

BOBBY JINDAL
GOVERNOR



ANGELE DAVIS
COMMISSIONER OF ADMINISTRATION

State of Louisiana
Division of Administration
Office of the Commissioner

December 21, 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 we 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 Report for the quarter ended June 30, 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 House of Representatives and the Senate have cited LRS 39:2(1) which gives the definition of a state agency. Both the House of Representatives and the Senate contend that the reporting requirement is not applicable to them, as they are not state agencies.

The Honorable Michael J. Michot

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December 21, 2009

The 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.

June 30, 2009: LSU Health Sciences Centers reported \$63,570,458 in write-offs for this quarter. This amount represents approximately 50.78% 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 June 30, 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 06/30/2009

Gross Receivables	\$ 1,622,589,767
Less: Estimated Uncollectibles	\$ 672,262,526
Net Receivables	\$ 950,327,241

Gross Receivables Over 180 Days Past Due	\$ 990,335,687
Past Due As A Percentage of Gross Receivables	61.03%

Authorized Write-Offs This Quarter	\$ 125,182,007
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**Schedule of Gross Receivables, Amounts Past Due,
Uncollectibles, and Write-offs by Agency
For the Quarter Ended 06/30/2009**

Agency	Gross Receivables	Over 180 days Past Due	% of Receivables Past Due	Uncollectibles	Write-Offs
<u>Boards & Commissions</u>					
Board of Certified Public Accountants	\$ 3,787	\$ 0	0.00%	\$ 0	0
LA Real Estate Appraisers Board	2,152	0	0.00%	0	0
LA State Board of Medical Examiners	571,536	97,720	17.10%	114,307	0
State Plumbing Board of Louisiana	6,060	2,890	47.69%	0	0
Recreational & Used Motor Vehicle Commission	40,543	39,693	97.90%	0	0
LA State Board of Veterinary Medicine	10,848	0	0.00%	0	0
Louisiana Tax Free Shopping Commission	338,696	26,100	7.71%	0	22,818
Total Boards & Commissions	\$ 973,622	\$ 166,403	17.09%	\$ 114,307	\$ 22,818
<u>Colleges & Universities</u>					
LSU - Baton Rouge	\$ 18,089,164	\$ 3,804,281	21.03%	\$ 741,580	\$ 750,081
LSU - Alexandria	3,405,065	550,921	16.18%	0	147,526
University of New Orleans	9,209,834	3,213,730	34.89%	0	791,944
LSU Health Sciences Center - New Orleans	16,467,480	2,868,315	17.42%	163,785	74,446
LSU - Eunice	2,245,398	185,984	8.28%	71,722	97,764
LSU - Shreveport	983,568	158,507	16.12%	0	89,984
Pennington Biomedical Research Center	493,300	43,818	8.88%	0	2,298
LSU Health Sciences Center - HCSD	63,035,951	13,132,400	20.83%	47,396,731	15,782,407
LSU Health Sciences Center - Shreveport	217,115,841	63,745,098	29.36%	124,785,236	47,713,605
Baton Rouge Community College	1,167,935	290,589	24.88%	484,316	0
Southern University (all campuses)	7,582,040	4,893,747	64.54%	1,270,040	163,967
Nicholls State University	3,607,238	2,242,319	62.16%	131,931	155,068
Grambling State University	9,577,878	7,598,966	79.34%	7,766,272	0
Louisiana Tech University	3,580,606	383,490	10.71%	223,756	568,326
McNeese State University	5,595,343	2,576,828	46.05%	1,188,245	37,535
University of Louisiana @ Monroe	3,241,669	2,587,632	79.82%	0	529,752
Northwestern State University	4,308,343	1,213,033	28.16%	1,114,559	1,072,203
Southeastern Louisiana University	3,208,567	2,548,273	79.42%	997,306	1,535,217
Delgado Community College	12,248,412	4,395,671	35.89%	0	0

**Schedule of Gross Receivables, Amounts Past Due,
Uncollectibles, and Write-offs by Agency
For the Quarter Ended 06/30/2009**

Agency	Gross Receivables	Over 180 days Past Due	% of Receivables Past Due	Uncollectibles	Write-Offs
Nunez Community College	293,487	216,920	73.91%	0	0
Bossier Parish Community College	821,287	425,605	51.82%	82,129	111,035
South Louisiana Community College	1,654,216	151,000	9.13%	45,788	45,788
River Parishes Community College	203,088	158,885	78.23%	110,187	0
Louisiana Delta Community College	88,751	33,811	38.10%	7,603	21,426
LCTCS - Louisiana Technical College	876,026	266,824	30.46%	946	0
L E Fletcher Technical Community College	21,716	804	3.70%	0	0
Sowela Technical Community College	654,628	74,631	11.40%	0	0
Total Colleges & Universities	\$ 389,776,831	\$ 117,762,082	30.21%	\$ 186,582,132	\$ 69,690,372
<u>State Agencies</u>					
Office of the Governor	\$ 5,171	\$ 5,171	100.00%	\$ 5,171	0
Mental Health Advocacy Service	5,309	5,309	100.00%	5,309	0
Division of Administration	4,140,757	134,447	3.25%	133,485	0
Louisiana Stadium & Exposition District	382,852	179,677	46.93%	0	2,102
Department of Veterans Affairs	43,291	6,791	15.69%	0	0
Southwest LA War Veterans Home	448,715	79,298	17.67%	7,585	0
Southeast LA War Veterans Home	226,053	75,765	33.52%	0	0
Secretary of State	952,781	59,655	6.26%	0	0
Office of Attorney General	11,000,604	8,085,049	73.50%	0	4,933,502
State Treasurer	756,453	676,060	89.37%	12,300	0
Public Service Commission	134,897	118,897	88.14%	0	0
Agriculture and Forestry	174,444	102,415	58.71%	109,090	240
Department of Insurance	589,684	313,306	53.13%	323,969	0
LA Economic Development Corporation	242,814	208,821	86.00%	0	0
Louisiana State Racing Commission	7,470	1,895	25.37%	0	0
Office of Financial Institutions	412,554	0	0.00%	0	0
Louisiana State Board of Cosmetology	9,435	6,865	72.76%	5,235	0
Department of Culture, Recreation, and Tourism	3,201	1,368	42.74%	3,040	1,368
Department of Transportation & Development	59,808,755	56,689,992	94.79%	0	182,971

**Schedule of Gross Receivables, Amounts Past Due,
Uncollectibles, and Write-offs by Agency
For the Quarter Ended 06/30/2009**

Agency	Gross Receivables	Over 180 days Past Due	% of Receivables Past Due	Uncollectibles	Write-Offs
Department of Health and Hospitals	730,217,185	505,931,271	69.29%	426,633,765	44,413,434
DSS - Office of Family Support	47,466,321	44,943,210	94.68%	5,012,912	35,698
DSS - Office of Community Services	50,695	43,960	86.71%	34,020	76,520
DSS - Rehabilitation Services	19,579	10,118	51.68%	2,937	174
Office of Youth Development	6,579,945	6,474,372	98.40%	6,137,365	0
Corrections - Adult Probation and Parole	15,221,409	10,985,812	72.17%	10,345,120	5,751,988
Department of Public Safety	3,445,101	2,716,064	78.84%	863,956	0
DNR - Office of the Secretary	385,303	380,128	98.66%	125,206	2,278
DNR - Office of Conservation	141,164	96,893	68.64%	34,053	5,645
DNR - Office of Mineral Resources	642,323	437,705	68.14%	140,973	0
DNR - Office of Coastal Restoration	82,418	53,549	64.97%	18,537	15,234
Department of Revenue	310,172,657	201,788,171	65.06%	24,656,238	0
Louisiana Tax Commission	87,273	38,400	44.00%	0	12,081
Department of Labor	23,684,779	22,468,763	94.87%	8,660,353	0
Department of Wildlife and Fisheries	2,559,599	2,458,569	96.05%	0	0
Ethics Administration	1,010,394	955,320	94.55%	0	0
Louisiana School for Math, Science, & the Arts	1,025	0	0.00%	0	0
Office of Student Financial Assistance	934,060	866,209	92.74%	695,896	0
Louisiana Educational Television Authority	231,900	4,038	1.74%	0	0
Board of Regents	2,324	1,102	47.42%	0	0
Louisiana Universities Marine Consortium	642,103	4,139	0.64%	4,139	0
DOE - Management and Finance	16,179	11,777	72.79%	11,440	0
DOE - Subgrantee Assistance	299,528	278,342	92.93%	278,342	0
DOE - Recovery School District	468,828	444,694	94.85%	0	0
DOE - Special School District	2,023	2,023	100.00%	2,023	0
Office of Group Benefits	1,536,254	1,536,254	100.00%	0	0
Office of Risk Management	137	137	100.00%	0	0
Administrative Services	3,848	0	0.00%	0	0
Louisiana Property Assistance Agency	1,480,389	0	0.00%	0	0
Federal Property Assistance Agency	354,405	8,230	2.32%	0	0

**Schedule of Gross Receivables, Amounts Past Due,
Uncollectibles, and Write-offs by Agency
For the Quarter Ended 06/30/2009**

Agency	Gross Receivables	Over 180 days Past Due	% of Receivables Past Due	Uncollectibles	Write-Offs
Office of Telecommunications Management	124,533	604	0.49%	623	27
Prison Enterprises	729,331	13,322	1.83%	12,656	918
Office of Aircraft Services	14,287	1,731	12.12%	0	0
Department of Environmental Quality	3,884,915	2,699,654	69.49%	1,290,349	34,637
District Attorneys and Assistants	1,860	1,860	100.00%	0	0
Total State Agencies	\$ 1,231,839,314	\$ 872,407,202	70.82%	\$ 485,566,087	\$ 55,468,817
Grand Total	\$ 1,622,589,767	\$ 990,335,687	61.03%	\$ 672,262,526	\$ 125,182,007

**Schedule of Activity for Accounts Receivable
Over 180 Days Past Due by Agency
For the Quarter Ended 06/30/2009**

Agency	Agency In-House	Attorney General	Private Collection Agency	Other	Amount Under Protest
<u>Boards & Commissions</u>					
Board of Certified Public Accountants	\$ 0	\$ 0	\$ 0	\$ 0	0
LA Real Estate Appraisers Board	0	0	0	0	0
LA State Board of Medical Examiners	97,720	0	0	0	0
State Plumbing Board of Louisiana	2,890	0	0	0	0
Recreational & Used Motor Vehicle Commission	12,752	1,000	0	25,941	0
LA State Board of Veterinary Medicine	0	0	0	0	0
Louisiana Tax Free Shopping Commission	26,100	0	0	0	0
Total Boards & Commissions	\$ 139,462	\$ 1,000	\$ 0	\$ 25,941	0
<u>Colleges & Universities</u>					
LSU - Baton Rouge	\$ 2,188,357	\$ 0	\$ 1,615,924	\$ 0	0
LSU - Alexandria	58,700	0	492,221	0	0
University of New Orleans	3,185,173	28,557	0	0	0
LSU Health Sciences Center - New Orleans	2,836,317	0	31,998	0	0
LSU - Eunice	1,503	0	184,481	0	0
LSU - Shreveport	48,638	776	109,093	0	0
Pennington Biomedical Research Center	43,818	0	0	0	0
LSU Health Sciences Center - HCSD	12,896,168	96,838	0	139,394	0
LSU Health Sciences Center - Shreveport	63,382,381	362,717	0	0	0
Baton Rouge Community College	290,589	0	0	0	0
Southern University (all campuses)	4,892,387	1,360	0	0	0
Nicholls State University	2,242,319	0	0	0	0
Grambling State University	6,472,975	1,125,991	0	0	0
Louisiana Tech University	79,101	0	304,389	0	0
McNeese State University	1,031,102	83,814	1,461,912	0	0
University of Louisiana @ Monroe	32,065	0	2,555,567	0	0
Northwestern State University	303,318	0	909,715	0	0
Southeastern Louisiana University	1,900,308	632,482	15,483	0	0
Delgado Community College	1,424,562	0	2,971,109	0	0

**Schedule of Activity for Accounts Receivable
Over 180 Days Past Due by Agency
For the Quarter Ended 06/30/2009**

Agency	Agency In-House	Attorney General	Private Collection Agency	Other	Amount Under Protest
Nunez Community College	59,836	0	157,084	0	0
Bossier Parish Community College	7,132	0	418,473	0	0
South Louisiana Community College	151,000	0	0	0	0
River Parishes Community College	158,885	0	0	0	0
Louisiana Delta Community College	26,208	0	7,603	0	0
LCTCS - Louisiana Technical College	266,824	0	0	0	0
L E Fletcher Technical Community College	804	0	0	0	0
Sowela Technical Community College	74,631	0	0	0	0
Total Colleges & Universities	\$ 104,055,101	\$ 2,332,535	\$ 11,235,052	\$ 139,394	\$ 0
<u>State Agencies</u>					
Office of the Governor	\$ 5,171	\$ 0	\$ 0	\$ 0	0
Mental Health Advocacy Service	5,309	0	0	0	0
Division of Administration	134,447	0	0	0	0
Louisiana Stadium & Exposition District	179,677	0	0	0	0
Department of Veterans Affairs	6,791	0	0	0	0
Southwest LA War Veterans Home	79,298	0	0	0	0
Southeast LA War Veterans Home	75,765	0	0	0	0
Secretary of State	46,225	13,430	0	0	0
Office of Attorney General	0	8,085,049	0	0	0
State Treasurer	443,224	232,836	0	0	0
Public Service Commission	118,897	0	0	0	0
Agriculture and Forestry	102,415	0	0	0	0
Department of Insurance	219,440	41,977	0	0	51,889
LA Economic Development Corporation	0	0	0	0	208,821
Louisiana State Racing Commission	1,895	0	0	0	0
Office of Financial Institutions	0	0	0	0	0
Louisiana State Board of Cosmetology	6,865	0	0	0	0
Department of Culture, Recreation, and Tourism	1,368	0	0	0	0
Department of Transportation & Development	56,689,992	0	0	0	0

**Schedule of Activity for Accounts Receivable
Over 180 Days Past Due by Agency
For the Quarter Ended 06/30/2009**

Agency	Agency In-House	Attorney General	Private Collection Agency	Other	Amount Under Protest
Department of Health and Hospitals	208,600,316	0	297,330,955	0	0
DSS - Office of Family Support	44,943,210	0	0	0	0
DSS - Office of Community Services	43,960	0	0	0	0
DSS - Rehabilitation Services	10,118	0	0	0	0
Office of Youth Development	6,474,372	0	0	0	0
Corrections - Adult Probation and Parole	10,985,812	0	0	0	0
Department of Public Safety	2,716,064	0	0	0	0
DNR - Office of the Secretary	380,128	0	0	0	0
DNR - Office of Conservation	96,893	0	0	0	0
DNR - Office of Mineral Resources	437,705	0	0	0	0
DNR - Office of Coastal Restoration	53,549	0	0	0	0
Department of Revenue	201,788,171	0	0	0	0
Louisiana Tax Commission	38,400	0	0	0	0
Department of Labor	8,662,864	37,881	0	3,954,206	9,813,812
Department of Wildlife and Fisheries	1,636,479	0	0	735,595	86,495
Ethics Administration	672,637	282,683	0	0	0
Louisiana School for Math, Science, & the Arts	0	0	0	0	0
Office of Student Financial Assistance	866,209	0	0	0	0
Louisiana Educational Television Authority	4,038	0	0	0	0
Board of Regents	1,102	0	0	0	0
Louisiana Universities Marine Consortium	4,139	0	0	0	0
DOE - Management and Finance	11,777	0	0	0	0
DOE - Subgrantee Assistance	127,486	150,856	0	0	0
DOE - Recovery School District	444,694	0	0	0	0
DOE - Special School District	2,023	0	0	0	0
Office of Group Benefits	21,280	1,514,974	0	0	0
Office of Risk Management	137	0	0	0	0
Administrative Services	0	0	0	0	0
Louisiana Property Assistance Agency	0	0	0	0	0
Federal Property Assistance Agency	8,230	0	0	0	0

**Schedule of Activity for Accounts Receivable
Over 180 Days Past Due by Agency
For the Quarter Ended 06/30/2009**

Agency	Agency In-House	Attorney General	Private Collection Agency	Other	Amount Under Protest
Office of Telecommunications Management	604	0	0	0	0
Prison Enterprises	13,322	0	0	0	0
Office of Aircraft Services	1,731	0	0	0	0
Department of Environmental Quality	2,699,654	0	0	0	0
District Attorneys and Assistants	1,860	0	0	0	0
Total State Agencies	\$ 549,865,743	\$ 10,359,686	\$ 297,330,955	\$ 4,689,801	\$ 10,161,017
Grand Total	\$ 654,060,306	\$ 12,693,221	\$ 308,566,007	\$ 4,855,136	\$ 10,161,017

Note: The grand total of "Receivables Over 180 Days Past Due" equals \$990,335,687, 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.