES

Appropriated by legislature:	
State General Fund	9935,130
State General Fund by fees and self-generated revenues	2,900,180
State General Fund by interagency transfers	1,054,383
Total revenues	<u>4,989,693</u>

EXPENDITURES

Administrative	604,364
Financial accountability and control	1,058,713
Debt management	1,020,882
Investment management	629,177
Total expenditures	<u>3,313,136</u>

EXCESS OF REVENUES OVER EXPENDITURES 516,557

OTHER APPROPRIATED FINANCING SOURCES (Uses)

Transfers in (note 8)	63,677,000
Transfers out (note 8)	(64,819,101)

FUND BALANCE AT BEGINNING OF YEAR 483,582

ADJUSTMENT (note 1E) 2,411

FUND BALANCE AT END OF YEAR 537,483

The accompanying notes are an integral part of this statement.

DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
GENERAL APPROPRIATION FUND

Statement of Revenues, Expenditures, and
Unexpended Appropriation - Budget
Comparison of Current-Year Appropriation -
Budget (Legal Basis) and Actual
For the Year Ended June 30, 1998

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Appropriated by legislature:			
State General Fund	\$985,300	\$935,130	(\$50,170)
Federal funds	1,000		(1,000)
State General Fund by fees and self-generated revenues	2,864,640	2,768,804	(\$95,836)
State General Fund by statutory deduction	478,200	78,000	(\$400,200)
State General Fund by interagency transfers	1,748,840	1,804,383	(\$54,457)
Total appropriated revenues	<u>6,785,080</u>	<u>4,238,345</u>	<u>(\$2,546,735)</u>
EXPENDITURES			
Appropriated for:			
Administration	738,000	613,800	124,200
Financial accountability and control	2,805,074	1,500,170	(\$1,304,904)
Debt management	1,407,080	1,219,340	(\$187,740)
Investment management	1,837,370	625,339	(\$1,212,031)
Total appropriated expenditures	<u>6,798,084</u>	<u>3,761,233</u>	<u>(\$3,036,851)</u>
UNEXPENDED APPROPRIATION - CURRENT YEAR			
	<u>NONE</u>	<u>\$498,122</u>	<u>\$498,122</u>

The accompanying notes are an integral part of this statement.

**DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**

Notes to the Financial Statements
As of and for the Year Ended June 30, 1996

INTRODUCTION

The Louisiana Department of the Treasury is a department within the State of Louisiana reporting entity. The department was created in accordance with Title 39, Chapter 21 of the Louisiana Revised Statutes of 1950, as a part of the executive branch of government. The department is responsible for the custody, investment, and disbursement of public funds of the state. The department is funded by an annual appropriation from the General Fund, interagency transfers, and through self-generated fees charged by the State Bond Commission, whose administrative functions are included in the operations of the department. The department has 49 positions as June 30, 1996.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. FUND ACCOUNTING

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

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

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

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

GENERAL APPROPRIATION FUND

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

NON-APPROPRIATED FUNDS

Major State Revenues and Income Not Available

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

Agency Funds

Payroll Clearing Fund

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

Escrow Fund

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

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

B. BASIS OF ACCOUNTING

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

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

principles in which the measurement focus would be to measure the flow of current resources.

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

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

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

Revenues

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

Expenditures

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

Other Appropriated Financing Sources (Uses)

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

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

**DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

C. CASH

Cash is composed of the following:

Under control of the department:	
Cash in demand accounts	(\$3,635)
Petty cash (on hand)	100
Cash on deposit with the state treasury	<u>2,734,016</u>
Total	<u>\$2,730,481</u>

Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. The department has deposit balances (collected bank balances) of \$1,905 at June 30, 1999, which are fully secured from risk by federal deposit insurance (GASB Risk Category 1).

The department will reimburse the petty cash fund from self-generated revenues to eliminate the \$3,635 cash over/def. The department has an arrangement with its banking institution to cover short-term cash deficits without charge.

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

Means of finance	\$1,518,141
ISE operating	344,677
Payroll clearing	35,589
Escrow Fund	<u>821,629</u>
Total	<u>\$2,734,016</u>

D. GENERAL FIXED ASSETS

At June 30, 1999, the department has stewardship responsibility for \$529,160 in governmental movable property, valued at historical cost at the time of acquisition. The movable property is not reflected in the accompanying special purpose financial statements. A summary of changes in movable property follows:

**DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

	Balance July 1, 1997	Additions	Deletions	Balance June 30, 1998
Monetary property	<u>\$447,302</u>	<u>\$155,718</u>	<u>\$191,471</u>	<u>\$511,549</u>

The department has complied with R.S. 38:321-323, the monetary property statutes of the State of Louisiana.

E. LONG-TERM OBLIGATIONS

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

F. ENCUMBRANCE ACCOUNTING

Encumbrances represent commitments relating to unperformed contracts for goods or services. The department employs encumbrance accounting during the year to ensure compliance with the annual appropriation act. Encumbrances are not included in the accompanying financial statements because R.S. 39:52 and the annual appropriation act do not allow the department to charge encumbrances against its current-year appropriations, the basis upon which the accompanying financial statements have been prepared. The department has no encumbrances at June 30, 1998.

G. BUDGET PRACTICES

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

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

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

Statement B revenues	54,390,687
Carryover of prior-year cash for statutory dedication	189,955
Transfer in (statutory dedication)	188,793
Transfer out (return of appropriation)	(800,934)
Carryover of prior-year revenues for State Bond Commission rebates	<u>482,944</u>
Statement C revenues	<u>34,330,345</u>
Statement B expenditures	53,781,036
Prior-year payroll accrual	76,818
Current-year payroll accrual	<u>(85,525)</u>
Statement C expenditures	<u>53,781,036</u>

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

	Programs			Total
	Administrative	Financial Accounting and Control	Two Management	
Original estimated budget:				
Payroll changes	\$70,244	\$1,887,714	\$1,404,089	\$3,962,047
Budget adjustments	<u>50,984</u>	<u>117,565</u>		<u>168,549</u>
Final budget	<u>\$121,228</u>	<u>\$2,005,279</u>	<u>\$1,404,089</u>	<u>\$3,535,687</u>

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

H. LEAVE BENEFITS

Employees earn and accumulate annual and sick leave at various rates depending on their years of service, without limitation on the balance that can be accumulated. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay but are not compensated for unused sick leave. Upon retirement, unused annual leave in excess of 300 hours (plus unused sick leave) are used to compute retirement benefits. The liability for unused annual leave payable at June 30, 1998, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards Section 260.105, is estimated to be \$152,785. The leave payable is not recorded in the accompanying special purpose financial statements.

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

1. TOTAL COLUMN ON BALANCE SHEET

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

2. DUE FROM OTHERS

As shown on Statement A, the department has a net amount of \$83,717,743 due from others at June 30, 1998. This amount includes travel and inpatient fund advances of \$2,333,117 paid by the department to various state agencies, as authorized by the Commissioner of Administration, and seed advances of \$81,450,000 to various units of state government, as appropriated annually by the legislators in the Ancillary Appropriations Act. These amounts are returned annually to the state General Fund through the department's operating appropriation.

3. PENSION PLAN

Substantially all employees of the Department of the Treasury are members of the Louisiana State Employees Retirement System, a cost sharing, multiple-employer defined benefit pension plan, administered by a board of trustees. Required disclosures for the plan for fiscal year 1998 are included in the Louisiana Comprehensive Annual Financial Report prepared by the Louisiana Division of Administration, Post Office Box 64505, Baton Rouge, Louisiana 70804-9005.

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

The department provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the department's employees become eligible for these benefits if they reach normal retirement age while working for the department. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the department. The department's costs of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended June 30, 1998, the number of retirees is 18 and the costs of retiree benefits totaled \$19,580.

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

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

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

6. LEASE OBLIGATIONS

The department had no material capital or operating leases as of June 30, 1998.

7. DUE TO STATE GENERAL FUND

As shown on Statement A, the department has \$84,619,151 due to the state General Fund. Of this amount, \$5,100 represents advances received by the department for the travel and impost fund account and \$830,934 of excess self-generated revenue due to the state General Fund. The remainder of \$83,788,117, as discussed in note 2, represents advances made to various agencies for travel and impost funds (\$2,333,117) and seed advances (\$81,455,000). These amounts are returned annually to the Department of the Treasury by the various agencies. At June 30, 1998, these advances represent a liability to the department and must be repaid to the state General Fund and reestablished annually by the Ancillary Appropriations Act.

8. TRANSFERS IN/OUT

Transfers in of \$43,877,005, as shown on Statement B, consist of \$183,783,111 of petty cash, travel advances, and seed monies and \$166,783 of statutory dedication.

Transfers out of \$84,619,151 consist of \$83,788,217 of petty cash, travel advances, and seed monies allocated to various state agencies and a return of appropriation of \$830,934.

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

As shown on Statement A, the department has an unreserved - undesignated fund deficit of \$68,820 at June 30, 1998, as a result of an adjustment for payroll payables. This deficit will be liquidated with funds appropriated for the 1998-99 fiscal year.

10. RESERVED FOR CONTINUING OPERATIONS

The department has a total of \$465,123 reserved for continuing operations. This represents monies that will be repaid in fiscal year 1998-99 to governmental and private issuers of debt for excess closing fees paid to the State Bond Commission in the previous fiscal year.

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

Adjustment to the beginning fund balance of the General Appropriation Fund, as shown on Statement B, is \$2,411, which was an adjustment to prior-year payables.

**DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

12. OTHER CHARGES

In accordance with instructions of the Division of Administration, State Budget Office, certain expenditures of the department are designated as other charges. These amounts represent banking and other financial service charges as well as the State Bond Commission rebates and totaled \$1,239,329 for the fiscal year.

13. DEFERRED COMPENSATION PLAN

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

**DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended June 30, 1995**

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

The per diem paid to State Board Commission members is presented on Schedule 1, as required by House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. In accordance with Louisiana Revised Statutes 24:21 and 42:3.1, each member receives per diem equal to the per diem (either federal amount of \$67 or \$100 or state amount of \$75) provided by law for members of the legislature.

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

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

SCHEDULE OF CHANGES IN BALANCE(S)

Schedule 3 presents the changes in balances for the non-appropriated funds for the year ended June 30, 1995.

**DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA**

**Schedule of Per Diem Paid
State Bond Commission Members
For the Year Ended June 30, 1998**

	<u>NUMBER</u>	<u>AMOUNT</u>
John A. Alario, Jr.	10	\$200
Dennis Bagneris*	5	87
Robert J. Barham	7	525
Gherman Copelin*	5	87
Jay Dardenne	3	335
John Devito*	5	181
Wade Ellington*	5	181
John Hammett	7	579
Paulette Irwin*	5	87
Jon D. Johnson	11	1,087
Jerry LeBlanc	10	750
Kenneth Odinet*	5	181
John R. Smith	12	1,184
Greg Tanser*	5	87
Warren Triche*	2	184
Cynthia Willard-Lewis*	1	101
		<hr/>
Total		<u>\$8,390</u>

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

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

**Schedule of Non-Appropriated Revenues
For the Year Ended June 30, 1998**

NONAPPROPRIATED REVENUE FUND SOURCE	CASH RECEIPTS BUDGET JUNE 30, 1998	ACCOUNTS RECEIVABLE AT JUNE 30, 1998	TOTAL REVENUES
Income not available - miscellaneous	52,845	928	53,773
Major state revenues:			
Agricultural Products Processing Fund	909		909
Agricultural Commodity	26,244		26,244
Alcohol Regulatory	12,480		12,480
Alcohol and Drug Abuse	508		508
Artificial Reef Development Fund	481,281		481,281
Eastern Women's Shelter	91,121	41,151	132,272
Gift Vendors Trust Fund	36,000		36,000
Gift Receipt Liquidation Fund	182,094		182,094
Louisiana Visitor Trust Fund	4,853		4,853
Capital Outlay TRSD Receipts	7,288,480		7,288,480
Center of Innovative Teaching and Learning	1,058,229		1,058,229
Classroom Based Technology Fund	26,862,656		26,862,656
Community and Technical College Investment Fund	1,008,000		1,008,000
Compassion and Problem Gaming	18,134		18,134
Constitution Fund	448,721		448,721
Deaf and (Sight) Fund		204,608	204,608
Disability Affairs Trust	48,782		48,782
Drug Treatment Fund	2,589		2,589
Gift Trust Maintenance and Training Fund	34,648		34,648
Economic Development Patent Program	7,118,782		7,118,782
Education Quality Permanent Trust	32,041,955	1,755,001	33,796,956
Education Quality Support Fund	83,888,026	4,718,278	88,606,304
National Energy Settlement	4,885,524		4,885,524
Federal State Fund Assistance Trust Fund	28,218		28,218
Free School Fund/Interest	718,882		718,882
Free School Fund/Investments	278,725		278,725
Free School Fund/Vacant Estates - New Orleans	28,248		28,248
Fuler Edwards Antiquities Trust	8,484		8,484
Fur and Alligator Education Fund	12,848		12,848
Health Care Facility Fund	381		381
Higher Education Distance Learning Account	151,056		151,056
Higher Education Library and Scientific Acquisitions	18,828,818		18,828,818
Interest earnings	87,794,452	(8,978)	87,785,474
Judge's Supplemental	122,828		122,828
Keep Louisiana Beautiful Fund	51		51
Legal Support Fund	124,045		124,045
Library Fund	118		118
Louisiana Sales Tax Collection and Abatement	3,880,000		3,880,000
Louisiana Wildlife Resource Fund	82,441		82,441
Louisiana Charter Start-Up Loan Fund	151,057		151,057
Louisiana Economic Development Fund	1,888,251		1,888,251
Louisiana Education Savings and Tuition Fund	17,122		17,122
Louisiana Employment Opportunity Fund	28,225		28,225

(Continued)

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

Schedule of Non-Appropriated Revenues, 1998

NON-APPROPRIATED REVENUE FUND SOURCE	CRIM PROCEEDS	ACCOUNTS	TOTAL REVENUES
	TRAVELER	RECEIVED AT	
	JUNE 30, 1998	JUNE 30, 1998	
Major state revenues (COM):			
Louisiana Environmental Education	3348		3348
Louisiana Homeless Trust Fund	1,577		1,577
Louisiana Lottery Proceeds	89,000,045	812,076,588	111,076,634
Louisiana Operation Game Thief	107		107
Louisiana Medical Assistant	2,580,221		2,580,221
Louisiana Senior Citizens Trust	267		267
Louisiana Special Olympics Charloff	8,872		8,872
Louisiana Technology Innovations Fund	2,008,748		2,008,748
Louisiana Tourism Promotion District Fund	88,448		88,448
Louisiana Wild Turkey Stamp Fund	4,371		4,371
Mineral Revenues Audit and Settlement Fund	126,061		126,061
Miscellaneous receipts	1,447,348		1,447,348
Natural Heritage Account Fund	4,800		4,800
New Orleans Area Tourism and Economic Development Fund	37,281		37,281
New Orleans Music Concerts and Visitor Bureau	83,348		83,348
Oil Spill Contingency	444,076	43,142	487,217
Orlando Site Restoration Fund	495,148		495,148
Oyster Development Account	10,800		10,800
Patient Compensation	2,741,144		2,741,144
Payroll and Hospitality Research	184		184
Peaceable Refuge	1,871,244		1,871,244
Peaceable Wildlife Special Appropriation	584,855		584,855
Plant Development Fund	1,000,000		1,000,000
Purcell BayouMarsh Island	88,158		88,158
Purcell BayouMarsh Island Refuge	888,011		888,011
Purcell BayouMarsh Island Special Appropriation	18,377		18,377
Purcell BayouMarsh Island Special Fund 2	41,808		41,808
Recreation District Accessibility Fund	128,808		128,808
Recreational Leadership Development Fund	48,288		48,288
Small Business Surety Bonding Fund	76,888	1,284	78,172
State Board of Health Investigator	14		14
St. Mary Parish Local Government Gaming Mitigation	772		772
Tax Commission Expense Fund	23,287		23,287
Teacher Preparation Loan Fund	81,811		81,811
Teachers Supplies Fund	12,388,382		12,388,382
Telecommunications for the Deaf	381,483		381,483
Volunteers Fund	188		188
To Help Our Wild Life Fund	1,718		1,718
Transportation Trust Fund	17,818,888		17,818,888
Traumatic Head and Spinal Cord		80	80
Tuition Assistance	88,881		88,881
United States Charloff	11,873		11,873
Violence Family Violence Checkoff	5		5
Volunteer Firefighters Insurance	18,307		18,307
Wagner Parish Convention and Visitor	481		481
Wetlands Conservation	2,881,284		2,881,284

(Continued)

DEPARTMENT OF THE TREASURY
 STATE OF LOUISIANA
 MAJOR STATE REVENUES AND
 INCOME NOT AVAILABLE
 Schedule of Non-Appropriated Revenues, 1996

NONAPPROPRIATED REVENUE SOURCE	CASH RECEIPTS THROUGH JUNE 30, 1996	ACCOUNTS RECEIVABLE AT JUNE 30, 1996	TOTAL REVENUES
Major state revenues (Cont.):			
West Parish Tourism Fund	\$871		\$871
Wildlife Protection Trust Fund	190,890		190,890
Wildlife Development	440,847		440,847
Southwest Offender Management	26,199		26,199
Sub-total - major state revenues	<u>777,117</u>	<u>\$18,504,755</u>	<u>\$19,281,872</u>
Total non-appropriated revenues	<u>\$777,117</u>	<u>\$18,504,853</u>	<u>\$19,281,970</u>

(Concluded)

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

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

	PAYROLL CLEARING FUND	ECONOMY FUND
BALANCES AT BEGINNING OF YEAR	<u>\$32,592</u>	<u>\$1,354,083</u>
ADDITIONS:		
Transfers from general appropriation	1,851,128	
Unclaimed property		(11,848)
State-dated checks		37,118
TDI testing deposit		82,880
Interest fees paid in protest		18,338
Total additions	<u>1,851,128</u>	<u>126,488</u>
Total	<u>1,883,720</u>	<u>1,440,948</u>
DEDUCTIONS:		
Payroll deductions and employee benefits	1,247,648	
State-dated checks		58,927
Unclaimed property		248,258
Total deductions	<u>1,247,648</u>	<u>307,185</u>
BALANCES AT END OF YEAR	<u>\$13,944</u>	<u>\$1,133,763</u>

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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



BARRETT E. KYLL, PH.D., CPA, CFE
LEGISLATIVE AUDITOR

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December 9, 1998

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

HONORABLE KENN DICICAN
STATE TREASURER
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the special purpose (legal basis) financial statements of the Department of the Treasury, a department within Louisiana state government, as of and for the year ended June 30, 1998, and have issued our report thereon dated December 9, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

LEGISLATIVE AUDITOR

HONORABLE RICH DUNCAN
STATE TREASURER
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
Compliance and Internal Control Report
December 5, 1998
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the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the department and its management. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

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