

**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, 1996**

	<u>BUDGETED/ APPROPRIATED</u>	<u>CONTRACTED AMOUNT JUNE 30, 1996</u>
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
Airport priority program	8,000,000	8,000,000
Overlay program	61,071,429	61,071,429
Highway construction	38,775,510	38,775,510
State funded construction	17,245,280	17,245,280
Statewide flood-control program	9,693,878	9,693,878
Ports priority program	14,540,815	14,540,815
Subtotal	<u>149,530,612</u>	<u>149,530,612</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	476,438	476,438
Railway improvements	323,562	323,562
Inspection and repairs for five ferry vessels	1,000,000	1,000,000
Highway construction	40,000,000	40,000,000
Overlay program	48,700,000	48,700,000
State funded construction	16,000,000	16,000,000
Statewide flood-control program	10,000,000	10,000,000
Ports priority program	15,000,000	15,000,000
Airport priority program	8,300,000	8,300,000
Subtotal	<u>139,800,000</u>	<u>139,800,000</u>
Act 13 of the 1992 Regular Session of the Louisiana Legislature (General Appropriations Act):		
Office of the Secretary	715,884	
Office of Management and Finance	16,608,461	
Office of Engineering	173,143,137	
Subtotal	<u>190,467,482</u>	<u>NONE</u>
Act 14 of the 1993 Regular Session of the Louisiana Legislature (General Appropriations Act):		
Office of the Secretary	716,084	
Office of Management and Finance	16,690,298	
Office of Engineering	174,547,825	
Subtotal	<u>191,954,207</u>	<u>NONE</u>

(Continued)

**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, 1996**

	<u>BUDGETED/ APPROPRIATED</u>	<u>CONTRACTED AMOUNT JUNE 30, 1996</u>
Borrowed TIMED Bond Proceeds:		
Highway construction	\$47,700,000	\$47,700,000
Overlay program	<u>49,400,000</u>	<u>49,400,000</u>
Total	<u>\$97,100,000</u>	<u>\$97,100,000</u>

(Concluded)

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

political subdivision thereof, and the faith and credit of the state is not pledged to the payment of these bonds. The bonds are payable solely from and secured by the pledge of gasoline and fuels taxes as defined by the Gasoline and Fuels Tax Revenue Bond Resolution adopted by the Louisiana State Bond Commission on March 15, 1990. The annual requirements of the bonds outstanding at June 30, 1996, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1997	\$21,885,000	\$12,683,376	\$34,568,376
1998	23,365,000	11,150,347	34,515,347
1999-2005	169,957,640	72,014,767	241,972,407
Total	<u>\$215,207,640</u>	<u>\$95,848,490</u>	<u>\$311,056,130</u>

13. REQUIRED RESERVES

The Gasoline and Fuels Tax Revenue Bond Resolution requires the establishment of a Debt Service Reserve Account. The First Supplemental Bond Resolution, dated April 19, 1990, establishes the amount to be deposited in the reserve account as an amount equal to the greatest annual aggregate debt service on all bonds outstanding provided however that as a result of the issuance of any series of bonds, the debt service reserve requirement may not exceed the sum of the debt service reserve requirement immediately before the issuance of such bonds, plus 10 percent of the net proceeds of the bonds. For the year ended June 30, 1996, the reserve requirement is \$26,038,441. The Debt Service Reserve Account has \$25,904,424 on deposit at June 30, 1996. The deficit of \$134,017 will be fully funded with the interest income due October 31, 1996, in the amount of \$877,500.

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, 1996, \$257,207,581 of FHWA and FAA funds were received by the state and were credited and deposited into the Transportation Trust Fund. Of this total, \$228,027,926 was transferred to and subsequently disbursed out of the Capital Outlay Escrow Fund and \$29,179,655 was disbursed directly out of the Transportation Trust Fund for a total of \$257,207,581. Federal funds that are required by law to be deposited into the Transportation Trust Fund are not available nor dedicated in any manner to the payment of debt service on Transportation Trust Fund 1990 Series A outstanding bonds.

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

15. FUND BALANCES

Statement A is presented on a cash basis of accounting and, accordingly, the receivables and payables associated with the Transportation Trust Fund's activities are not reflected in the statement. However, the general purpose financial statements of the State of Louisiana include the financial activities of the Transportation Trust Fund and the TIMED Account prepared on the modified accrual basis of accounting. The state's general purpose financial statements for the fiscal year ended June 30, 1996, reflect a fund balance in the TIMED Fund of \$307,029,165 and a fund balance in the Transportation Trust Fund of \$189,364,510.

16. LITIGATION AND CLAIMS

There is no litigation pending against the Transportation Trust Fund at June 30, 1996.

17. ARBITRAGE REBATE REQUIREMENTS

The state originally elected the "rebate" method of arbitrage calculations in accordance with Sections 143(g)(3) and 148(f)4(IV)(V) of the Internal Revenue Code. Subsequently, the state elected to apply Section 1.148-11(b) of the Treasury Regulations, issued June 14, 1993, to the Gasoline and Fuels Tax Revenue Bonds 1990 Series A. The calculation of arbitrage for the periods ending November 3, 1994, and May 3, 1995, depicted the expenditure of all available construction proceeds. As a result, no arbitrage rebate was due for the period ending June 30, 1996.

18. TIMED APPROPRIATIONS

The TIMED appropriations included on Schedule 1 are funded from bond proceeds of \$232,789,184, as originally appropriated in Act 822 of the 1989 Regular Session of the Louisiana Legislature, and receipts from the gasoline and special fuels tax of 4 cents.

**TRANSPORTATION TRUST FUND AND
ASSOCIATED ACCOUNTS AND FUNDS
DEPARTMENT OF THE TREASURY
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended June 30, 1996**

**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).

**DISBURSEMENTS TO REIMBURSE
THE STATE GENERAL FUND**

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

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

**Schedule of Disbursements to the Department
of Transportation and Development
For the Year Ended June 30, 1996**

	<u>BUDGETED/ APPROPRIATED</u>	<u>CONTRACTED AMOUNT JUNE 30, 1996</u>
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	
Office of Management and Finance	840,000	
Office of Engineering	5,660,645	
Subtotal	<u>7,000,000</u>	<u>NONE</u>
Act 21 of the 1990 Regular Session of the Louisiana Legislature (General Appropriations Act):		
Office of the Secretary	2,446,775	
Office of Management and Finance	16,936,012	
Office of Engineering	141,827,395	
Subtotal	<u>161,210,182</u>	<u>NONE</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
State funded construction	1,717,000	1,717,000
Contract maintenance	10,000,000	10,000,000
Statewide flood-control program	5,265,923	5,265,923
Ports priority program	3,949,028	3,949,028
Subtotal	<u>31,503,951</u>	<u>31,503,951</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
Highway construction	41,402,000	41,380,681
State funded construction	20,000,000	19,946,465
Statewide flood-control program	6,463,700	6,463,700
Ports priority program	9,714,629	9,714,629
Subtotal	<u>157,580,329</u>	<u>157,505,475</u>
Act 12 of the 1991 Regular Session of the Louisiana Legislature (General Appropriations Act):		
Office of the Secretary	741,498	
Office of Management and Finance	16,695,568	
Office of Engineering	151,686,669	
Subtotal	<u>169,123,735</u>	<u>NONE</u>

(Continued)

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

Because the investments of the debt service trustee accounts are held in the name of the state by an agent of the state, these investments are considered credit risk Category 1 in applying the credit risk of GASB Codification Section 150.164.

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

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

Prior lien obligations are also required for the Port Improvement Bonds, 1966 Series, dated January 1, 1966, of the Port of New Orleans and the State of Louisiana Highway Bonds, Fourth Series, dated March 5, 1958.

After satisfying prior lien obligations, Section 204 of the collection agreement requires that the treasurer transfer gasoline and special fuels tax collections to the debt service trustee accounts in amounts sufficient to meet the next debt service payments established by the bond resolution. During the year ended June 30, 1996, the treasurer transferred the amount needed to fund the payments of principal and interest due on November 15, 1995, of \$27,902,827 and interest due on May 15, 1996, of \$6,710,998.

**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.

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STATE OF LOUISIANA LEGISLATIVE AUDITOR

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

December 11, 1996



Financial and Compliance Audit Division

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

WARRANTS DRAWN						
FY 90	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
	\$23,065,997	\$14,646,384	\$5,331,881	\$4,655,738		
	46,964,146	2,133,307	156,484	146,063		
NONE	\$70,030,143	\$16,779,691	\$5,488,365	\$4,801,801	NONE	NONE

WARRANTS DRAWN						
FY 90	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
\$286,511	\$22,501					
371,820	468,180					
5,660,645	(1,760)					
<u>6,318,976</u>	<u>488,921</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
	1,621,842	\$333,079				
	14,962,236	109,765				
	138,428,927	851,914				
<u>NONE</u>	<u>155,013,005</u>	<u>1,294,758</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
10,212,336	123,948	158,147	\$6,733	\$68,682	\$2,154	
112,293	1,227,516	166,617	153,296	57,278		\$68,105
399,414	4,239,642	4,029,012	737,774	316,647	209,406	750
7,858	683,421	3,903,549	562,718	8,716	2,798	
	70,626	1,920,146	433,918	95,539	1,428,799	
<u>10,731,901</u>	<u>6,345,153</u>	<u>10,177,471</u>	<u>1,894,439</u>	<u>546,862</u>	<u>1,643,157</u>	<u>68,855</u>
	40,848,348	36,498,408	740,016	1,284,204	523,063	65,201
	11,234,535	14,091,561	6,802,623	5,144,485	1,532,165	340,851
	5,933,110	4,861,147	3,117,090	(808,835)	805,903	369,586
		564,815	2,230,905	3,098,042	396,233	(87,344)
	19,079	1,580,096	5,431,659	2,261,429	334,312	67,655
<u>NONE</u>	<u>58,035,072</u>	<u>57,596,027</u>	<u>18,322,293</u>	<u>10,979,325</u>	<u>3,591,676</u>	<u>755,949</u>
		597,102	13,013			
		15,198,713	483,269			
		146,196,085	835,689			
<u>NONE</u>	<u>NONE</u>	<u>161,991,900</u>	<u>1,331,971</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>

WARRANTS DRAWN						
FY 90	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
						\$20,326
						4,494,172
						29,743,814
						3,956,440
						517,516
						483,045
						39,215,313
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>39,215,313</u>
<u>\$17,050,877</u>	<u>\$219,882,151</u>	<u>\$286,620,918</u>	<u>\$281,920,208</u>	<u>\$299,428,824</u>	<u>\$308,692,710</u>	<u>355,892,676</u>
65,860	289,238	1,204,464	2,435,740	1,771,188	5,571,528	6,979,399
	1,163,754	3,513,768	5,652,920	6,215,928	1,978,208	3,349,179
	16,111,357	27,558,228	34,150,107	16,283,078	11,575,366	18,432,106
	15,732	148,772	1,844,275	1,139,823	1,992,940	4,451,584
			16,376	(16,376)	102,268	653,751
	9,512,780	18,261,842	4,841,204	468,977	109,403	
	372,076	1,320,831	2,086,805	5,163,322	10,021,354	6,350,898
	126,060			1,554,926	399,821	409,009
	1,769,227	2,556,728	2,531,281	12,348,171	5,794,593	
	155,825	477,436	415,220	614,391	228,896	345,714
	346,778	177,777	38,669	289,369	(751,070)	184,029
		314,679	316,353	232,052	555,050	131,988
		58,585	683,274	657,311	1,189,013	1,381,042
	8,810,863	25,100,000	14,600,000	21,960,707	20,739,293	8,789,137
	3,290,719	4,541,433	10,953,756	20,662,524	35,551,568	
	2,927	2,533,163				
		9,024				
<u>65,860</u>	<u>41,967,336</u>	<u>87,776,729</u>	<u>80,565,980</u>	<u>89,345,391</u>	<u>95,058,231</u>	<u>51,457,836</u>
<u>\$17,116,737</u>	<u>\$261,849,487</u>	<u>\$374,397,647</u>	<u>\$362,486,188</u>	<u>\$388,774,215</u>	<u>\$403,750,941</u>	<u>\$407,350,512</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, 1996**

	<u>BUDGETED/ APPROPRIATED</u>	<u>CONTRACTED AMOUNT JUNE 30, 1996</u>
DISBURSEMENTS FROM THE TRANSPORTATION TRUST FUND (CONT.)		
Act 1096 of the 1995 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act):		
Motor Vessel Drydock	\$500,000	\$54,872
Highway construction	43,500,000	21,637,526
Overlay program	59,929,122	55,220,779
State funded construction	34,700,000	8,227,367
Statewide flood-control program	10,000,000	4,880,300
Ports priority program	15,000,000	4,967,687
Airport priority program	4,100,000	
Subtotal	<u>167,729,122</u>	<u>94,988,531</u>
Subtotal from Transportation Trust Fund	<u>2,104,247,596</u>	<u>888,584,502</u>
DISBURSEMENTS FROM THE TIMED ACCOUNT		
Act 822 of the 1989 Regular Session, Act 1013 of the 1991 Regular Session, and Act 1137 of the 1992 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act):		
US 171	170,000,000	30,492,892
US 165	248,000,000	28,460,856
US 90	210,000,000	173,110,372
US 167	182,000,000	17,470,860
LA 3241	50,000,000	1,679,784
Jefferson Parish West Bank Expressway	30,000,000	33,194,206
New Orleans Tchoupitoulas Street Corridor	35,000,000	25,315,286
Earhart Boulevard	10,000,000	2,489,816
West Napoleon (Jefferson Parish)	25,000,000	25,000,000
LA 15	52,000,000	3,129,220
US 61	32,000,000	2,035,882
New Mississippi River Bridge at St. Francisville	50,000,000	1,727,941
Huey P. Long Bridge	60,000,000	
New Florida Avenue Bridge over Industrial Canal	32,000,000	5,070,261
Port of New Orleans	100,000,000	100,000,000
New Orleans International Airport	75,000,000	75,000,000
Contract for monitoring of construction projects		2,536,090
Red River project		
Subtotal from TIMED Account	<u>1,361,000,000</u>	<u>526,713,466</u>
Total	<u>\$3,465,247,596</u>	<u>\$1,415,297,968</u>

(Continued)

WARRANTS DRAWN						
FY 90	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
				\$300,000		
				7,321	\$2,073,013	\$315,931
				167,698	232,302	
				11,460,843	18,410,249	11,102,530
				25,332,015	22,377,771	1,335,375
				4,267,371	1,790,328	2,130,440
						1,185,189
						3,799,693
					1,077,561	1,581,702
NONE	NONE	NONE	NONE	41,535,248	45,961,224	21,450,860
					561,024	10,568
					22,724,163	359,970
					166,053,755	8,940,550
NONE	NONE	NONE	NONE	NONE	189,338,942	9,311,088
					65,325	1,600,986
					12,105,550	17,813,984
					14,805,258	37,780,957
					7,800,288	3,135,626
						1,768,031
					21,831	5,418,855
						1,155,734
NONE	NONE	NONE	NONE	NONE	34,798,252	68,674,173
						558,458
						24,679,006
						178,465,342
NONE	NONE	NONE	NONE	NONE	NONE	203,702,806

WARRANTS DRAWN						
FY 90	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
			\$203,700			
			1,213,500	\$1,690,641	\$921,524	\$1,377,564
		\$35,724,155	22,397,706	2,031,361	829,182	45,499
		12,828,584	11,613,761	6,634,989	2,843,726	513,478
		5,400,593	4,929,193	4,152,867	861,595	(182,304)
		552,212	726,515	200,192	1,345,907	728,056
		1,055,218	326,438	5,814,338	6,700,685	422,498
NONE	NONE	55,560,762	41,410,813	20,524,388	13,502,619	2,904,791
					354,231	122,207
			323,562			
			793,111	206,889		
			10,155,312	12,349,985	7,844,919	3,311,561
			24,105,897	21,693,544	2,155,380	111,884
			5,635,357	4,660,290	1,093,717	339,817
						1,777,203
					6,008,062	3,589,532
				138,582	1,462,051	556,637
NONE	NONE	NONE	41,013,239	39,049,290	18,918,360	9,808,841
			641,632	(39,672)		
			14,635,947	328,434		
			162,669,874	2,629,562		
NONE	NONE	NONE	177,947,453	2,918,324	NONE	NONE
				617,406	(10,357)	
				15,353,901	134,298	
				167,904,080	814,539	
NONE	NONE	NONE	NONE	183,875,387	938,480	NONE

**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, 1996**

	<u>BUDGETED/ APPROPRIATED</u>	<u>CONTRACTED AMOUNT JUNE 30, 1996</u>
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 Drydocking	\$300,000	\$300,000
Mississippi River Bridge and approaches	3,200,000	3,107,789
Accelerated loading facility	400,000	400,000
Highway construction	52,444,413	52,079,684
Overlay program	49,700,000	49,700,000
State funded construction	13,527,000	13,527,000
Statewide flood-control program	10,000,000	10,000,000
Ports priority program	15,000,000	15,000,000
Airport priority program	4,500,000	3,870,557
Subtotal	<u>149,071,413</u>	<u>147,985,030</u>
Act 15 of the 1994 Regular Session of the Louisiana Legislature (General Appropriations Act):		
Office of the Secretary	606,768	
Office of Management and Finance	23,336,736	
Office of Engineering	182,244,307	
Subtotal	<u>206,187,811</u>	<u>NONE</u>
Act 45 of the 1994 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act):		
Motor Vessel Drydock	1,685,000	1,666,313
Highway construction	51,200,000	51,200,000
Overlay program	61,375,616	61,230,171
State funded construction	27,100,000	26,491,664
Statewide flood-control program	10,000,000	10,000,000
Ports priority program	15,000,000	15,000,000
Airport priority program	4,100,000	1,682,755
Subtotal	<u>170,460,616</u>	<u>167,270,903</u>
Act 16 of the 1995 Regular Session of the Louisiana Legislature (General Appropriations Act):		
Office of the Secretary	531,521	
Office of Management and Finance	26,871,686	
Office of Engineering	185,224,929	
Subtotal	<u>212,628,136</u>	<u>NONE</u>

(Continued)

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

Cash on deposit with the State Treasury	\$405,893,297
Debt service trustee accounts:	
Cash in demand accounts	2
Money market accounts	<u>12,561</u>
 Total	 <u><u>\$405,905,860</u></u>

Cash and cash equivalents are stated at cost, which approximates market. Cash balances of \$405,893,297 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 general purpose financial statements.

The cash on deposit with the trustee in demand accounts totaling \$2 is secured from risk by federal deposit insurance. The money market balance of \$12,561 is in investments of the trustee in United States securities and are considered credit risk Category 3 in applying the credit risk of GASB Codification Section 150.164.

B. INVESTMENTS

At June 30, 1996, the Transportation Trust Fund and Associated Accounts and Funds have investments stated at cost totaling \$53,951,526, which are composed entirely of invested trustee account balances. The TIMED Account did not have a balance at June 30, 1996.

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

At June 30, 1995, the trustee's debt service accounts have investments in allowable investment securities as defined by Article 6, Section 603 of the bond resolution as follows:

	Carrying Amount <u>(Book Value)</u>	<u>Market Value</u>
United States Treasury strips	\$28,049,026	\$28,187,650
United States Treasury notes	<u>25,902,500</u>	<u>26,276,120</u>
 Total	 <u><u>\$53,951,526</u></u>	 <u><u>\$54,463,770</u></u>

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

**Schedule of Disbursements to Reimburse
the State General Fund
For the Year Ended June 30, 1996**

	<u>BUDGETED/ APPROPRIATED</u>	<u>CONTRACTED AMOUNT JUNE 30, 1996</u>
DISBURSEMENTS FROM THE TRANSPORTATION TRUST FUND		
Act 822 of the 1989 Regular Session of the Louisiana Legislature (Capital Outlay Appropriations Act) - Department of Transportation and Development - Gasoline and Special Fuels Taxes:		
Highway construction	\$452,000	\$452,000
State funded construction	7,283,000	7,283,000
Overlay program	20,028,000	20,028,000
Creole-Lake Charles (LA 27) studies, engineering, overlay, construction, right-of-way (Calcasieu)	<u>1,000,000</u>	<u> </u>
Total	<u><u>\$28,763,000</u></u>	<u><u>\$27,763,000</u></u>

LAKE CHARLES HARBOR AND TERMINAL DISTRICT	DEBT SERVICE TRUSTEE ACCOUNTS	TOTAL
<u>\$242,665</u>	<u>\$46,725,545</u>	<u>\$402,761,084</u>
		194,997
174,229	31,441,941	31,616,170
	7,555,971	7,555,971
		369,049,223
		88,729,941
		29,560,108
		5,000,000
	2,854,458	23,323,382
		257,207,581
<u>174,229</u>	<u>41,852,370</u>	<u>812,237,373</u>
		11,662,928
		43,889,330
		407,350,512
416,894		416,894
		257,207,581
	34,613,825	34,613,825
<u>416,894</u>	<u>34,613,825</u>	<u>755,141,070</u>
<u>NONE</u>	<u>\$53,964,090</u>	<u>\$459,857,387</u>

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

Debt Service Trustee Accounts

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

C. RECEIPTS AND DISBURSEMENTS

Receipts

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

Disbursements

Disbursements are made as authorized by law. Article 7, Section 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, 1996, disbursements of trust fund monies were made in accordance with the state general appropriation acts and the capital outlay acts, which are identified in notes 9, 10, and 11.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Balances at June 30, 1996, totaling \$459,857,387, 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:

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

B. FUNDS AND ACCOUNTS

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

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

Transportation Trust Fund

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

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

Act 16 of the 1989 First Extraordinary Session of the Louisiana Legislature [Louisiana Revised Statute (LSA-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.

Lake Charles Harbor and Terminal District Fund

The Lake Charles Harbor and Terminal District transactions presented on the statement represent only those amounts of Transportation Trust Fund collections dedicated by Article 7, Section 27 of the Louisiana Constitution to the payment of prior lien obligations.

ACTUAL REIMBURSEMENT						
FY 90	FY 91	FY 92	FY 93	FY 94	FY95	FY96
\$347,305	\$84,548	\$20,147				
1,504,520	4,532,594	397,612	\$226,274	\$253,886	\$86,768	(\$194,997)
14,920,497	4,696,149	411,357				
<u>\$16,772,322</u>	<u>\$9,313,291</u>	<u>\$829,116</u>	<u>\$226,274</u>	<u>\$253,886</u>	<u>\$86,768</u>	<u>(\$194,997)</u>

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

Notes to the Financial Statement
For the Year Ended June 30, 1996

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

The Statement of Gasoline and Fuels Tax and Other Receipts, Disbursements, and Changes in Balances is prepared in accordance with 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.

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

Special Purpose Financial Statement
and Independent Auditor's Report
For the Year Ended June 30, 1996
With Supplemental Information Schedules

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

December 11, 1996

**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, 1996**

	<u>TRANSPORTATION TRUST FUND</u>	<u>TRANSPORTATION INFRASTRUCTURE MODEL FOR ECONOMIC DEVELOPMENT (TIMED) ACCOUNT</u>
BALANCES AT JUNE 30, 1995	<u>\$260,401,511</u>	<u>\$95,391,363</u>
RECEIPTS		
Reimbursement from the state General Fund (note 11)	194,997	
Gasoline tax dedicated for debt service (note 3)		
Special fuels tax dedicated for debt service (note 3)		
Transferred through Bonds Security and Redemption Fund:		
Excess gasoline tax receipts (note 5)	320,358,085	48,691,138
Excess special fuels tax receipts (note 5)	77,028,729	11,701,212
Motor vehicle license tax (note 6)	29,560,108	
Aviation fuel (note 7)	5,000,000	
Interest earnings	14,782,899	5,686,025
Federal receipts (note 14)	257,207,581	
Total receipts	<u>704,132,399</u>	<u>66,078,375</u>
DISBURSEMENTS		
State Police	11,662,928	
Parish Transportation Program (note 9)	43,889,330	
Disbursed to the Department of Transportation and Development (note 10)	355,892,676	51,457,836
Lake Charles Harbor and Terminal District (note 3)		
Federal disbursements by the Department of Transportation and Development (note 14)	257,207,581	
Debt service on bonds (note 12)		
Total disbursements	<u>668,652,515</u>	<u>51,457,836</u>
BALANCES AT JUNE 30, 1996	<u><u>\$295,881,395</u></u>	<u><u>\$110,011,902</u></u>

The accompanying notes are an integral part of this statement.



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

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

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October 24, 1996

Independent Auditor's Report

HONORABLE KEN DUNCAN, 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, 1996. This financial statement is the responsibility of management of the Department of the Treasury. Our responsibility is to express an opinion on this financial statement based on our audit.

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

The accompanying special purpose financial statement was prepared for the purpose of complying with Section 301 of the Gasoline and Fuels Tax Collection and Allocation Agreement between the State of Louisiana and Bank One, formerly known as Premier Bank, N.A., trustee, as discussed in note 1, and is not intended to be a presentation in conformity with generally accepted accounting principles.

In our opinion, the special purpose financial statement referred to above presents fairly, in all material respects, the gasoline and fuels tax and other receipts, disbursements, and changes in balances of the Transportation Trust Fund and Associated Accounts and Funds for the year ended June 30, 1996, on the basis of accounting described in note 1.

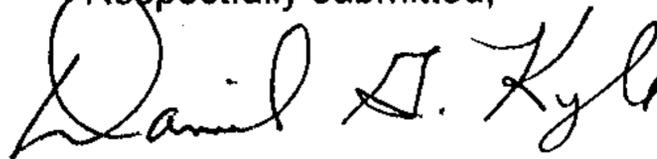
Our audit was made for the purpose of forming an opinion on the special purpose financial statement. The accompanying supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the special purpose financial statement of the Transportation Trust Fund and Associated Accounts and Funds. Such information has been subjected to the procedures applied in the audit of the special purpose financial statement and, in our opinion, is fairly stated in all material respects in relation to the special purpose financial statement taken as a whole.

LEGISLATIVE AUDITOR

HONORABLE KEN DUNCAN, TREASURER
OFFICE OF THE STATE TREASURER
STATE OF LOUISIANA
Audit Report, June 30, 1996

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

Respectfully submitted,

A handwritten signature in black ink that reads "Daniel G. Kyle". The signature is written in a cursive style with a large initial "D".

Daniel G. Kyle, CPA, CFE
Legislative Auditor

DJL:JR:dl

(TF-TREA)

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DIRECTOR OF FINANCIAL AND COMPLIANCE AUDIT

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

4 cent gasoline and special fuels tax collections. As of June 30, 1996, no amounts have been repaid from the Transportation Trust Fund to the TIMED Account.

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

Act 15 of the 1994 Regular Session of the Louisiana Legislature (General Appropriations Act) appropriated \$42,300,000 out of the Transportation Trust Fund to the Parish Transportation Program, of which \$6,000,000 was for the Mass Transit Program. The treasurer disbursed \$40,795,794 of this appropriation and \$3,093,536 from the prior year's appropriation to the Parish Transportation Program and the Mass Transit Program in accordance with a distribution formula and payment schedule established by LSA-R.S. 48:755. The remaining appropriation balance of \$1,504,206 was disbursed subsequent to June 30, 1996.

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

The Louisiana Department of Transportation and Development (DOTD) warranted and received \$407,350,512 for appropriations to the department. Included on Schedule 1 is the amount of warrants drawn by DOTD for fiscal years ending June 30, 1990, 1991, 1992, 1993, 1994, 1995, and 1996. For amounts budgeted/appropriated by Acts 822, 853, 1013, 1137, 645, 45, and 1096, the original contract amount is given for all contracts signed at June 30, 1996.

11. REIMBURSEMENTS TO/FROM STATE GENERAL FUND

Capital Outlay Act 822 of 1989 requires that expenditures made from certain General Fund appropriations be reimbursed by the Transportation Trust Fund. During the fiscal year ending June 30, 1996, several overlay projects were refinanced using bonds which resulted in an over-reimbursement to the General Fund. Schedule 2 depicts reimbursements to the state General Fund for fiscal years ending June 30, 1991, 1992, 1993, 1994, 1995, and 1996. The amount of expenditures over-reimbursed to the General Fund and subsequently transferred from the General Fund to the Transportation Trust Fund during the year ended June 30, 1996, was \$194,997.

12. LONG-TERM OBLIGATIONS

At June 30, 1996, the trust fund has outstanding \$215,207,640 of Gasoline and Fuels Tax Revenue Bonds 1990 Series A, issued by the State of Louisiana on April 15, 1990. These bonds have maturities from fiscal years 1997 to 2005 and interest rates of 6.6 to 7.25 percent. All principal and interest requirements are funded in accordance with Article 7, Section 27(C) of the 1974 Louisiana Constitution. These bonds are not general obligations of the state or any

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

Notes to the Financial Statement (Continued)

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 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 funds. For the year ended June 30, 1996, 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.

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 No. 89-655, the Attorney General for the State of Louisiana opined that the \$3 per automobile tax in effect before January 1, 1990, represents the amount of prior dedications, and the remaining collections are those required to be deposited into the Transportation Trust Fund. During the year ended June 30, 1996, the Transportation Trust Fund received \$29,560,108 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, 1996, the aviation fuel tax amounted to \$5,000,000. Those taxes are used for the financing of the annual appropriations for airports but are not required to be used solely for airports.

8. INTERFUND LOAN

Monies in the TIMED Account can be loaned to the Transportation Trust Fund, as provided by LSA-R.S. 47:820.2(C), and can be used for purposes consistent with the trust fund. The total of these loans cannot exceed \$160,000,000 and must be repaid by no later than June 30, 2010. By June 30, 1991, the Transportation Trust Fund had borrowed \$160,000,000, which includes \$97,100,000 of borrowed TIMED bond proceeds and \$62,900,000 of borrowed TIMED excess

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

Special Purpose Financial Statement
and Independent Auditor's Report
For the Year Ended June 30, 1996
With Supplemental Information Schedules

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