

BOBBY JINDAL
GOVERNOR



ANGELE DAVIS
COMMISSIONER OF ADMINISTRATION

State of Louisiana
Division of Administration
Office of the Commissioner

October 7, 2009

The Honorable Michael J. Michot, Chairman
Joint Legislative Committee on the Budget
P. O. Box 44294
Baton Rouge, LA 70804

Dear Senator Michot:

Act 745 of the 1995 Regular Session requires that all state agencies and component reporting units report to the Commissioner of Administration, on a quarterly basis, information on accounts receivable and debt owed the state. The Commissioner is charged with the responsibility of developing the format for state agencies to report this information and also for compiling this information and reporting the results to the Joint Legislative Committee on the Budget.

In recent months, my office has conducted a review of statewide policies and procedures to determine the accuracy and effectiveness of the current reporting format. Now that we have concluded our evaluation, I am submitting the report for your review.

However, as was discussed in the last JLCB meeting, we believe that the "Quarterly Report on State Gross Accounts Receivable" can be revised to allow for a more useful management tool. Accounts receivable outstanding at various point of time will be compared to the revenues recognized for the same period. This is important information that is not captured in the current format and undermines the true understanding of "cash management". Therefore, we look forward to working with the JLCB to recommend revisions to this report format.

Attached is the Accounts Receivable Reports for the quarters ended September 30, 2008, December 31, 2008 and **March 31, 2009**. Not included in the report are the Judiciary and the Legislature. In a letter dated March 6, 1997, from the Second Circuit Court of Appeal, Louisiana Revised Statute (LRS) 39:4 (B) is cited, which states that the Judiciary and the Legislature do not fall under the jurisdiction of the Division of Administration.

The Honorable Michael J. Michot

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Each report consists of a Schedule of Gross Receivables for the state, Amounts Past Due, Uncollectibles and Write-offs by Agency, and a Schedule of Activity for Accounts Receivable over 180 Days Past Due by Agency.

September 31, 2008: LSU Health Sciences Centers reported \$22,265,877 in write-offs for this quarter. This amount represents approximately 92.65% of the total write-offs reported.

December 31, 2008: LSU Health Sciences Centers reported \$31,452,776 in write-offs for this quarter. This amount represents approximately 13.86% of the total write-offs reported.

March 31, 2009: LSU Health Sciences Centers reported \$35,792,635 in write-offs for this quarter. This amount represents approximately 50.37% of the total write-offs reported.

If you have any questions concerning the information presented in this report, please contact Ms. Katherine Porche at (225) 219-4442 or Mr. Afranie Adomako at (225) 342-0708.

Sincerely,



Angele Davis
Commissioner of Administration

AD/AA/kbp

Enclosure

c: Mr. Afranie Adomako, CPA
Ms. Katherine Porche, CPA



STATE OF LOUISIANA



STATE OF LOUISIANA RECEIVABLES REPORT

For the Quarter Ended March 31, 2009



Angele Davis
Commissioner of Administration

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STATE OF LOUISIANA

Receivables Reporting Package

Background

Louisiana Revised Statute 39:79(C) mandated (1) the reporting of information on receivables and debt owed the State by state agencies and component reporting units on a quarterly basis; (2) the development of the format for reporting this information; and (3) the maintenance of detailed data to support the report format by each state agency and component reporting unit. These agencies are to submit a reporting package no later than 45 days after the end of each quarter. The quarterly reporting package contains the following schedules:

Accounts Receivable Activity - This schedule requests gross receivables at the end of the quarter, estimated uncollectibles, and authorized write-offs for the quarter by revenue source.

Accounts Receivable Aging Schedule - This schedule requests information about aging of past due accounts by revenue source.

Collections for Accounts Receivable Over 180 Days Past Due - This schedule requests, by revenue source, information about the status of accounts that are over 180 days old.

Quarterly Write-off Disclosure - This schedule requests disclosure of accounts written off during the quarter. The authorized quarterly write-offs are determined within each agency by their board or committee.

Quarterly receivables report is necessary to provide a summary of the status of the state receivables and related collections activity by agency. Users of this report should not consider gross receivables' amounts as resources available to any specific fund or agency because certain revenue (1) could be *Income Not Available* and not related to a specific fund or agency, or (2) could be major state revenue, which may be available to all agencies.

The receivables reporting requirement is applicable to all state agencies and component reporting units for the State of Louisiana except for the judiciary of the state and the Legislature. Title 39 of the Louisiana Revised Statutes (LRS) establishes the Division of Administration and mandates that all administrative functions of the state fall under its jurisdiction. LRS 39:4 (B) states, "The provisions of this Chapter shall not apply to the judiciary of the state, except the office of the Attorney General to which they shall apply, nor to the Legislature." Therefore, this reporting requirement is not applicable to the judiciary and to the Legislature.

STATE OF LOUISIANA
Schedule of Gross Receivables
For the Quarter Ended 03/31/2009

Gross Receivables	\$ 1,550,622,067
Less: Estimated Uncollectibles	\$ 662,258,574
Net Receivables	\$ 888,363,493
Gross Receivables Over 180 Days Past Due	\$ 960,957,333
Past Due As A Percentage of Gross Receivables	62%
Authorized Write-Offs This Quarter	\$ 71,063,895

**Schedule of Gross Receivables, Amounts Past Due,
Uncollectibles, and Write-offs by Agency
For the Quarter Ended 03/31/2009**

Agency	Gross Receivables	Over 180 Days Past Due	% of Receivables Past Due	Uncollectibles	Write-Offs
<u>Boards & Commissions</u>					
Board of Certified Public Accountants	\$ 11,110	\$ 10,875	98%	\$ 0	\$ 0
LA State Board of Medical Examiners	541,017	95,270	18%	108,206	0
State Plumbing Board of Louisiana	4,065	1,150	28%	0	0
LA Recreational & Used Motor Vehicle Commission	39,693	28,693	72%	0	0
LA State Board of Veterinary Medicine	4,296	0	0%	0	0
Louisiana Tax Free Shopping Commission	226,404	48,988	22%	0	0
Total Boards & Commissions	\$ 826,585	\$ 184,976	22%	\$ 108,206	\$ 0
<u>Colleges & Universities</u>					
LSU - Baton Rouge	\$ 19,072,389	\$ 4,344,743	23%	\$ 793,680	\$ 0
LSU - Alexandria	1,161,350	633,982	55%	39,119	0
University of New Orleans	8,767,596	4,194,084	48%	524,524	0
LSU Health Sciences Center - New Orleans	13,914,320	3,073,097	22%	176,859	48,687
LSU - Eunice	1,662,391	260,288	16%	102,691	0
LSU - Shreveport	589,704	202,100	34%	0	0
Pennington Biomedical Research Center	1,916,431	48,105	3%	0	0
LSU Health Sciences Center - HCSD	65,739,852	14,575,605	22%	49,429,795	14,218,566
LSU Health Sciences Center - Shreveport	159,404,748	50,488,619	32%	103,364,738	21,525,382
Baton Rouge Community College	1,830,685	475,259	26%	0	0
Southern University (all campuses)	8,617,764	6,252,729	73%	1,008,997	0
Nicholls State University	10,564,307	2,123,502	20%	8,991	11,705
Grambling State University	9,320,442	7,569,964	81%	6,418,586	0
Louisiana Tech University	1,948,360	793,076	41%	587,829	3,498
McNeese State University	5,153,210	2,862,700	56%	1,254,224	6,713
University of Louisiana @ Monroe	2,339,969	1,350,030	58%	0	0
Northwestern State University	4,835,698	2,441,720	50%	1,230,531	16,155
Southeastern Louisiana University	4,663,040	3,562,447	76%	1,753,022	0
Delgado Community College	8,319,217	4,451,705	54%	0	0

**Schedule of Gross Receivables, Amounts Past Due,
Uncollectibles, and Write-offs by Agency
For the Quarter Ended 03/31/2009**

Agency	Gross Receivables	Over 180 Days Past Due	% of Receivables Past Due	Uncollectibles	Write-Offs
Nunez Community College	384,854	232,398	60%	0	0
Bossier Parish Community College	1,067,701	559,819	52%	107,520	122,222
South Louisiana Community College	183,177	152,616	83%	0	0
River Parishes Community College	213,233	170,976	80%	110,610	0
Louisiana Delta Community College	105,751	37,088	35%	28,939	0
LCTCS - Louisiana Technical College	897,823	279,735	31%	1,562	0
L E Fletcher Technical Community College	23,681	1,605	7%	0	0
Sowela Technical Community College	454,167	54,109	12%	0	0
Total Colleges & Universities	\$ 333,151,860	\$ 111,192,101	33%	\$ 166,942,217	\$ 35,952,928
<u>State Agencies</u>					
Office of the Governor	\$ 5,171	\$ 5,171	100%	\$ 5,171	\$ 0
Mental Health Advocacy Service	5,309	429	8%	429	0
Division of Administration	4,234,303	134,034	3%	133,072	0
Louisiana Stadium & Exposition District	960,104	160,740	17%	0	0
Department of Veterans Affairs	26,905	12,426	46%	0	0
Southwest LA War Veterans Home	460,698	62,703	14%	8,174	0
Southeast LA War Veterans Home	635,097	35,041	6%	0	0
Secretary of State	500,532	392,730	78%	0	0
Office of Attorney General	11,358,809	7,244,762	64%	0	4,445,676
State Treasurer	691,642	457,406	66%	0	0
Public Service Commission	125,147	118,897	95%	0	0
Agriculture and Forestry	1,081,845	149,549	14%	126,595	40,643
Department of Insurance	363,835	296,518	81%	326,216	500
DED - LA Economic Development Corporation	607,862	208,821	34%	0	0
Louisiana State Racing Commission	7,920	7,130	90%	0	0
Office of Financial Institutions	91,125	0	0%	0	0
Louisiana State Board of Cosmetology	8,775	6,200	71%	3,950	0

**Schedule of Gross Receivables, Amounts Past Due,
Uncollectibles, and Write-offs by Agency
For the Quarter Ended 03/31/2009**

Agency	Gross Receivables	Over 180 Days Past Due	% of Receivables Past Due	Uncollectibles	Write-Offs
Department of Culture, Recreation, and Tourism	3,040	916	30%	1,368	0
Department of Transportation & Development	50,020,596	47,655,006	95%	0	0
Department of Health and Hospitals	732,379,471	507,129,877	69%	434,440,878	30,587,026
DSS - Office of Family Support	47,775,685	45,368,139	95%	5,035,229	17,334
DSS - Office of Community Services	124,978	110,331	88%	103,579	0
DSS - Rehabilitation Services	19,876	7,747	39%	2,981	0
Office of Youth Development	6,526,441	6,434,181	99%	6,073,549	0
Corrections - Adult Probation and Parole	14,664,823	11,111,332	76%	10,452,805	0
Department of Public Safety	4,482,641	2,527,403	56%	863,956	0
DNR - Office of the Secretary	422,714	379,628	90%	120,641	0
DNR - Office of Conservation	463,450	207,983	45%	102,215	0
DNR - Office of Mineral Resources	487,669	407,218	84%	122,495	0
DNR - Office of Coastal Restoration	56,761	47,899	84%	15,586	0
Department of Revenue	303,017,966	190,151,963	63%	26,129,575	0
Louisiana Tax Commission	121,377	57,595	47%	0	13,971
Department of Labor	22,544,911	21,288,074	94%	8,670,735	0
Department of Wildlife and Fisheries	2,555,367	2,463,425	96%	0	0
Ethics Administration	1,010,394	955,320	95%	0	0
Office of Student Financial Assistance	919,166	856,195	93%	690,672	0
Louisiana Educational Television Authority	80,020	3,608	5%	0	0
Board of Regents	2,290	1,102	48%	0	0
Louisiana Universities Marine Consortium	153,939	3,936	3%	3,936	360
DOE - Management and Finance	12,637	11,907	94%	0	0
DOE - Subgrantee Assistance	303,863	282,035	93%	123,680	0
DOE - Special School District	2,023	2,023	100%	0	0
Office of Group Benefits	1,185	0	0%	0	0
Office of Risk Management	137	137	100%	0	0
Administrative Services	4,284	1	0%	0	0
Louisiana Property Assistance Agency	53,147	0	0%	0	0

Schedule of Gross Receivables, Amounts Past Due,
Uncollectibles, and Write-offs by Agency
For the Quarter Ended 03/31/2009

Agency	Gross Receivables	Over 180 Days Past Due	% of Receivables Past Due	Uncollectibles	Write-Offs
Federal Property Assistance Agency	369,094	69,382	19%	0	0
Office of Telecommunications Management	124,538	230	0%	623	1
Prison Enterprises	661,992	15,279	2%	8,015	0
Office of Aircraft Services	11,061	2,305	21%	0	0
Department of Environmental Quality	6,099,147	2,733,662	45%	1,642,026	5,456
District Attorneys and Assistants	1,860	1,860	100%	0	0
Total State Agencies	\$ 1,216,643,622	\$ 849,580,256	70%	\$ 495,208,151	\$ 35,110,967
Grand Total	\$ 1,550,622,067	\$ 960,957,333	62%	\$ 662,258,574	\$ 71,063,895

Schedule of Activity for Accounts Receivable
Over 180 Days Past Due by Agency
For the Quarter Ended 03/31/2009

Agency	Agency In-House	Attorney General	Private Collection Agency	Other	Amount Under Protest
<u>Boards & Commissions</u>					
Board of Certified Public Accountants	\$ 10,875	\$ 0	\$ 0	\$ 0	0
LA State Board of Medical Examiners	95,270	0	0	0	0
State Plumbing Board of Louisiana	1,150	0	0	0	0
LA Recreational & Used Motor Vehicle Commission	2,752	0	0	25,941	0
LA State Board of Veterinary Medicine	0	0	0	0	0
Louisiana Tax Free Shopping Commission	48,988	0	0	0	0
Total					
Boards & Commissions	\$ 159,035	\$ 0	\$ 0	\$ 25,941	\$ 0
<u>Colleges & Universities</u>					
LSU - Baton Rouge	\$ 2,454,905	\$ 0	\$ 1,889,838	\$ 0	0
LSU - Alexandria	64,353	0	569,629	0	0
University of New Orleans	4,165,527	28,557	0	0	0
LSU Health Sciences Center - New Orleans	2,987,996	0	85,101	0	0
LSU - Eunice	1,880	0	258,408	0	0
LSU - Shreveport	77,263	776	124,061	0	0
Pennington Biomedical Research Center	48,105	0	0	0	0
LSU Health Sciences Center - HCSD	12,718,655	123,394	0	1,733,556	0
LSU Health Sciences Center - Shreveport	50,306,688	181,931	0	0	0
Baton Rouge Community College	475,259	0	0	0	0
Southern University (all campuses)	4,265,242	1,987,487	0	0	0
Nicholls State University	2,123,502	0	0	0	0
Grambling State University	2,987,381	4,582,583	0	0	0
Louisiana Tech University	291,410	0	501,666	0	0
McNeese State University	1,309,330	84,770	1,468,600	0	0
University of Louisiana @ Monroe	11,374	0	1,338,656	0	0
Northwestern State University	272,864	0	2,168,856	0	0
Southeastern Louisiana University	2,946,987	592,139	6,663	16,658	0
Delgado Community College	4,451,705	0	0	0	0

**Schedule of Activity for Accounts Receivable
Over 180 Days Past Due by Agency
For the Quarter Ended 03/31/2009**

Agency	Agency In-House	Attorney General	Private Collection Agency	Other	Amount Under Protest
Nunez Community College	80,785	0	151,613	0	0
Bossier Parish Community College	8,360	0	551,459	0	0
South Louisiana Community College	152,616	0	0	0	0
River Parishes Community College	170,976	0	0	0	0
Louisiana Delta Community College	8,149	0	28,939	0	0
LCTCS - Louisiana Technical College	279,735	0	0	0	0
L E Fletcher Technical Community College	1,605	0	0	0	0
Sowela Technical Community College	54,109	0	0	0	0
Total Colleges & Universities	\$ 92,716,761	\$ 7,581,637	\$ 9,143,489	\$ 1,750,214	\$ 0
 <u>State Agencies</u>					
Office of the Governor	\$ 5,171	\$ 0	\$ 0	\$ 0	\$ 0
Mental Health Advocacy Service	429	0	0	0	0
Division of Administration	134,034	0	0	0	0
Louisiana Stadium & Exposition District	160,740	0	0	0	0
Department of Veterans Affairs	12,426	0	0	0	0
Southwest LA War Veterans Home	62,703	0	0	0	0
Southeast LA War Veterans Home	35,041	0	0	0	0
Secretary of State	386,944	5,786	0	0	0
Office of Attorney General	0	7,244,762	0	0	0
State Treasurer	457,406	0	0	0	0
Public Service Commission	118,897	0	0	0	0
Agriculture and Forestry	149,549	0	0	0	0
Department of Insurance	218,802	42,821	0	0	34,895
DED - LA Economic Development Corporation	0	0	0	0	208,821
Louisiana State Racing Commission	7,130	0	0	0	0
Office of Financial Institutions	0	0	0	0	0
Louisiana State Board of Cosmetology	6,200	0	0	0	0

**Schedule of Activity for Accounts Receivable
Over 180 Days Past Due by Agency
For the Quarter Ended 03/31/2009**

Agency	Agency In-House	Attorney General	Private Collection Agency	Other	Amount Under Protest
Department of Culture, Recreation, and Tourism	916	0	0	0	0
Department of Transportation & Development	47,655,006	0	0	0	0
Department of Health and Hospitals	206,234,111	0	300,895,766	0	0
DSS - Office of Family Support	45,368,139	0	0	0	0
DSS - Office of Community Services	110,331	0	0	0	0
DSS - Rehabilitation Services	7,747	0	0	0	0
Office of Youth Development	6,434,181	0	0	0	0
Corrections - Adult Probation and Parole	11,111,332	0	0	0	0
Department of Public Safety	2,527,403	0	0	0	0
DNR - Office of the Secretary	379,628	0	0	0	0
DNR - Office of Conservation	207,983	0	0	0	0
DNR - Office of Mineral Resources	407,218	0	0	0	0
DNR - Office of Coastal Restoration	47,899	0	0	0	0
Department of Revenue	190,151,963	0	0	0	0
Louisiana Tax Commission	57,595	0	0	0	0
Department of Labor	7,731,147	70,881	0	3,952,116	9,533,930
Department of Wildlife and Fisheries	1,618,811	0	0	757,879	86,735
Ethics Administration	672,637	282,683	0	0	0
Office of Student Financial Assistance	856,195	0	0	0	0
Louisiana Educational Television Authority	3,608	0	0	0	0
Board of Regents	1,102	0	0	0	0
Louisiana Universities Marine Consortium	3,936	0	0	0	0
DOE - Management and Finance	11,907	0	0	0	0
DOE - Subgrantee Assistance	127,485	154,550	0	0	0
DOE - Special School District	2,023	0	0	0	0
Group Benefits	0	0	0	0	0
Office of Risk Management	137	0	0	0	0
Administrative Services	1	0	0	0	0
Louisiana Property Assistance Agency	0	0	0	0	0

**Schedule of Activity for Accounts Receivable
Over 180 Days Past Due by Agency
For the Quarter Ended 03/31/2009**

Agency	Agency In-House	Attorney General	Private Collection Agency	Other	Amount Under Protest
Federal Property Assistance Agency	69,382	0	0	0	0
Office of Telecommunications Management	230	0	0	0	0
Prison Enterprises	15,279	0	0	0	0
Office of Aircraft Services	2,305	0	0	0	0
Department of Environmental Quality	2,733,662	0	0	0	0
District Attorneys and Assistants	1,860	0	0	0	0
Total State Agencies	\$ 526,308,631	\$ 7,801,483	\$ 300,895,766	\$ 4,709,995	\$ 9,864,381
Grand Total	\$ 619,184,427	\$ 15,383,120	\$ 310,039,255	\$ 6,486,150	\$ 9,864,381

Note: The grand total of "Receivables Over 180 Days Past Due" equals \$960,957,333 referenced on page 2 and page 6.

NOTES TO THE RECEIVABLES REPORT

Significant Policies and Procedures:

A. Scope of Reporting - This report includes information related to receivables and debt owed to the State of Louisiana for the quarter. Receivables included are those of various departments, agencies, and other organizational units governed by the Legislature and/or constitutional officers of the State of Louisiana using the criteria established by Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*.

B. Purpose - Quarterly Receivables Reporting is necessary to provide a summary of the status of the state's receivables and related collections activity by agency. The primary purpose of this report is to provide information concerning the State's receivables in order to determine the effectiveness of State agency receivables management. Receivables management consists of a method for collecting resources owed the state and methods to minimize the amounts "estimated to be uncollectible and eventually" written off.

C. Past Due Receivables - For purposes of this reporting package, "Past Due Receivables" are receivables over 1 day past due.

D. Basis of Accounting - Receivables are recognized when goods are delivered or services are performed but collection has not occurred or when an amount to be claimed by the State as future cash can be reasonably estimated. These reports include only those amounts identifiable at the end of each quarter. Receivables are reported by revenue source, for example, amounts due from vendors, receivables from individuals, and major state revenue items such as sales tax and severance tax. This report does not include receivables due under the Louisiana Employment Security Law because of the enabling legislation. In addition, receivables from the federal government are not included, as the collectibility of these receivables are assured. Also, the report does not include inter-agency or intra-agency receivables.

E. Other - The amount for the Louisiana State University Health Sciences Center - Health Care Services Division includes amounts for all state hospitals. The Vocational Technical Colleges are included in LCTCS – Louisiana Technical College.

F. Subsequent Events – Hurricanes Katrina and Rita have impacted the collecting of receivables for the current fiscal year and possibly for future years to come.