

DIVISION OF ADMINISTRATION
STATE OF LOUISIANA



AGREED-UPON PROCEDURES REPORT
ISSUED MARCH 18, 2009

**LEGISLATIVE AUDITOR
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LOUISIANA LEGISLATIVE AUDITOR
STEVE J. THERIOT, CPA

February 27, 2009

Independent Accountant's Report on
Applying Agreed-Upon Procedures

MS. ANGELE DAVIS
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 (Surplus) for the fiscal year ended June 30, 2008, as reported in the fiscal year 2007-2008 Fiscal Status Summary dated October 16, 2008, as updated on October 21, 2008. Management of the Division is responsible for the calculation of the Surplus. 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 12, 2008, as amended on January 16, 2009:

GENERAL

We obtained from the Division its calculation of the State of Louisiana's Surplus for the year ended June 30, 2008, as reported in the fiscal year 2007-2008 Fiscal Status Summary (Summary), as updated on October 21, 2008. The Surplus reported in the Summary totaled \$865.7 million (see Attachment A).

REVENUES

1. We verified the mathematical accuracy of the “Actual Revenues” amount in the calculation of Surplus and traced and agreed the amount of taxes, licenses, and fees included in the calculation of “Actual Revenues” to the appropriate Integrated Statewide Information System (ISIS) reports, ISIS cash receipts reported as of July 31, 2008, and August 14, 2008, for the Department of Revenue and Taxation and the Department of Public Safety, respectively, or to the state agencies’ Annual Fiscal Report Schedule 4, State Treasurer’s Office reports, or other supporting documentation, as appropriate.
2. We agreed the reductions to the “Actual Revenues” amount for statutory dedications to the appropriate ISIS report and verified the mathematical accuracy of the amount calculated.
3. We compared the “Act 208 of 2007 Transfer \$3M from Incentive & \$9.9M from Higher Education Initiatives Fund” amount to the amount authorized by Act 208 of 2007 and to the actual amount transferred in to the General Fund as recorded in ISIS.
4. We verified that the “Prior Year FY06-07 Surplus Revenue - Recognized by the REC on February 10, 2008” was the actual Surplus amount recognized for fiscal year 2007 by the Revenue Estimating Committee.

The “Prior Year FY06-07 Surplus Revenue - Recognized by the REC on February 10, 2008” amount included in the calculation (\$1,014,657,966) was less than the actual amount recognized by the Revenue Estimating Conference (\$1,088,045,000) by \$73,387,034. This difference represents the amount transferred from the General Fund Surplus for fiscal year 2007 to the Budget Stabilization Fund as authorized by Article VII, Section 10.3 of the Louisiana Constitution.

5. We agreed the “Fiscal Year 2006-2007 Carry-Forward BA-7s into Fiscal Year 2007-2008” to the appropriate BA-7 documents carrying the amounts forward into fiscal year 2008 and verified the mathematical accuracy of the amount calculated.

We obtained the BA-7 documents from the Division’s Office of Statewide Reporting and Accounting Policy. For the judicial and legislative branch carry-forward amounts, no supporting BA-7 document is prepared. We agreed the amount of the legislative branch carry-forward into fiscal year 2008 (\$2,660,224) to ISIS reports and copies of e-mails from legislative management which indicated approval of this carry-forward amount. There were no amounts carried forward into fiscal year 2008 by the judicial branch per the fiscal year 2008 ISIS reports.

6. We agreed the “Carry-Forward from IEB Prior Appropriations” to the Interim Emergency Board fiscal year 2008 financial report and to the appropriate BA-7 documents, as applicable, and verified the mathematical accuracy of the amount calculated.

7. We agreed the "Capital Outlay - 'Re-Appropriation' Per Act 28 of 2007 from various prior years" amounts to the appropriations authorized by Act 28 of 2007.
8. We verified the mathematical accuracy of the amount calculated as "Subtotal Revenues."

EXPENDITURES

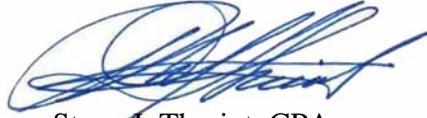
1. We verified the mathematical accuracy of the "Actual Expenditures" in the calculation of Surplus and traced and agreed the amounts recorded as expenditures in ISIS.
2. We agreed the "Fiscal Year 2007-2008 IEB Carry-Forward Balances" to the appropriate supporting documentation and verified the mathematical accuracy of the amount calculated.
3. We agreed the "Fiscal Year 2007-2008 Carry-Forward BA-7s" to the appropriate BA-7 documents or to other supporting documents carrying the amounts forward into fiscal year 2008 and verified the mathematical accuracy of the amount calculated.
4. We recalculated the "Capital Outlay Carry-Forwards" by subtracting fiscal year 2008 actual expenditures as recorded in ISIS from the fiscal year 2008 capital outlay budget.
5. We verified the mathematical accuracy of the amount calculated as "Subtotal Expenditures."
6. We verified the mathematical accuracy of the total Surplus calculated.

In accordance with the engagement agreement addendum dated January 16, 2009, any detected errors or proposed adjustments to the Surplus calculation totaling less than 0.2% of total Surplus, either individually or in the aggregate, were considered immaterial for the purposes of this engagement. Based on the procedures performed above, we did not find any exceptions that would exceed the 0.2% threshold.

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 General Fund Revenue Less Appropriations and Requirements for the fiscal year ended June 30, 2008, as reported in the fiscal year 2007-2008 Fiscal Status Summary, as updated on October 21, 2008, or on the effectiveness of the Division's internal control over the calculation and reporting of the Surplus for the year ended June 30, 2008. 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,



Steve J. Theriot, CPA
Legislative Auditor

LLG:BDC:BQD:THC:sr

SURPLUS08

Fiscal Year 2007-2008
Fiscal Status Summary

II. FY 2007-2008 Fiscal Status Summary:

Actual Revenues (Estimated)	10,181.100
Act 208 of 2007 Transfer \$3M from Incentive & \$9.9M from Higher Education Initiatives Fund	12.947
Prior Year FY 06-07 Surplus Revenue - Recognized by the REC on February 10, 2008	1,015.000
Fiscal Year 2006-2007 Carry-Forward BA-7's into Fiscal Year 2007-2008	114.690
Carry-Forward from IEB prior appropriations	1.495
Capital Outlay - "Re-Appropriation" Per Act 28 of 2007 from various prior years	1.235
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SUBTOTAL REVENUES	11,326.466
Actual Expenditures	9,632.634
Fiscal Year 2007-2008 IEB Carry-Forward Balances	3.326
Fiscal Year 2007-2008 Carry-Forward BA-7's	91.169
Capital Outlay Carry-Forwards	733.658
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SUBTOTAL EXPENDITURES	10,460.787
General Fund Revenue Less Appropriations & Requirements FY 2007-2008	<hr/> <hr/>
	865.680

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