

DIVISION OF ADMINISTRATION
BUDGET DEFICIT
STATE OF LOUISIANA



AGREED-UPON PROCEDURES REPORT
ISSUED MARCH 2, 2011

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

January 21, 2011

Independent Accountant's Report on
Applying Agreed-Upon Procedures

MR. PAUL RAINWATER
COMMISSIONER OF ADMINISTRATION
DIVISION OF ADMINISTRATION
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Division of Administration (Division) solely to assist the Division in complying with the provisions of Louisiana Revised Statute (R.S.) 39:75 relating to the Division's calculation of the State of Louisiana's General Fund Revenue Less Appropriations and Requirements (Deficit) for the fiscal year ended June 30, 2010, as reported in the fiscal year 2009-2010 Fiscal Status Summary (Summary) approved by the Joint Legislative Committee on the Budget (JLCB) on October 22, 2010. Management of the Division is responsible for the calculation of the Deficit. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of management of the Division. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We performed the following procedures in accordance with the terms of the engagement agreement dated November 29, 2010:

General

We obtained from the Division its calculation of the State of Louisiana's Deficit for the year ended June 30, 2010, as reported in the fiscal year 2009-2010 Summary approved by the JLCB on October 22, 2010.

Revenues

1. We verified the mathematical accuracy of the "Actual Revenues (Estimated)" amount, net of reductions for statutory dedications, in the calculation of the Deficit and traced and agreed the amount of taxes, licenses, and fees included in

the calculation to the appropriate Integrated Statewide Information System (ISIS) reports and data, the state agencies' Annual Fiscal Report supplemental schedules, the State Treasurer's Office reports, or other supporting documentation, as appropriate.

During our procedures, we identified revenues in the amount of \$1.14 million that were improperly included in the Deficit calculation. The Division made the appropriate correction before presenting the Summary to the JLCB on January 21, 2011. (See Attachment A.)

2. We agreed the "Act 122 of 2009 transfer from Budget Stabilization Fund 'Rainy Day Fund'" to the amount authorized by Act 122 of 2009.
3. We agreed the "Act 51 of the 2010 transfer from the Budget Stabilization Fund" and the "Capital Outlay - Act 51 Use of Amnesty Funds" to the amounts authorized by Act 51 of 2010.
4. We agreed the "Act 20 use of FY 07-08 Surplus" to the prior year Summary or other supporting documentation, as appropriate.
5. We agreed the "Act 633 of 2010 transfer from various funds to the State General Fund" to the amounts authorized by Act 633 of 2010. We verified the mathematical accuracy of the amount calculated.
6. We agreed the "Act 226 of 2009 transfer from Rapid Response Fund," "Act 226 of 2009 transfer from Insure Louisiana Program Fund," and "Act 226 of 2009 transfer from Incentive Fund" to the amounts authorized by Act 226 of 2009.
7. We agreed the "BA-7s from FY 08-09 carried forward into FY 09-10" to the prior year Summary or other supporting documentation, as appropriate.
8. We agreed the "Carryforward of IEB prior appropriations from FY 06-07 and FY 07-08 into FY 09-10" to the prior year Summary or other supporting documentation, as appropriate.
9. We agreed the "Capital Outlay - 'Re-Appropriation' from various prior years" to the appropriations authorized in the 2010 Capital Outlay Act or other supporting documentation, as appropriate. We verified the mathematical accuracy of the amount calculated.
10. We verified the mathematical accuracy of the amount calculated as "Subtotal Revenues."

Expenditures

1. We verified the mathematical accuracy of "Actual Expenditures" in the calculation and traced and agreed to the amounts recorded as expenditures in ISIS, to appropriate legislative acts, or to other supporting documentation, as appropriate.
2. We agreed the "Carryforward BA-7s (General Appropriations Bill)" to the appropriate BA-7 documents, reports provided by the Office of Statewide Reporting and Accounting Policy (OSRAP), reports provided by the Office of Planning and Budget (OPB), or to other appropriate supporting documentation. We verified the mathematical accuracy of the amount calculated.
3. We agreed the "Carryforward BA-7s (Legislative)" to amounts recorded in ISIS, reports provided by OPB, or other appropriate supporting documentation. We verified the mathematical accuracy of the amount calculated.
4. We agreed the "IEB Carryforward Balances" to reports provided by OPB, reports provided by the Interim Emergency Board (IEB), or other appropriate supporting documentation. We verified the mathematical accuracy of the amount calculated.
5. We agreed the "Capital Outlay Carryforwards" to reports provided by OPB, reports provided by the Office of Facility Planning and Control, or to other appropriate supporting documentation. We verified the mathematical accuracy of the amount calculated.
6. We verified the mathematical accuracy of the amount calculated as "Subtotal Expenditures."
7. We verified the mathematical accuracy of the total Deficit calculated.

In accordance with the engagement agreement dated November 29, 2010, any detected errors or proposed adjustments to the Deficit calculation totaling less than 1% of total Deficit, either individually or in the aggregate, were considered immaterial for the purposes of this engagement. Based on the procedures performed, we did not find any exceptions that would exceed the 1% threshold, other than the exception already described.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Division's calculation of the State of Louisiana's Deficit for the fiscal year ended June 30, 2010, as reported in the fiscal year 2009-2010 Summary or on the effectiveness of the Division's internal control over the calculation and reporting of the Deficit for the year ended June 30, 2010. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Commissioner of Administration, management of the Division of Administration, and the Louisiana Legislature and is not intended to be, and should not be, used by anyone other than those specified parties. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

EMS:CR:BDC:THC:dl

SURPLUS 2010

Fiscal Year 2009-2010
Fiscal Status Summary

II. 'FY 2009/2010 Fiscal Status Summary:

Actual Revenues (Estimated)	\$7,173.686	
Act 122 of 2009 - transfer from Budget Stabilization Fund "Rainy Day Fund"	86.177	
Act 51 of 2010 - transfer from the Budget Stabilization Fund	198.396	
Act 20 use of FY 07-08 Surplus	782.290	
Act 633 of 2010 - transfer from various funds to the State General Fund	83.405	
Act 226 of 2009 - transfer from Rapid Response Fund	13.500	
Act 226 of 2009 - transfer from Insure Louisiana Program Fund	75.587	
Act 226 of 2009 - transfer from Incentive Fund	3.900	
BA-7s from FY 08-09 carried forward into FY 09-10	34.334	
Carryforward of IEB prior appropriations from FY 06-07 and FY 07-08 into FY 09-10	1.763	
Capital Outlay - Act 51 Use of amnesty funds	115.000	
Capital Outlay - "Re-Appropriation" from various prior years	<u>6.733</u>	
 SUBTOTAL REVENUES		 <u>\$8,574.772</u>
 Actual Expenditures	 \$7,950.741	
Carryforward BA-7s (General Appropriations Bill)	12.739	
Carryforward BA-7s (Legislative)	0.047	
IEB Carryforward Balances	1.606	
Capital Outlay Carryforwards	<u>717.617</u>	
 SUBTOTAL EXPENDITURES		 <u>\$8,682.749</u>
 General Fund Revenue Less Appropriations & Requirements FY 2009-2010		 <u><u>(\$107.977)</u></u>

The schedule above is presented in the format that was approved by the Joint Legislative Committee on the Budget on January 21, 2011. The figures have been rounded to the nearest million and truncated to the nearest thousand, resulting in unadjusted rounding differences in the revenues and expenditures subtotals.

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