



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 September 30, 2008

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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 9/30/2008

Gross Receivables	\$ 1,653,934,228
Less: Estimated Uncollectibles	\$ 739,248,390
Net Receivables	\$ 914,685,838

Gross Receivables Over 180 Days Past Due	\$ 1,097,633,317
Past Due As A Percentage of Gross Receivables	66%

Authorized Write-Offs This Quarter	\$ 24,034,514
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**Schedule of Gross Receivables, Amounts Past Due,
Uncollectibles, and Write-offs by Agency
For the Quarter Ended 09/30/2008**

Agency	Gross Receivables	Over 180 days Past Due	% of Receivables Past Due	Uncollectibles	Write-Offs
<u>Boards & Commissions</u>					
Board of Certified Public Accountants	\$ 10,940	\$ 10,875	99%	\$ 0	\$ 0
Board of Embalmers and Funeral Directors	5,668	0	0%	0	0
LA State Board of Medical Examiners	988,454	131,167	13%	198,643	0
State Plumbing Board of Louisiana	1,930	1,930	100%	0	0
LA Recreational & Used Motor Vehicle Commission	36,928	31,736	86%	0	0
LA State Board of Veterinary Medicine	737	0	0%	0	0
Louisiana Tax Free Shopping Commission	199,855	36,457	18%	0	0
Total Boards & Commissions	\$ 1,244,512	\$ 212,165	17%	\$ 198,643	\$ 0
<u>Colleges & Universities</u>					
LSU - Baton Rouge	\$ 47,865,375	\$ 3,715,067	8%	\$ 793,680	\$ 0
LSU - Alexandria	1,703,706	573,014	34%	39,119	0
University of New Orleans	3,867,480	3,833,873	99%	0	0
LSU Health Sciences Center - New Orleans	16,232,115	3,070,895	19%	341,854	169,734
LSU - Eunice	568,355	248,483	44%	104,051	0
LSU - Shreveport	1,056,107	201,338	19%	0	0
Pennington Biomedical Research Center	2,107,500	51,361	2%	0	0
LSU Health Sciences Center - HCSD	57,220,007	13,355,894	23%	43,023,723	17,410,412
LSU Health Sciences Center - Shreveport	61,111,547	22,644,613	37%	38,872,029	4,685,731
Baton Rouge Community College	2,608,754	436,362	17%	0	0
Southern University (all campuses)	14,966,830	6,597,583	44%	984,510	0
Nicholls State University	11,174,236	1,913,712	17%	6,224	4,781
Grambling State University	10,765,942	7,063,256	66%	6,418,586	0
Louisiana Tech University	1,992,079	700,608	35%	226,998	34
McNeese State University	5,464,515	3,296,026	60%	1,276,923	748
University of Louisiana @ Monroe	3,020,531	1,407,421	47%	0	0
Northwestern State University	7,954,622	1,360,968	17%	1,230,361	51,404
Southeastern Louisiana University	6,043,237	3,767,326	62%	1,753,022	0
Delgado Community College	7,768,536	3,949,209	51%	0	0

**Schedule of Gross Receivables, Amounts Past Due,
Uncollectibles, and Write-offs by Agency
For the Quarter Ended 09/30/2008**

Agency	Gross Receivables	Over 180 days Past Due	% of Receivables Past Due	Uncollectibles	Write-Offs
Nunez Community College	519,048	207,919	40%	0	0
Bossier Parish Community College	1,592,643	759,784	48%	14,473	1,938
South Louisiana Community College	462,161	131,208	28%	0	0
River Parishes Community College	202,906	128,243	63%	42,204	0
Louisiana Delta Community College	153,392	40,809	27%	31,973	0
LCTCS - Louisiana Technical College	2,188,615	179,483	8%	10,555	0
L E Fletcher Technical Community College	10,809	804	7%	0	0
Sowela Technical Community College	178,771	62,010	35%	0	0
Total Colleges & Universities	\$ 268,799,819	\$ 79,697,269	30%	\$ 95,170,285	\$ 22,324,782
<u>State Agencies</u>					
Office of the Governor	\$ 5,171	\$ 5,171	100%	\$ 316	\$ 0
Mental Health Advocacy Service	5,643	763	14%	0	0
Division of Administration	4,234,020	135,253	3%	134,173	0
Louisiana Stadium & Exposition District	323,560	155,708	48%	0	0
Department of Veterans Affairs	20,060	3,250	16%	0	0
Southwest LA. War Veterans Home	354,739	12,818	4%	8,741	0
Southeast LA. War Veterans Home	495,688	3,720	1%	0	0
Secretary of State	1,920,248	35,757	2%	0	0
Office of Attorney General	9,873,024	6,379,038	65%	0	1,319,660
State Treasurer	749,553	456,465	61%	0	0
Public Service Commission	119,147	118,897	100%	0	0
Agriculture and Forestry	1,248,911	168,117	13%	185,081	26,185
Department of Insurance	452,554	319,288	71%	347,567	2,500
DED - LA Economic Development Corporation	252,331	208,821	83%	0	0
Louisiana State Racing Commission	5,460	4,285	78%	0	0
Office of Financial Institutions	94,834	0	0%	0	0
Louisiana State Board of Cosmetology	6,200	3,950	64%	2,385	0
Department of Culture, Recreation, and Tourism	1,109	78	7%	375	0
Department of Transportation & Development	50,238,788	46,094,618	92%	0	3,810

**Schedule of Gross Receivables, Amounts Past Due,
Uncollectibles, and Write-offs by Agency
For the Quarter Ended 09/30/2008**

Agency	Gross Receivables	Over 180 days Past Due	% of Receivables Past Due	Uncollectibles	Write-Offs
Department of Health and Hospitals	863,139,049	657,863,845	76%	590,408,953	287,726
DSS - Office of Family Support	46,141,153	43,767,145	95%	5,206,758	8,890
DSS - Office of Community Services	112,808	100,576	89%	95,418	0
DSS - Rehabilitation Services	18,032	5,364	30%	2,690	0
Office of Youth Development	6,106,200	5,693,401	93%	5,395,940	0
Corrections - Adult Probation and Parole	14,531,917	10,146,502	70%	9,498,635	0
Department of Public Safety	3,396,245	2,547,913	75%	863,956	0
DNR - Office of the Secretary	387,228	379,703	98%	133,930	0
DNR - Office of Conservation	238,687	191,332	80%	63,747	0
DNR - Office of Mineral Resources	980,143	233,424	24%	196,717	0
DNR - Office of Coastal Restoration	54,079	44,879	83%	14,015	0
Department of Revenue	327,312,323	214,028,052	65%	21,442,159	0
Louisiana Tax Commission	74,210	35,654	48%	0	0
Department of Labor	21,341,008	21,248,943	100%	7,690,569	0
Department of Wildlife and Fisheries	2,543,518	2,482,614	98%	477	2
Ethics Administration	1,010,735	918,270	91%	0	15,000
Louisiana School for Math, Science, & the Arts	375	0	0%	0	0
Office of Student Financial Assistance	905,195	844,763	93%	675,211	0
Louisiana Educational Television Authority	212,912	2,831	1%	0	0
Board of Regents	3,024	1,102	36%	0	0
Louisiana Universities Marine Consortium	172,704	69,915	40%	4,139	0
DOE - Management and Finance	12,261	11,289	92%	0	0
DOE - Subgrantee Assistance	304,128	304,128	100%	121,026	23,534
DOE - Recovery School District	321,456	321,456	100%	0	0
DOE - Special School District	2,530	2,530	100%	0	0
Office of Risk Management	137	137	100%	0	0
Administrative Services	10,760	0	0%	0	0
Louisiana Property Assistance Agency	89,054	0	0%	0	0
Federal Property Assistance Agency	581,167	9,888	2%	0	0
Office of Telecommunications Management	129,681	0	0%	648	1

Schedule of Gross Receivables, Amounts Past Due,
Uncollectibles, and Write-offs by Agency
For the Quarter Ended 09/30/2008

Agency	Gross Receivables	Over 180 days Past Due	% of Receivables Past Due	Uncollectibles	Write-Offs
Prison Enterprises	837,322	9,621	1%	10,197	0
Office of Aircraft Services	20,468	2,304	11%	0	0
Department of Environmental Quality	22,494,201	2,348,445	10%	1,375,639	22,424
District Attorneys and Assistants	4,147	1,860	45%	0	0
Total State Agencies	\$ 1,383,889,897	1,017,723,883	74%	643,879,462	1,709,732
Grand Total	\$ 1,653,934,228	\$ 1,097,633,317	66%	\$ 739,248,390	\$ 24,034,514

Schedule of Activity for Accounts Receivable
Over 180 Days Past Due by Agency
For the Quarter Ended 09/30/2008

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
Board of Embalmers and Funeral Directors	0	0	0	0	0
LA State Board of Medical Examiners	131,167	0	0	0	0
State Plumbing Board of Louisiana	1,930	0	0	0	0
LA Recreational & Used Motor Vehicle Commission	3,545	0	0	28,191	0
LA State Board of Veterinary Medicine	0	0	0	0	0
Louisiana Tax Free Shopping Commission	36,457	0	0	0	0
Total Boards & Commissions	\$ 183,974	\$ 0	\$ 0	\$ 28,191	\$ 0
<u>Colleges & Universities</u>					
LSU - Baton Rouge	\$ 2,115,815	\$ 0	\$ 1,599,252	\$ 0	\$ 0
LSU - Alexandria	212,664	0	360,350	0	0
University of New Orleans	3,797,128	36,745	0	0	0
LSU Health Sciences Center - New Orleans	2,943,064	0	127,831	0	0
LSU - Eunice	1,615	0	246,868	0	0
LSU - Shreveport	64,217	1,428	135,693	0	0
Pennington Biomedical Research Center	51,361	0	0	0	0
LSU Health Sciences Center - HCSD	11,771,872	36,307	0	1,547,715	0
LSU Health Sciences Center - Shreveport	22,515,466	129,147	0	0	0
Baton Rouge Community College	436,362	0	0	0	0
Southern University (all campuses)	6,395,290	202,293	0	0	0
Nicholls State University	1,913,712	0	0	0	0
Grambling State University	7,063,256	0	0	0	0
Louisiana Tech University	324,716	0	375,892	0	0
McNeese State University	1,720,128	87,019	1,488,879	0	0
University of Louisiana @ Monroe	290,118	0	1,117,303	0	0
Northwestern State University	642,374	0	718,594	0	0
Southeastern Louisiana University	3,173,534	571,407	9,485	12,900	0
Delgado Community College	3,949,209	0	0	0	0

**Schedule of Activity for Accounts Receivable
Over 180 Days Past Due by Agency
For the Quarter Ended 09/30/2008**

Agency	Agency In-House	Attorney General	Private Collection Agency	Other	Amount Under Protest
Nunez Community College	65,042	0	142,877	0	0
Bossier Parish Community College	759,784	0	0	0	0
South Louisiana Community College	131,208	0	0	0	0
River Parishes Community College	128,243	0	0	0	0
Louisiana Delta Community College	40,809	0	0	0	0
LCTCS - Louisiana Technical College	179,483	0	0	0	0
L E Fletcher Technical Community College	804	0	0	0	0
Sowela Technical Community College	62,010	0	0	0	0
Total Colleges & Universities	\$ 70,749,284	\$ 1,064,346	\$ 6,323,024	\$ 1,560,615	\$ 0

State Agencies

Office of the Governor	\$ 5,171	\$ 0	\$ 0	\$ 0	\$ 0
Mental Health Advocacy Service	763	0	0	0	0
Division of Administration	135,253	0	0	0	0
Louisiana Stadium & Exposition District	155,708	0	0	0	0
Department of Veterans Affairs	3,250	0	0	0	0
Southwest LA. War Veterans Home	12,818	0	0	0	0
Southeast LA. War Veterans Home	3,720	0	0	0	0
Secretary of State	32,096	3,661	0	0	0
Office of Attorney General	0	6,379,038	0	0	0
State Treasurer	456,465	0	0	0	0
Public Service Commission	118,897	0	0	0	0
Agriculture and Forestry	168,117	0	0	0	0
Department of Insurance	175,400	46,366	0	0	97,522
DED - LA Economic Development Corporation	0	0	0	0	208,821
Louisiana State Racing Commission	4,285	0	0	0	0
Office of Financial Institutions	0	0	0	0	0
Louisiana State Board of Cosmetology	3,950	0	0	0	0
Department of Culture, Recreation, and Tourism	78	0	0	0	0
Department of Transportation & Development	46,094,618	0	0	0	0

**Schedule of Activity for Accounts Receivable
Over 180 Days Past Due by Agency
For the Quarter Ended 09/30/2008**

Agency	Agency In-House	Attorney General	Private Collection Agency	Other	Amount Under Protest
Department of Health and Hospitals	202,309,217	0	455,554,628	0	0
DSS - Office of Family Support	43,767,145	0	0	0	0
DSS - Office of Community Services	100,576	0	0	0	0
DSS - Rehabilitation Services	5,364	0	0	0	0
Office of Youth Development	5,693,401	0	0	0	0
Corrections - Adult Probation and Parole	10,146,502	0	0	0	0
Department of Public Safety	2,547,913	0	0	0	0
DNR - Office of the Secretary	379,703	0	0	0	0
DNR - Office of Conservation	191,332	0	0	0	0
DNR - Office of Mineral Resources	233,424	0	0	0	0
DNR - Office of Coastal Restoration	44,879	0	0	0	0
Department of Revenue	214,028,052	0	0	0	0
Louisiana Tax Commission	35,654	0	0	0	0
Department of Labor	7,692,016	70,881	0	487,518	12,998,528
Department of Wildlife and Fisheries	1,632,258	0	0	763,141	87,215
Ethics Administration	653,145	265,125	0	0	0
Louisiana School for Math, Science, & the Arts	0	0	0	0	0
Office of Student Financial Assistance	844,763	0	0	0	0
Louisiana Educational Television Authority	2,831	0	0	0	0
Board of Regents	1,102	0	0	0	0
Louisiana Universities Marine Consortium	69,915	0	0	0	0
DOE - Management and Finance	11,289	0	0	0	0
DOE - Subgrantee Assistance	128,906	175,222	0	0	0
DOE - Recovery School District	321,456	0	0	0	0
DOE - Special School District	2,530	0	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	9,888	0	0	0	0
Office of Telecommunications Management	0	0	0	0	0

Schedule of Activity for Accounts Receivable
Over 180 Days Past Due by Agency
For the Quarter Ended 09/30/2008

Agency	Agency In-House	Attorney General	Private Collection Agency	Other	Amount Under Protest
Prison Enterprises	9,621	0	0	0	0
Office of Aircraft Services	2,304	0	0	0	0
Department of Environmental Quality	2,348,445	0	0	0	0
District Attorney and Assistants	1,860	0	0	0	0
Total State Agencies	\$ 540,586,217	\$ 6,940,293	\$ 455,554,628	\$ 1,250,659	\$ 13,392,086
Grand Total	\$ 611,519,475	\$ 8,004,639	\$ 461,877,652	\$ 2,839,465	\$ 13,392,086

Note: The grand total of "Receivables Over 180 Days Past Due" equals \$1,097,633,317 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.