



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY

KATHLEEN BABINEAUX BLANCO
GOVERNOR

JERRY LUKE LEBLANC
COMMISSIONER OF ADMINISTRATION

June 1, 2004

OSRAP MEMORANDUM 04-32

TO: All Non-ISIS State Agencies, Office of Risk Management, and Office of Group Benefits

FROM: Afranie Adomako, CPA
Director

SUBJECT: Instructions for Preparation of Annual Fiscal Report (AFR)

Enclosed are the instructions and forms necessary for the completion of your reporting entity's Annual Fiscal Report for the period ending June 30, 2004. This packet differs from that sent to most ISIS agencies due to your status as either Non-ISIS agency, Office of Risk Management, or Office of Group Benefits.

OSRAP will, again, prepare all of the depreciation schedules for movable property and buildings.

You are not required to submit copies of system reports with your AFR, which include the appropriation reports, agency trial balances, and copies of any ad hoc reports, etc.

ISIS-prepared Schedules 1, 3, and 4 and Statements A and B may be obtained from BUNDL immediately after the close of the thirteenth period. As in the past, changes made to the schedules should be made on the original. Any adjustments needed on the statements should be made in Column II on both Statements A and B. Column III on both statements will be the sum of Columns I and II and represents Column I restated. **Column III must be filled in whether you post adjustments in Column II or not.** Expenditures will continue to be reported by program. Therefore, the payroll accrual, which will be reported on Statement B, will have to be separated by program. Schedule 14 is used for the GASB 34 revenue accruals. Schedule 15, Comparison Figures, is included to assist OSRAP in determining the reasons for changes in financial position for the state.

Information from Schedules 6, and 6-1 will be added by each agency in the appropriate columns on Statements A and B. Schedule 6-1 is for Escrow Fund only.

Each agency has the option of making changes and additions on the original statement produced by ISIS or retyping the Statements. Please try to use the original statements or schedules and insert the adjustments in column II. *If you retype any system-generated*

lead schedules or statements, please include the original of that report with your pencil changes in the packet you submit to OSRAP. Furthermore, the forms sent to this office should not be reduced on a copier.

As in the past, agencies should consider materiality before making adjustments to ISIS-generated statements and schedules. Remember your agency reports are intended "to present fairly, in all material respects, the financial operations" of your agency. In this regard, the following table will be the basis of determining materiality and will assist you in your decision to adjust the system reports or submit them unchanged. If your aggregate adjustments are \$100,000 or more, we ask that you adjust the lead statements or schedules regardless of the conclusions drawn from the materiality table. Additionally, in deciding if adjustments should be made, you should use the aggregate amount of all adjustments. For example, if you have \$300,000 in expenditures with five adjustments totaling \$15,000 or more, you should take the adjustment. Each adjustment does not stand on its own. Materiality under the sliding scale method may be determined by multiplying the appropriate factor below by total revenues or expenditures. Using the table, apply the corresponding factor, interpolating as necessary between two factors.

<u>Revenues/Expenditures</u>	<u>Factor</u>
\$ 300,000	.050
1,000,000	.017
5,000,000	.015
10,000,000	.012
50,000,000	.008

Materiality factors are designed as an aid in completing this AFR. To ensure that the materiality tables shown above are not impacting the state's CAFR adversely, keep a record of all the differences you discover and do not include these on your financial statements. This list must be forwarded with the AFR packet to both the Office of the Legislative Auditors and to this office.

We are again requesting that the Schedule 5 (Prior Year Appropriation Disposition Report) be forwarded to this office under separate cover by July 16, 2004. This report shows only the "Surplus and Other Adjustments" associated with each agency. If your agency had any adjustments to prior year accounts receivable or accounts payable, note the change(s) on the schedule with a complete explanation.

Additionally, you are requested not to round all financial data presentations to the nearest dollar. In preparing the "lead" statements under ISIS, we will be using dollars and cents. We found that rounding on the various statements and schedules caused some

variances in fund balances and column totals. To avoid this, we have expressed all amounts to the penny.

The forms and instructions are designed to meet the general needs of most reporting units; however, this should not preclude adaptations (after approval from this office) for units having unique reporting situations.

The completed packet should include the following statements and schedules:

- A. Statements
 - 1. Statement A (Combined Balance Sheet - All Appropriated and Non-Appropriated Funds)
 - 2. Statement B (Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Appropriated and Non-Appropriated Other Funds)
- B. Schedules
 - 1. Schedule 1 (General Operating Appropriation Funds, Schedule of Revenues and Expenditures - Budgetary Comparison, Current Year Appropriation Budget Legal Basis)
 - 2. Schedule 2 (Off-System Balances)-Due in this office by **August 2, 2004**
 - 3. Schedule 3 (Schedule of Appropriated Revenue by Type - General Operating Appropriation Funds)
 - 4. Schedule 4 (Schedule of Non-Appropriated Major State Revenue and Income Not Available)
 - 5. Schedule 5 (Prior Year Appropriation Disposition Report – General Appropriation Funds) - Due in this office by **July 16, 2004**.
 - 6. Schedule 6 (Schedule of Revenues, Expenditures and Changes in Fund Balance - Non-Appropriated Other Funds)
 - 7. Schedule 6-1 (Schedule of Revenues, Expenditures, and Changes in Fund Balance - Escrow Fund)
 - 8. Schedule 8 (Schedule of Federal Financial Assistance)
 - 9. Schedule 13 (Schedule of Interagency Receipts)
 - 10. Schedule 14 (GASB 34 revenue accruals)
 - 11. Schedule 15 (Comparison Figures)
 - 12. Notes to the Financial Statement

The deadline to submit the AFR packet is August 30, 2004.

This format is available as a Word document. At your request, we will email the format to you. If you prefer, this packet is available on OSRAP's website at www.doa.la.gov/osrap/index.htm (click on AFR packets and select NonISIS file).

A copy of the Annual Report must be forwarded under separate cover, with an original, signed affidavit, to the Office of the Legislative Auditor, Post Office Box 94397, Baton

Memorandum OSRAP 04-32
June 1, 2004
Page 4

Rouge, LA 70804-9397 as they will not send out separate affidavit forms. Please be certain that copies of all statements and schedules are included. Also, an original affidavit must be sent to the Office of Statewide Reporting and Accounting Policy. These must both be original documents, which have been signed and notarized. Do not staple the reports; use a binder clip instead.

If you should have any questions concerning the above, you may contact the Office of Statewide Reporting and Accounting Policy analyst assigned to your agency per the following list.

AA:PS

Enclosure

AGENCY ASSIGNMENTS

<u>DEPARTMENT</u>	<u>ANALYST</u>	<u>PHONE #</u>
Judiciary (All)	Tonia Jackson	342-1089
Special Acts	Tonia Jackson	342-1089
Other Requirements 20-906 through 20-980	Inga Kimbrough	342-5509
Group Benefits	Sue Seab	342-1088
Risk Management	Sue Seab	342-1088

TABLE OF CONTENTS FOR THE INSTRUCTIONS

<u>Instructions</u>	<u>Page</u>
Sequential Steps in Preparation of Annual Fiscal Report for all Agencies	1
Completing Schedule 3	2
Completing Schedule 4	3
Completing Schedule 1	4
Completing Schedules 6, and 6-1	6
Completing Statement B	7
Completing Statement A	9
Completing Schedule 13	13
Completing Schedule 14	14
Notes	15
Completing Schedule 8	not numbered

SECTION: Instructions for Preparation of Annual Fiscal Report
UNIT TYPE: All Non-ISIS State Agencies, ORM, and OGB
PROCEDURES: Sequential Steps in the Preparation of the Annual Fiscal Report

Page 1

1. Prepare Schedule 3 (Schedule of Appropriated Revenue by Type - General Operating Appropriation Funds)
2. Prepare Schedule 4 (Schedule of Non-Appropriated Major State Revenue and Income Not Available)
3. Prepare Schedule 1 (General Operating Appropriation Funds, Schedule of Revenues and Expenditures - Budgetary Comparison, Current Year Appropriation - Budget - Legal Basis)
4. Prepare Schedule 6 (Schedule of Revenues, Expenditures and Changes in Fund Balance - Non Appropriated Other Funds)
5. Prepare Schedule 6-1 (Schedule of Changes in Balance(s) – Escrow Fund)
6. Prepare Statement B (Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Appropriated and Non Appropriated Other Funds).
7. Prepare Statement A (Combined Balance Sheet - All Appropriated and Non-Appropriated Fund Types).
8. Prepare Schedule 13 (Schedule of Interagency Receipts)
9. Prepare Schedule 14 (GASB 34 revenue accruals)
10. Prepare Schedule 15 (Comparison Figures)
11. Prepare Schedule 8 (Schedule of Federal Financial Assistance)
12. Prepare Note presentations.

SECTION: Instructions for Preparation of Annual Fiscal Report
UNIT TYPE: All Non-ISIS State Agencies, ORM, OGB
PROCEDURES: Schedule 3

Page 2

Schedule 3 is a presentation of Revenue activity for the agency appropriation (general & auxiliary) activities. It is generally intended to reflect activities of ISIS and as such is normally a presentation of financial data on a legal budgetary basis. Non revenue items (i.e. T100, T110, T120, T130, T150, T170, T180, T190, T195, T200, T210, T220, T300, T310, T340, T350, T360, T370, T375, T385) are not shown on this schedule. Agencies on central cash management will receive a "lead" Schedule 3. The information on the schedule, as mentioned in the cover letter, is derived from data in ISIS. DO NOT RETYPE THIS LEAD SCHEDULE. Should you have adjustments, make pencil corrections on the lead schedule in Column VII and return it to this office with your packet. Remember adjustments less than those established using the materiality factors shown in the cover letter should not be made. Those agencies not on central cash management may obtain Schedule 3 information from agency manual financial ledgers. The following is the method used in preparing the lead schedules:

1. Enter the three digit ISIS Means of Financing Appropriation Number associated with the detail appropriated fund source in Column I.
2. In Column II enter the four digit ISIS revenue source code for revenue collections in that appropriated fund source.
3. In Column III enter by ISIS revenue source code the total cash receipts received and classified through June 30, 2004, from the June 30, 2004, Appropriation Report (2G15) or Organization Responsibility Report (2G00). Do not include non-revenue items listed above.
4. Under Column IV enter by ISIS revenue source code the total cash receipts on deposit with the State Treasury and not classified as of June 30, 2004, (assumes classification subsequent to June 30, 2004). Refer to ISIS report 5G25 Prior Year Classification of Deposits on File as of 6/30/04 Report to obtain listing of unclassified receipts and to your July/August monthly transaction listings to determine subsequent classification type.
5. Column V is the total of Columns III and IV.
6. In Column VI enter by ISIS revenue source code the accounts receivable which were collected and classified between 7/1/04 and 8/14/04 for the reported fiscal year within those appropriated sources which were not included in either Column III or IV.
7. Agencies on central cash management would record material modified accrual adjustments to ISIS information in Column VII. e.g. Cash received at 6/30 and classified in the 45 day close.
8. Column VIII "Total Revenue" is the total of Columns V, VI and VII. If classifications have been accomplished in accordance with established time frames, this amount should agree with the August 14, 2004 Appropriation Report (2G15) or Organization Responsibility (2G00) for fiscal year 2003-2004 except for adjustments in Column VII.

NOTE: The Total Revenue figure may include revenue in excess of budget. Direct General Fund Appropriation and Interim Emergency Board activity are not included on this schedule.

SECTION: Instructions for Preparation of Annual Fiscal Report
UNIT TYPE: All Non-ISIS State Agencies, ORM, OGB
PROCEDURES: Schedule 4

Page 3

Schedule 4 is a presentation of non-appropriated (INA, major state and other non-appropriated) revenue activity occurring within the agency unit that is not available to finance operations, and as such is normally a presentation of financial data on a legal budgetary basis which is normally equivalent to a modified accrual basis. Like Schedule 3, agencies on central cash management will receive a "lead" Schedule 4. DO NOT RETYPE THIS LEAD SCHEDULE. If you have adjustments, make pencil corrections on the lead schedule in Column VIII and return it to this office with your packet. Those agencies not on central cash management may obtain Schedule 4 information from agency manual financial ledgers. The following is the method used in preparing the "lead" schedules:

1. In Column I enter the three-digit ISIS Appropriation Number and title associated with the Non-Appropriated Fund Source. (Income not available will not have a separate agency appropriation number. This number will be XB2.)
2. In Column II enter the four-digit ISIS revenue collection center organization number for the revenue source being reported.
3. In Column III enter the four digit ISIS revenue source code.
4. In Column IV enter by ISIS revenue object code the total cash receipts classified through June 30, 2004, received in that collection center from the related ISIS Organization Responsibility Report (2G00). Do not include non revenue accounts (i.e. T100, T110, T120, T130, T150, T170, T180, T190, T195, T200, T210, T220, T300, T310, T340, T350, T360, T370 and T375).
5. In Column V enter by ISIS revenue source code the total cash receipts on deposit with the State Treasurer but not classified as of June 30, 2004, which were classified subsequent to June 30, 2004, and prior to August 14, 2004. Refer to 5G25 Prior Year Classification of Deposits on File as of 6/30/04 to obtain listing of unclassified receipts and to your monthly transaction listing to determine subsequent classification.
6. Column VI is the total of Column IV and V.
7. In Column VII enter by ISIS revenue source code the accounts receivable which were collected and classified between 7/1/04 and 8/14/04 for the reported fiscal year which were not included in either Column IV or V.
8. Agencies on central cash management would record material (see definition on preceding pages) adjustments to ISIS information in Column VIII.
9. Column IX "Total Revenue" is the total of Columns VI, VII, and VIII. If classifications have been accomplished in accordance with established time frames, this amount should agree with the August 14, 2004 Organization Responsibility Report (2G00) for fiscal year 2003-04 except for any adjustments in Column VIII.

NOTE: Please note that Schedule 4 activity is not reported on Statement B. Only Schedule 4 receivable amounts are shown on Statement A, column IV.

Schedule 1 is intended to represent total general operation activities (both means of financing and expenditure activities authorized in the general and auxiliary appropriations acts) on a legal budgetary basis.

Schedule 1 is a "lead" schedule produced through ISIS. It will be made available to those agencies with expenditures and/or revenues on ISIS. DO NOT RETYPE THIS LEAD SCHEDULE. No adjustments should be made unless the adjustments are greater than those established using the factors shown on the cover letter. Adjustments to this schedule may include additions to the accrual columns. Should you have received goods and/or services on or before June 30, 2004, and liquidated these invoices from your fiscal year 2005 appropriations, this amount will not be reflected on your "lead" schedule. Material amounts of such payments may be reflected as an adjustment in Column IV. Material additions to accounts receivable would also be reflected as an agency adjustment in Section A of Column IV. Remember, if you chose to retype your schedule, please return your pencil changes to this office with your packet.

The following is the method used in preparing the "lead" schedule and the instructions for those agencies not on ISIS:

1. In Column I indicate
 - A. Revenues - Total actual year-to-date receipts by Means of Financing (exception GF and IEB indicate total warrants drawn) from June 30, 2004, Appropriation Report. This should equal Column V of Schedule 3 plus any non revenue activity such as T100, T110, T120, T130, T150, T170, T180, T190, T195, T210, T220, T300, T310, T340, T350, T360, T370 and T375, if applicable. NOTE: T200 should not be included on Schedule 1. NOTE: These increases due to unclassified cash will equal the total of the revenue accounts shown on ISIS Run 5G25.

NOTE: Agencies not on central cash management, who by law or statute carried forward funds into fiscal year 2003-04, should include these amounts in column I.

- B. Expenditures - Total actual year-to-date cash disbursements by programs from June 30, 2004, Appropriation Report (2G15), by program. NON-ISIS agencies may obtain information from agency financial records. NON-ISIS agencies will show gross salaries (including payroll deductions payable) in Column I and unliquidated accrued employee benefits at 6/30/04 in Column III.

NOTE: For ISIS agencies, Column I expenditures are adjusted by system accounts payable, debit memos, and returns of appropriation.

2. In Column II indicate
 - A. Revenues - no information need be reported on these lines unless receipts classified to 2003-04 were recognized in error as revenue in the 2002-03 statement. (Note: This does not include Title 18 and 19 or ineligible patient fees for DHH.)

- B. Expenditures - indicate those payments for goods and services received or rendered on or before June 30, 2003, and liquidated with fiscal year 2003-04 appropriation. ISIS Report 4G03 lists those documents you submitted with a June 30, 2003, or earlier delivery date and liquidated as a fiscal year 2003-04 payment. No adjustment should be made for inaccuracies unless the error is greater than those established using the sliding scale materiality factors shown on the cover letter. NON-ISIS agencies may obtain information from agency financial records.
3. In Column III indicate
- A. Revenues - Total receivables on a legal budgetary basis by Means of Financing.
- (1) General Fund and IEB receivables should equal the actual prior year warrants drawn and/or reversed between July 1 and August 14, 2004.
- (2) Means of Financing receivables (lines 4 through 10) should equal Column VI on Schedule 3 plus any actual or accrued transfer activity (i.e. T110, T100, T130, T120, T180) received or disbursed between 07/01/04 and 08/14/04. (Exception: for DHH agencies DO NOT include Title 18/19 accruals on Schedule 1.)
- B. Expenditures - Total accrued liabilities by program may be derived by calculating all expenditures (account type 22) that were recorded during the thirteenth period. This would include system vouchers payable, debit memos, or returns of appropriation. NON-ISIS agencies will obtain information from agency financial records. Column III should represent total unliquidated bona fide obligations for goods and services received or rendered on or before 6/30/04. *NOTE: ISIS Agencies: Should your June 30, 2004, Agency Trial Balance (2G01) reflect a balance for 6335, Vouchers Payable, you may obtain the breakdown by program from run 1G07B, Unscheduled Payment Turnaround Report at 6/30/04 and 1G26B EFT Unscheduled Turnaround Report at 6/30/04. Should you have credit memos, increase the appropriate program in Column I and decrease the respective amounts in Column III for the amount of the credit memo. Should you have payables, decrease the appropriate program in Column I and increase the respective amounts in Column III. The ISIS report will show accounts payable without a sign. Debit memos will have a negative (-) sign beside the number.*
4. Agencies on ISIS would record accrual adjustments to system information in Column IV. Remember, you should include all payables which were not liquidated in the 45 day close period with the prior year appropriations, however, you should not include future scheduled lease payments which are shown in Note M. Maintain a detailed list of these payables to back up the amount shown on Schedule 1.
5. In Column V indicate the total of Column I, minus Column II, plus Column III, and plus or minus Column IV.
6. In Column VI indicate the revised appropriation amount which should agree to the Appropriation Report by Agency as of August 14, 2004, or the latest approved BA-7.
7. Column VII "Variance" is the net result of Column VI minus Column V. NOTE: If Column VI is greater than Column V, the variance would be unfavorable for appropriated revenue and favorable for appropriated expenditures. If Column VI is less than Column V, the opposite would be the case.

SECTION: Instructions for Preparation of Annual Fiscal Report
UNIT TYPE: All Non-ISIS State Agencies, ORM, OGB
PROCEDURES: Schedules 6, and 6-1

Page 6

Schedule 6 is necessary only if the unit has non appropriated operational activities not covered in Columns I, II, or III of Statement A. (i.e. Chapel funds, Inmate Welfare funds, etc). Due to the possible diversity of activity type, a free format is provided. Be sure that the "Fund Balances at beginning of year" equals the "Fund Balance at end of year" on the prior year's report.

Schedule 6-1 is necessary for the Escrow Fund, which will be shown on the full accrual basis. This fund will show receivables and payables that occurred during the 45-day close plus those amounts attributed to prior year activity and not classified to the system. For this schedule, as it is full accrual, the 45 day rule does not apply. The "Balance at the beginning of year" should be the amount of the prior year ending balance. This amount is on full accrual basis and may be different from your system amount for the Prior Year Carryover (T190). If there is a difference, please make a notation. A credit to revenue is an addition/receivable and a debit to a revenue is a deduction/payable. If your agency uses an expenditure organization, then expenditures are shown as a deduction/payable. The amounts for the fiscal year 2004 must equal the 2G00, Organization Responsibility Report. The amounts used during the 45-day close must equal the 2G00 plus off system accruals.

Note: As all SAP agencies have the payroll clearing subfund, K98, it will no longer be necessary, or possible, for agencies to complete a 6-1 for payroll clearing accounts.

SECTION: Instructions for Preparation of Annual Fiscal Report
UNIT TYPE: All Non-ISIS State Agencies, ORM, OGB
PROCEDURES: Statement B

Page 7

Statement B is a recapitulation of all operational fund type activities (i.e. Appropriated and Non Appropriated Other funds) on a modified accrual basis. Information on this statement which departs from that of the legal basis reflected on Schedule 1 (i.e., Payroll Accrual, See Note R) must be fully disclosed in the notes to the financial statement.

Note: Should you have made material agency off system adjustments on Schedules 1 and 3, these additional accruals would be reflected on Statement B and would be in addition to the information shown below.

Statement B is a "lead" statement produced through ISIS. If modifications are needed, please pencil in the changes and return them to this office. DO NOT RETYPE THIS LEAD STATEMENT.

A. Column I

1. Section A - indicate total revenues by each appropriated fund source for appropriated activities. This should be equivalent to Schedule 3 Column VIII - lines A, B, C, D, and E plus Schedule 1 Column V Section A lines 2 and 3 if the legal basis is equivalent to modified accrual. If a federal receivable was established in FY '03 and/or FY '04, post from line 12 of Note R.
2. Section B - indicate total expenditures, by program, for General Appropriation activities. This should be equivalent to Schedule 1 Column V Section B if the legal basis is equivalent to the modified accrual basis. The required personal services accrual is obtained from line 8 of Note R. Note: The total from Note R will have to be reported separately by program for Statement B.
3. Section C
line 13A - indicate appropriated inter/intra fund transfers (i.e. T100, T120, T180) received and to be received, which occurred during the period July 1, 2003 - August 14, 2004 for fiscal year 2003-04. Should equal the total of all transfers in on Appropriation Report at 8/14/04.

line 13B - indicate appropriated inter/intra fund transfers (i.e. T110, T130, T180) remitted and to be remitted, which occurred during the period July 1, 2003 - August 14, 2004 for fiscal year 2003-04. Should equal the total of all transfers out on Appropriation Report at 8/14/04.
4. Line 17 - indicate beginning fund balance at July 1, 2003 ('03 Statement B Line H).

NOTE: Should your agency have agreed upon a requested audit adjustment for the prior year by the Legislative Auditor which resulted in an ending fund balance different from the AFR returned to you, use that ending fund balance in place of the one shown on your 2002 Statement B.

5. Line 18 - indicate the net increase/decrease of reported inventory between June 30, 2003, and June 30, 2004.

NOTE: Both general and ancillary inventory increase/decrease should be reflected.

6. Line 19 indicate total adjustments to prior year beginning fund balance. This should be equivalent to Schedule 5 Column III line 9 unless legal basis is not modified accrual.
 7. Line 20 indicate the net result of lines 16, 17, 18, and 19. Must agree to Statement A line 42.
- B. In Column II indicate any material agency off system adjustments coming from Schedule 1 and 3.
- C. In Column III, add Columns I and II for the Restated Amounts. This must **be** completed even if you have no adjustments in Column II.
- D. Column IV, Section D
- line 14 - indicate total revenues for the fiscal period of the non appropriated other fund activities from Schedule 6.
 - line 14A - indicate total expenditures/transfers from Schedule 6.
 - line 15 - indicate difference between line 14 and 14A.
 - line 17 - indicate beginning fund balance. Should equal the ending fund balance as shown on the 2003 Statement B, Column III, line 20.
 - line 20 - total of line 15 plus lines 17, 18, and 19.
- E. Column V indicate the sum of Columns III and IV.

Statement A is a recapitulation of all fund type real account activities on a GAAP basis. Information on this statement which departs from that of a legal budgetary basis must be fully disclosed in the notes to the financial statement.

Note: Should you have made material agency off system adjustments on Schedules 1 and 3, these additional accruals would be reflected on Statement A and would be in addition to the information shown below.

Statement A is a "lead" statement generated from ISIS. DO NOT RETYPE THIS LEAD STATEMENT. If modifications are needed, make the changes on the original in the adjustment column.

A. In Column I indicate the following:

1. Section A - Assets

Line #:

- 1 Cash in State Treasury - Means of Financing - from the June 30, 2004, Agency Trial Balance (2G01) cash totals excluding 6005-General Fund and 6000-Disbursement Cash Account plus the amounts reflected in Schedule 3 Column IV for each means of financing.
- 2 Cash in State Treasury ISIS Operating - from the June 30, 2004, Agency Trial Balance (2G01) 6000 Cash Disbursement Account. **Not applicable to NON-ISIS agencies.** Should your agency have had unclassified returns of appropriation (ROAs) at June 30, the automated Schedule 1 has already reduced your expenditures for this amount. The offset is cash which will require a manual adjustment by the agency. Look at 5G25. Should the operating accounts have balances on this form, that total must be added to the Treasurer's Period Ending Balance and that total recorded on line 2.
- 3 Cash in State Treasury Payroll Clearing - Not applicable to Column I or NON-ISIS agencies.
- 4 Cash in Bank Account(s) - indicate total reconciled balance amounts on deposit with banks (other than State Treasurer). Indicate in Note C amount by type of cash or cash equivalent.
- 5 Petty Cash - Indicate total amount of cash on hand in the unit.
- 5A Investments - Indicate total investments at 6/30. NOTE: If these investments are held outside the State Treasury, complete Note C, part 2.
- 6 Receivables - see lines 7 through 17
- 7 Due from State General Fund - Indicate the total prior year warrants drawn and/or reversed from July 1, 2004 through August 14, 2004. This amount should agree with accounts receivable shown on Schedule 1 Column III line 2 for General Fund if legal basis equals modified accrual.
- 8 Due from Interim Emergency Fund - Indicate the total prior year warrants drawn and/or reversed during July 1, 2004 through August 14, 2004 which should agree with accounts receivable shown on Schedule 1 Column III line 3 for IEB.

Line #:

- 9 Due from Federal government - Indicate the total amount of current operational federal receivables as of 06/30/04. Should equal to accounts receivable on Schedule 3 line A Column VI, if legal basis is equal to modified accrual. Additionally, if a federal receivable is established due to the payroll accrual line 4, Column II of Note R it should be added to the aforementioned totals.
- 10 Due from self generated revenue sources - Indicate the total amount of current operational receivables as of June 30, 2004. This total should equal the accounts receivable on Schedule 3 line B, Column VI, if legal basis is equal to modified accrual.
- 11 Due from other agencies - Indicate the total amount of current interagency receivables as of June 30, 2004. This should equal IAT accounts receivable on Schedule 3 line C Column VI if legal basis equals modified accrual.
- 12 Due from Auxiliary - Self Generated - Revenue - Indicate the total amount of operational auxiliary receivables as of June 30, 2004. This should equal accounts receivable on Schedule 3, line D column VI if legal basis equals modified accrual.
- 13 Due from Inter/intra fund transfers - Indicate inter/intra fund transfers (i.e. T100, T120, T180) received between 07/01/04 and 08/14/04.
- 14 Other - Indicate the total amount of non operational receivables (i.e. travel advances, retiree's insurance, petty cash advances) as of June 30, 2004.
- 15 See lines 16 and 17.
- 16,17 Due from Other Funds - Indicate the total amount of other fund resources receivable (i.e. Conservation Fund) as of June 30, 2004. This should equal Schedule 3 line E Column VI.
- 18 Prepaid expenses reflect disbursements made for benefits not yet received.
- 19 Advances - asset account used to reflect portion of loan made to another unit.
- 20 Inventory of Materials and Supplies - Indicate the total dollar amount of materials and supplies on hand at 06/30/04. This would include postage.
- 21 Other Assets - fully describe on the bottom of the page.
- 22 Total Assets - total lines 1 - 21

2. Section B Liabilities

Line #:

- 23 Accounts Payable - Report the total of the open accounts payable less payroll payable as shown on Schedule 1 Column III.
- 24 Payroll Payable - accrued payroll for June 30 (see line 3 Column II of Note R). Note: If there is an accrual for payroll or related benefits on Schedule 1, it should be included with the payroll payable on Statement A, not with accounts payable.
- 25 Payroll deductions payable - indicate amounts withheld for FY 2004 and not yet disbursed. Not applicable to ISIS agencies.

- 26 Accrued employee benefits payable - indicate amounts accrued for FY 2004 and not yet disbursed. Not applicable to ISIS agencies.
- 27 Advance payable to the State Treasurer - enter the amount of permanent Imprest Fund advance payable to the State Treasurer.
- 28 Advance payable to General Fund - enter the amount of working capital advances and/or seeds payable to the State Treasurer.
- 29 Income Not Available Due State Treasury - not applicable for Column I.
- 30 Major State Revenue - not applicable for Column I.
- 31 Due to Other Funds - Indicate those resources which are payable/due to another funding source (i.e. Conservation and other dedicated fund sources) other than General Fund.
- 32 Due to Federal Government - Indicate those resources which are payable to federal government.
- 33 Inter/Intra Fund Transfers - Transfers disbursed between 7/01/04 and 8/14/04 (i.e., T110, T130, T180).
- 34 Deferred Revenue - Indicate those receipts received but not yet earned as of June 30, 2004, (federal money, for example). Use the materiality guidelines as indicated on page 2 of the memorandum.
- 35 Other liabilities - indicate the total amount of non-operational payables other than Advances Payable to STO, Advances to General Fund as of June 30, 2004.
- 36 Total liabilities - total lines 23-35

3. Section C Fund Equity

Line #:

- 37 See lines 38, 39, 40, and 41.
- 38 Reserved for Inventory of materials and supplies - contra to line 20.
- 39 Reserved for Auxiliary Funds - indicate those resources the unit is legally entitled to retain to finance auxiliary balances.
- 40 Reserved for continuing operations - Indicate those resources the unit is legally entitled to finance future operations. This should equal the T190 carryover shown on the 8/14 Appropriation Report for the new fiscal year if the carryover procedures were completed prior to 8/14.
- 41 Unreserved/Undesignated - indicate residual fund resources
- 42 Total Fund Equity - sum of lines 38-41.
- 43 Total Liabilities and Fund Equity - sum of lines 36 and 42.

B. Column II:

- 1. Section A-Assets
lines 9-21 - Any material agency adjustments taken on Schedules 1 and 3.
- 2. Section B-Liabilities
lines 23-35 - Any material adjustments taken on Schedule 1.
- 3. Section C - Fund Equity
The net effect of the assets-liabilities adjustments

C. Column III – total columns I and II by line. *This must be completed.*

D. Column IV:

1. Section A – Assets

Line #:

14 Other - indicate the total amount of non-appropriated (income not available and major state revenue) receivable as of June 30, 2004. Equivalent to Schedule 4, line D, Column VII.

2. Section B - Liabilities

29 Income Not Available Due State Treasury - indicate those funds to be collected and remitted to State Treasurer. Should equal Schedule 4, Column VII, line A.

30 Major State Revenue Due State Treasury - indicate those funds to be collected and remitted to State Treasurer. Should equal Schedule 4, Column VII, line B and C if legal basis is modified accrual.

E. In Column V indicate the following for monies held in the Escrow Fund. This information corresponds to the total column of Schedule 6-1.

1. Section A – Assets

line #:

1 Cash in State Treasury - Means of Financing - indicate the entire amount of dollars on deposit with the State Treasurer in the Escrow Fund as of June 30, 2004. (Must be supported by cost/collection center reports.)

4 Cash in Bank - indicate monies being held for individuals in a custodial capacity not in the State Treasury. This must be included in Note C disclosures.

14 Receivables Other - indicate the receivables from Schedule 6-1 for the Escrow Fund.

2. Section B – Liabilities

23 Accounts Payable - indicate the payables from Schedule 6-1 for the Escrow Fund.

35 Other Liabilities - indicate the difference between Section A and Section B.

F. In Column VI units having other activities not covered in Column I through IV will be required to complete Column VI. This information corresponds to those activities reported on Schedule 6, (i.e., Welfare Inmate funds, Chapel Funds, etc.). Cash in bank accounts will be shown on line 4 **and should be included in totals reported in Note C-1**; receivables, line 14; payables, line 23; and reserve for continuing operations, line 40.

Schedule 13 is a recapitulation of the total Interagency Receipts reported on Schedule 3, as of August 14, 2004.

1. In Column I, list the ISIS Agency Number, if applicable, where the revenue came from (Not the agency number of the preparer. If you do not know the agency number leave blank.)
2. In Column II, list the name of the agency, college, internal service fund, etc. that provided the revenue.
3. In Column III, enter the amount received from each source at June 30, 2004.
4. In Column IV, enter the amount of unclassified cash for each source at June 30, 2004.
5. In Column V, enter the amount of accounts receivable for each source received during the 45 day close.
6. In Column VI, enter the total revenue received from each source and this should equal the sum of columns III, IV, and V.

***Schedule 13 totals must equal Schedule 3, Line C, Columns III, IV, VI, and VIII totals. ***

SECTION: Instructions for Preparation of Annual Fiscal Report
UNIT TYPE: All Non-ISIS State Agencies, ORM, OGB
PROCEDURES: Schedule 14

Page 14

Schedule 14 is for the GASB 34 revenue accruals by funding source, organization number, and object.

Revenues under the modified accrual basis are recognized when they become measurable and available and are consequently reflected on Statements 1, 3, 3-1, and 4, for example. Under GASB 34, we must also reflect those revenues which have become measurable regardless of availability. Show on Schedule 14 the gross revenues you have Earned which are not reflected on any of the aforementioned schedules. Then, list the allowance for uncollectibles by funding sources.

In the last section list, by source, the amounts included but not expected to be collected in one year.

Note B - This amount must agree with the amount reported on Line 27 of Statement A. The amount must also agree with the amounts shown by the State Treasurer.

Note C - Deposits and Investments - The purpose of this note is to disclose the related risk attached to deposits and investments held for the state by financial institutions. **Please note that there are changes in Note C requirements due to the implementation of GASB Statement No. 40 “Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3” for the fiscal year ended June 30, 2004.**

1. Deposits with Financial Institutions - this note includes only cash and investments not in the State Treasury. All others are reported separately by the State Treasury. Cash and cash equivalents include only those amounts on deposit in financial institutions and do not include cash on hand or petty cash maintained at your agency. The total reported amount must agree with Line 4 of Statement A, Column VII.

Reported amount on Balance Sheet - The total of cash, Certificates of Deposit, and Other must equal Statement A, line 4 column VII, which should be your reconciled bank balances at June 30. The amounts reported in the bank balances section should be the ending balance on your June 30 bank statement. Unless the account you are reporting has little or no activity, the reported amount on the Balance Sheet total and the bank balances total will NOT be the same.

2. Investments - total reported amount of investments must agree with Line 5A of Statement A, column VII. For those investments meeting GASB 31 reporting requirements this must be fair value.

If you are reporting investments held outside the State Treasury, you must provide the additional disclosures as requested in Section 3 of this Note.

Note F - Total amount of seed(s) must equal line 28 of Statement A, column VII as well as agree with the records of the State Treasurer. (Must agree with revenue source T220 on the 2G01 report.)

Note G – Deferred Revenues will be mainly from Department of Health and Hospitals, Department of Social Services, and Education. This represents the Federal revenue that was received during the fiscal year and not earned.

Note M – Sections 1 and 2 of this note apply only to those arrangements in which the agency is the lessee. Revenue leases, those leases where the agency is the lessor, are to be reported on this note in Sections 3 and 4. Do not include intra agency leases.

Note Q - In-kind contributions are often the result of match for a grant. An example would be the loan of office space by a local government to satisfy a match requirement on a federal grant.

SECTION: Instructions for Preparation of Annual Fiscal Report
UNIT TYPE: All Non-ISIS State Agencies, ORM, OGB
PROCEDURES: Notes

Page 16

Note R - The totals for this note can be found on the HR Report ZF75, SI Payroll Posting Report (which will be provided by OSRAP to the agencies). Column I must agree with Note R from FY '03. This note impacts Schedule 1, Statement A and Statement B, and possibly Schedules 3 and 3-1. Remember to list all payroll accruals by program. Regardless of payroll accrual amounts, all sections of this note must be completed.

Note T - Any agency that experienced a fund deficit in a program or in total must list and explain the circumstances in this note. Program deficit(s) reported here must agree with that shown on Statement B

Note U - The totals on this note must agree with line 40 on Statement A column VII. If carryover procedures were completed prior to August 14, this amount will agree with T190 carryover on your August 14 Appropriation Report (for ISIS agencies only).

Note X – Provide only the ending balance of cooperative endeavors by funding source. **Please note the additional paragraph explaining the information that is requested for the note.**

Note Z- You must include any activities that occurred after June 30 that impact your agency and are not already reflected in the financial statements. This will include activities that may impact any following fiscal year's operations.

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 20__

(Agency Name)

Send to:
Division of Administration
Office of Statewide Reporting
And Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Send to:
Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, _____
(Name) _____ (Title) of _____ (Agency)
who duly sworn, deposes and says, that the financial statements herewith given present fairly the
financial position of _____ (agency) at June 30,
20__ and the results of operations for the year then ended in accordance with policies and practices
established by the Division of Administration or in accordance with Generally Accepted Accounting
Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed
before me, this _____ day of _____, _____.

Signature of Agency Official

NOTARY PUBLIC

Prepared by: _____

Title: _____

Telephone No.: _____

Date: _____

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 20__

(Agency Name)

Send to:
Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Send to:
Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, _____ (Name)
_____(Title) of _____(Agency)
who duly sworn, deposes and says, that the financial statements herewith given present fairly the
financial position of _____ (agency) at June 30,
20__ and the results of operations for the year then ended in accordance with policies and practices
established by the Division of Administration or in accordance with Generally Accepted Accounting
Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed
before me, this _____ day of _____, _____.

Signature of Agency Official

NOTARY PUBLIC

Prepared by: _____

Title: _____

Telephone No.: _____

Date: _____

STATE OF LOUISIANA

(agency)

COMBINED BALANCE SHEET – ALL APPROPRIATED AND NON-APPROPRIATED FUNDS

AS OF JUNE 30, 20__

		APPROPRIATED		
		General & Auxiliary Appropriation Fund		
		System Balance	Adjustments	Restated Balance
		I	II	III
A	<u>ASSETS</u>			
1	Cash in state treasury – means of financing	\$ _____	\$ _____	\$ _____
2	Cash in state treasury – ISIS operating fund	_____	_____	_____
3	Cash in state treasury – payroll clearing fund	_____	_____	_____
4	Cash in bank accounts (Note C)	_____	_____	_____
5	Petty cash	_____	_____	_____
5A	Investments	_____	_____	_____
6	Receivables:	_____	_____	_____
7	Due from General Fund	_____	_____	_____
8	Due from Interim Emergency Board	_____	_____	_____
9	Due from federal government	_____	_____	_____
10	Due from fees and self-generated revenue	_____	_____	_____
11	Due from other agencies (IAT)	_____	_____	_____
12	Due from Auxiliary – self-generated revenue	_____	_____	_____
13	Due from inter/intra fund transfers	_____	_____	_____
14	Other (attach schedule)	_____	_____	_____
15	Due from other funds:	_____	_____	_____
16		_____	_____	_____
17		_____	_____	_____
18	Prepaid expenses	_____	_____	_____
19	Advances	_____	_____	_____
20	Inventory of materials and supplies	_____	_____	_____
21	Other assets	_____	_____	_____
22	Total assets	\$ _____	\$ _____	\$ _____
	<u>LIABILITIES AND FUND EQUITY</u>			
B	Liabilities:			
23	Accounts payable	\$ _____	\$ _____	\$ _____
24	Payroll payable	_____	_____	_____
25	Payroll deductions payable	_____	_____	_____
26	Accrued employee benefits payable	_____	_____	_____
27	Advance from STO for imprest fund (Note B)	_____	_____	_____
28	Advance payable to General Fund (Note F)	_____	_____	_____
29	Income not available due to state treasury	_____	_____	_____
30	Major state revenue due to state treasury	_____	_____	_____
	Due to:			
31	Other funds	_____	_____	_____
32	Federal government	_____	_____	_____
33	Inter/intra fund transfers	_____	_____	_____
34	Deferred revenue	_____	_____	_____
35	Other liabilities	_____	_____	_____
36	Total liabilities	_____	_____	_____
C	Fund Equity			
37	Fund balance:			
38	Reserved for inventory of materials and supplies (Note E)	_____	_____	_____
39	Reserved for auxiliary funds	_____	_____	_____
40	Reserved for continuation of operations	_____	_____	_____
41	Unreserved – undesignated	_____	_____	_____
42	Total fund equity	_____	_____	_____
43	Total liabilities and fund equity	\$ _____	\$ _____	\$ _____

(Continued)

The accompanying notes are an integral part of this statement.

NON-APPROPRIATED				TOTALS (Memorandum Only) <u>VII</u>
Fiduciary Type Funds				
<u>Major State Revenues/INA</u> <u>IV</u>	<u>Agency – Schedule 6-1</u> <u>V</u>	<u>Other – Schedule 6</u> <u>VI</u>		
A				
1	\$ _____	\$ _____	\$ _____	\$ _____
2	_____	_____	_____	_____
3	_____	_____	_____	_____
4	_____	_____	_____	_____
5	_____	_____	_____	_____
5A	_____	_____	_____	_____
6	_____	_____	_____	_____
7	_____	_____	_____	_____
8	_____	_____	_____	_____
9	_____	_____	_____	_____
10	_____	_____	_____	_____
11	_____	_____	_____	_____
12	_____	_____	_____	_____
13	_____	_____	_____	_____
14	_____	_____	_____	_____
15	_____	_____	_____	_____
16	_____	_____	_____	_____
17	_____	_____	_____	_____
18	_____	_____	_____	_____
19	_____	_____	_____	_____
20	_____	_____	_____	_____
21	_____	_____	_____	_____
22	\$ _____	\$ _____	\$ _____	\$ _____
B				
23	\$ _____	\$ _____	\$ _____	\$ _____
24	_____	_____	_____	_____
25	_____	_____	_____	_____
26	_____	_____	_____	_____
27	_____	_____	_____	_____
28	_____	_____	_____	_____
29	_____	_____	_____	_____
30	_____	_____	_____	_____
31	_____	_____	_____	_____
32	_____	_____	_____	_____
33	_____	_____	_____	_____
34	_____	_____	_____	_____
35	_____	_____	_____	_____
36	_____	_____	_____	_____
C				
37	_____	_____	_____	_____
38	_____	_____	_____	_____
39	_____	_____	_____	_____
40	_____	_____	_____	_____
41	_____	_____	_____	_____
42	_____	_____	_____	_____
43	\$ _____	\$ _____	\$ _____	\$ _____

STATE OF LOUISIANA

(agency)

COMBINED STATEMENT OF REVENUES EXPENDITURES, AND CHANGES IN FUND BALANCES
 APPROPRIATED AND NON-APPROPRIATED OTHER FUNDS
 FOR THE YEAR ENDED JUNE 30, 20__

		APPROPRIATED		
		General & Auxiliary Appropriation Fund		
		<u>System Balance</u>	<u>Adjustments</u>	<u>Restated Balance</u>
		I	II	III
A	REVENUES			
1	Appropriated revenues:			
2	General Fund	\$ _____	\$ _____	\$ _____
3	Interim Emergency Board	_____	_____	_____
4	Federal funds	_____	_____	_____
5	General Fund by fees and self-generated revenues	_____	_____	_____
6	General Fund by interagency transfers	_____	_____	_____
7	Auxiliary funds	_____	_____	_____
8	Other fund sources:	_____	_____	_____
<hr/>				
9	Total appropriated revenues	_____	_____	_____
B	EXPENDITURES			
10	Appropriated expenditures:			
	Program 1	_____	_____	_____
	Program 2	_____	_____	_____
	Program 3	_____	_____	_____
	Program 4	_____	_____	_____
	Program 5	_____	_____	_____
	Program 6	_____	_____	_____
<hr/>				
<hr/>				
<hr/>				
11	Total appropriated expenditures	_____	_____	_____
12	Excess (deficiency) of appropriated revenues over appropriated expenditures	_____	_____	_____
C	Other appropriated financing sources (uses):			
13	a) Transfers in	_____	_____	_____
	b) Transfers out	_____	_____	_____
	c) _____	_____	_____	_____
D	Other non-appropriated revenues: (Schedule 6)			
14	Non-appropriated revenues (Schedule 6)	_____	_____	_____
14A	Non-appropriated expenditures/transfers (Schedule 6)	_____	_____	_____
15	Excess (deficiency) of non-appropriated revenues over non-appropriated expenditures	_____	_____	_____
16	Excess (deficiency) of revenues and other sources over expenditures and other uses	_____	_____	_____
17	Fund balance at beginning of year	_____	_____	_____
18	Increase/decrease in reserve for inventory	_____	_____	_____
19	Adjustment	_____	_____	_____
20	Fund balance at end of year	\$ _____	\$ _____	\$ _____

(Continued) The accompanying notes are an integral part of this statement.

	<u>NON-APPROPRIATED</u>	TOTAL
	<u>Other</u>	(Memorandum
	<u>Schedule 6</u>	<u>Only</u>
	<u>IV</u>	<u>V</u>
A		
1		
2	\$ _____	\$ _____
3	_____	_____
4	_____	_____
5	_____	_____
6	_____	_____
7	_____	_____
8	_____	_____
	_____	_____
9	_____	_____
	_____	_____
B		
10	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
11	_____	_____
12	_____	_____
	_____	_____
C		
13	_____	_____
	_____	_____
	_____	_____
D		
14	_____	_____
14A	_____	_____
15	_____	_____
	_____	_____
16	_____	_____
	_____	_____
17	_____	_____
18	_____	_____
19	_____	_____
20	\$ <u>_____</u>	\$ <u>_____</u>

 (Agency Name)
 STATE OF LOUISIANA
 GENERAL OPERATING APPROPRIATION FUNDS
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY COMPARISON
 CURRENT YEAR APPROPRIATION (BUDGET - LEGAL BASIS)
 FOR THE YEAR ENDED JUNE 30, 20__

Schedule No. _____
 ISIS Agency No. _____

PROGRAMMATIC BUDGETING

GENERAL APPROPRIATION

	Cash Basis	Adjustment	Accrual	Agency Accrual Adj.	Total	Revised Budget	Favorable (Unfavorable)
	I	II	III	IV	V	VI	VII
A REVENUES							
1 Appropriated by Legislature:							
2 State General Fund	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
3 Interim Emergency Board	_____	_____	_____	_____	_____	_____	_____
4 Federal Funds	_____	_____	_____	_____	_____	_____	_____
5 State General Fund by fees and self generated revenues	_____	_____	_____	_____	_____	_____	_____
6 State General Fund by interagency receipts	_____	_____	_____	_____	_____	_____	_____
7 Auxiliary funds	_____	_____	_____	_____	_____	_____	_____
8 Other appropriated fund sources:							
9 _____ fund	_____	_____	_____	_____	_____	_____	_____
10 _____ fund	_____	_____	_____	_____	_____	_____	_____
11 Total appropriated revenue	_____	_____	_____	_____	_____	_____	_____
B EXPENDITURES (List Programs)							
Appropriated expenditures:							
12 Program 1	_____	_____	_____	_____	_____	_____	_____
13 Program 2	_____	_____	_____	_____	_____	_____	_____
14 Program 3	_____	_____	_____	_____	_____	_____	_____
15 Program 4	_____	_____	_____	_____	_____	_____	_____
16 Program 5	_____	_____	_____	_____	_____	_____	_____
17 Program 6	_____	_____	_____	_____	_____	_____	_____
Excess (deficiency) of appropriated revenues over appropriated expenditures	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

(Agency Name)
 STATE OF LOUISIANA
 SCHEDULE OF APPROPRIATED REVENUE BY TYPE
 GENERAL OPERATING APPROPRIATION FUNDS
 FOR YEAR ENDED JUNE 30, 20__

Schedule No. _____
 ISIS Agency No. _____

Appropriated Revenue Fund	ISIS Appr Number I	Revenue Source Code II	Classified Cash Receipts Through June 30, 20__ III	Unclassified Cash Receipts at June 30, 20__ IV	Total Cash Deposit with Treasury (III + IV) V	Accounts Receivable at June 30, 20__ VI	Agency Adjustment to Modified Accrual Only VII	Total Revenue VIII
Federal funds								
A-1 _____	_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
A-2 _____	_____	_____	_____	_____	_____	_____	_____	_____
A-3 _____	_____	_____	_____	_____	_____	_____	_____	_____
A Subtotal - Federal funds			_____	_____	_____	_____	_____	_____
State General Fund by fees and self generated revenues								
B-1 _____	_____	_____	_____	_____	_____	_____	_____	_____
B-2 _____	_____	_____	_____	_____	_____	_____	_____	_____
B-3 _____	_____	_____	_____	_____	_____	_____	_____	_____
B-4 _____	_____	_____	_____	_____	_____	_____	_____	_____
B Subtotal - General Fund by fees and self generated			_____	_____	_____	_____	_____	_____
State General Fund by interagency receipts								
C-1 _____	_____	_____	_____	_____	_____	_____	_____	_____
C-2 _____	_____	_____	_____	_____	_____	_____	_____	_____
C Subtotal - General Fund by interagency receipts			_____	_____	_____	_____	_____	_____
Auxiliary funds								
D-1 _____	_____	_____	_____	_____	_____	_____	_____	_____
D-2 _____	_____	_____	_____	_____	_____	_____	_____	_____
D-3 _____	_____	_____	_____	_____	_____	_____	_____	_____
D Subtotal - Auxiliary funds			_____	_____	_____	_____	_____	_____
Other funds								
E-1 _____	_____	_____	_____	_____	_____	_____	_____	_____
E-2 _____	_____	_____	_____	_____	_____	_____	_____	_____
E-3 _____	_____	_____	_____	_____	_____	_____	_____	_____
E Subtotal - Other funds			_____	_____	_____	_____	_____	_____
F Total appropriated revenue			\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

(Agency Name)
 STATE OF LOUISIANA
 SCHEDULE OF NON APPROPRIATED (MAJOR STATE REVENUE & INCOME NOT AVAILABLE)
 FOR THE YEAR ENDED JUNE 30, 20__

Schedule No. _____
 ISIS Agency No. _____

ISIS Appropriation Number and Title I	Revenue Organization Number II	Revenue Source Code III	Classified Cash Receipts through June 30, 20__ IV	Unclassified Cash Receipts at June 30, 20__ V	Total Cash on Deposit with Treasury (IV + V) VI	Accounts Receivable at June 30, 20__ VII	Agency Adjustment to Modified Accrual Only VIII	Total Revenue IX
Income not available:								
A-1	_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
A-2	_____	_____	_____	_____	_____	_____	_____	_____
A-3	_____	_____	_____	_____	_____	_____	_____	_____
A-4	_____	_____	_____	_____	_____	_____	_____	_____
A	Subtotal Income not available							
Major State Revenue:								
B-1	_____	_____	_____	_____	_____	_____	_____	_____
B-2	_____	_____	_____	_____	_____	_____	_____	_____
B-3	_____	_____	_____	_____	_____	_____	_____	_____
B-4	_____	_____	_____	_____	_____	_____	_____	_____
B-5	_____	_____	_____	_____	_____	_____	_____	_____
B-6	_____	_____	_____	_____	_____	_____	_____	_____
B-7	_____	_____	_____	_____	_____	_____	_____	_____
B-8	_____	_____	_____	_____	_____	_____	_____	_____
B-9	_____	_____	_____	_____	_____	_____	_____	_____
B-10	_____	_____	_____	_____	_____	_____	_____	_____
B	Subtotal Major State Revenue							
Other Non-Appropriated:								
C-1	_____	_____	_____	_____	_____	_____	_____	_____
C-2	_____	_____	_____	_____	_____	_____	_____	_____
C-3	_____	_____	_____	_____	_____	_____	_____	_____
C	Subtotal Other Non-Appropriated							
D	Total Non Appropriated Fund Sources		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

 (Agency Name)
 STATE OF LOUISIANA
 NON APPROPRIATED OTHER FUNDS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 20__

Schedule No. _____
 ISIS Agency No. _____

TOTAL

REVENUES (Full Accrual)

	\$ _____	\$ _____	\$ _____	\$ _____
Total Revenues				

EXPENSES (Full Accrual)

	\$ _____	\$ _____	\$ _____	\$ _____
Total Expenses				
Excess (deficiency) of revenues over expenses				
Fund balances at beginning of year				
Adjustments				
Fund balances at end of year	\$ _____	\$ _____	\$ _____	\$ _____

STATE OF LOUISIANA
_____(agency)
ESCROW FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 20__

Unit Name:

Balance at beginning of year \$ _____

Revenues (additions July 1, 2003 through June 30, 2004):

_____	_____
_____	_____
_____	_____

Expenditures (deductions July 1, 2003 through June 30, 2004):

_____	_____
_____	_____
_____	_____

Balance as of June 30, 2004 _____

Accruals

Receivables:

Amount classified in 2004 (July 1, 2004 through August 14, 2004)

*Amount classified in 2005 (July 1, 2004 through August 14, 2004)

**Amount not classified as of August 14, 2004 (GASB 34 full accrual)

_____	_____
_____	_____
_____	_____

Payables:

Amount paid in 2004 (July 1, 2004 through August 14, 2004)

*Amount paid in 2005 (July 1, 2004 through August 14, 2004)

**Amount not paid as of August 14, 2004 (GASB 34 full accrual)

_____	_____
_____	_____
_____	_____

Balance at end of year \$ _____

***Should be accruals for prior year activity but reflected in the 2005 fiscal year.**

****Should be accruals for prior year activity not yet reflected in the financial system.**

Prepared by: _____

Telephone: _____

Email: _____

GASB 34 REVENUE ACCRUALS
 FOR THE YEAR ENDED JUNE 30, 20____

<u>Funding Source (list by name):</u>	<u>Organization #</u>	<u>Object</u>	<u>2003-4 GASB 34 Accrual</u>	<u>2002-3 GASB 34 Accrual Reversal</u>
Federal:			\$	\$
Self-Generated:				
Major State Revenue:				
Total GASB 34 accruals (gross)				
Less: Allowance for Uncollectibles (for all funding sources)				
Federal:				
Self-Generated:				
Major State Revenue:				
GASB 34 receivable adjustment net of uncollectibles			\$	\$
Amount Included above not expected to be collected in one year				
Federal:				
Self-Generated:				
Major State Revenue:				
Total amount included above not expected to be collected in one year			\$	\$

STATE OF LOUISIANA

_____ (Agency)

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the state and reason for the changes in the budget, please complete the schedule below. If the change is greater than 10%, explain the reason for the change.

	<u>2004</u>	<u>2003</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues (a)	\$ _____	\$ _____	\$ _____ -	\$ _____
Expenditures (b)	_____	_____	_____ -	_____

Explanation for change: _____

(a) Revenues must equal the following:

- Total revenue on Schedule 3 or Schedule 3-1, if applicable
- +Full current year accrual revenues on Schedule 14
- Full prior year accrual revenues on Schedule 14
- +2004 Payroll Federal revenue accrual from Note R
- 2003 Payroll Federal revenue accrual from Note R

(b) Expenditures must agree with total expenditures on Schedule 1 or Schedule 3-1, if applicable, **plus 2004** payroll accrual, **less** 2003 payroll accrual

2)	<u>2004 Original Budget ©</u>	<u>2004 Final Budget (d)</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$ _____	\$ _____	\$ _____ -	\$ _____
Expenditures	_____	_____	_____ -	_____

Explanation of change: _____

3)	<u>2004 Final Budget (d)</u>	<u>2004 Actual (a)(b)</u>	<u>Difference</u>	<u>Percentage Change</u>
Revenues	\$ _____	\$ _____	\$ _____ -	\$ _____
Expenditures	_____	_____	_____ -	_____

Explanation of change: _____

©The original budget amount should equal the budget amount appropriated by the Legislature (Act 15).

(d)The final budget amount should equal the original budgeted amount plus or minus all of the BA 7's (revisions).

STATE OF LOUISIANA

_____(Agency)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20__**

INTRODUCTION

The _____ is an agency of the State of Louisiana reporting entity and was created in accordance with Title _____, Chapter _____ of the Louisiana Revised Statutes of 1950 as a part of the _____ branch of government. The _____ is charged with _____ within the State of Louisiana.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The _____ prepared its financial statements in accordance with the procedures established by the Division of Administration. The financial activities of the _____ are accounted for on a fund basis whereby a set of separate, self-balancing accounts are maintained to account for appropriated or authorized activities. The information presented herein, is reported under the modified accrual basis of accounting as prescribed by GAAP for fund level reporting.

The general fixed assets and long-term obligations of the agency are not recognized in the accompanying financial reports presented at fund level. All capital assets of the primary government are, however, reported at the government-wide level of reporting, as required by GAAP.

Annually the State of Louisiana issues a comprehensive annual financial report which includes the activity contained in the accompanying financial statements. The comprehensive annual financial report is audited by the Louisiana Legislative Auditor.

1. FUND ACCOUNTING

General Operating Appropriations

The General Operations Fund is used to account for all general and auxiliary fund appropriated operating expenditures and minor capital acquisitions. All appropriated general and auxiliary operations revenue is accounted for in this fund.

Non-Appropriated Funds (describe each Non-Appropriated Fund)

Major State Revenues and Income Not Available - The agency collects major state revenues that are remitted to the State Treasury for deposit to statutorily dedicated funds. In addition, the agency collects funds specifically identified by the Division of Administration - Budget Office as Income Not Available that are remitted to the State Treasury. These amounts are not available to the agency for expenditure and are, therefore, not included on Statement B but are detailed on Schedule 4.

Payroll Clearing Fund - The Payroll Clearing Fund is used to account for payroll deductions and accrued benefits.

The non-appropriated funds relating to Major State Revenues, Income Not Available and Payroll Clearing are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

STATE OF LOUISIANA

(Agency)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20__**

For purposes of this statement presentation, collections in excess of Appropriated Means of Financing are not considered income not available and therefore are included on Statement B.

2. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the _____ are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration - Office of Statewide Reporting and Accounting Policy as follows:

Revenues - State General Fund and Interim Emergency Board appropriations are recognized as the net amount warranted during the fiscal year including the 45 day close period.

Fees and self-generated revenues, interagency transfers, federal funds, intrafund revenues, non-appropriated revenues, and other financing sources (with the exception of agency funds) are recognized in the amounts earned, to the extent that they are both measurable and available. (Describe other basis of revenue recognition which differs from this.)

Expenditures - Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that obligations of employees' vested annual and sick leave are recorded as expenditures when paid. (List any other exceptions.)

B. IMPREST FUNDS

1. ISIS AGENCIES

The agency maintains a permanent Travel and Petty Cash Imprest Fund in the amount of \$_____ as authorized by the Commissioner of Administration and advanced by the State Treasurer's Office in accordance with Title 39. The funds are permanently established and periodically replenished from agency operating funds when expenditure vouchers are presented.

2. NON-ISIS AGENCIES

The agency maintains a Petty Cash Fund in the amount of \$_____ as authorized by the Commissioner of Administration in accordance with Title 39 of the Louisiana Revised Statutes. The fund is established at the beginning of the fiscal year from the agency's regular operating appropriation and is closed at the end of the fiscal year. The fund is periodically replenished from agency operating appropriation when expenditure vouchers are presented during the fiscal year. The established base amount is considered an

STATE OF LOUISIANA

(Agency)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20__

internal agency fund; however, the requirement for repayment of the fund to the operating appropriation at the end of the fiscal year eliminates the need for the fund to be reported in these financial statements.

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.)

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the _____ agency may deposit funds with a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the agency may invest in time certificates of deposit in state banks organized under the laws of Louisiana, national banks having their principal office in the State of Louisiana, savings accounts or shares of savings and loan associations and savings banks and share accounts and share certificate accounts of federally or state chartered credit unions.

As reflected on Statement A, the _____ agency had deposits in bank accounts totaling \$_____ at June 30, 20__. Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the state treasurer. The deposits at June 30, 20__, were secured as follows:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ _____	\$ _____	\$ _____	\$ _____
Bank balances (category 3 only, if any)				
Identify amounts reported as category 3 by descriptions below:				
a. Deposits not insured and uncollateralized	\$ _____	\$ _____	\$ _____	\$ _____
b. Deposits not insured and collateralized with securities held by the pledging institution	_____	_____	_____	_____
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or agent <u>but not in entity's name</u>	_____	_____	_____	_____
Total category 3 bank balances	\$ _____	\$ _____	\$ _____	\$ _____
Total bank balances (All categories including category 3 reported above)	\$ _____	\$ _____	\$ _____	\$ _____

STATE OF LOUISIANA

(Agency)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20__

NOTE: The "Total Bank Balances" will not necessarily equal the "Deposits in Bank Account per Balance Sheet".

GASB Statement 40 only requires any category 3 deposits to be disclosed in the custodial credit risk section of Note C. If an entity has deposits exposed to custodial credit risk category 3, it should disclose the amount of those balances, the fact that they are uninsured, and whether the balances are either uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The following is a breakdown by banking institution, program and amount of the bank balances shown above:

	<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1.	_____	_____	\$ _____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
Total			\$ _____

2. INVESTMENTS

The _____ does (does not) maintain investment accounts as authorized by _____ (note legal provisions authorizing investment by the agency).

Investments can be classified according to the level of risk to the entity. Using the following categories, list each type of investment disclosing the carrying amount, market value, and applicable category of risk. **Beginning with fiscal year ending June 30, 2004, only risk category 3 has to be broken out separately. However, the total reported amount and fair value columns still must be reported for total investments (including category 3).**

Category 1 - Insured or registered in the entity's name, or securities held by the entity or its agent in the entity's name **(separate disclosure no longer required)**

Category 2 - Uninsured and unregistered with securities held by the counterparty's trust department or agent in the entity's name **(separate disclosure no longer required)**

Category 3 - Unsecured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name **(separate disclosure still required)**

NOTE: GASB Statement 40 requires investments to be listed by type, and whether any of those are category 3 investments. If so, those category 3 investments are reported in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name.

STATE OF LOUISIANA

(Agency)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20__

- h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year _____

Reverse Repurchase Agreements as of the Balance Sheet date

- i. Credit risk related to the reverse repurchase agreements outstanding at balance sheet date, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest _____
- j. Commitments on June 30, ____, to repurchase securities under yield maintenance agreements _____
- k. Market value on June 30, ____, of the securities to be repurchased _____
- l. Description of the terms of the agreements to repurchase _____
- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements _____
- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement _____

Fair Value Disclosures

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices _____
- p. Basis for determining which investments, if any, are reported at amortized cost _____
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool _____
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares _____
- s. Any involuntary participation in an external investment pool _____
- t. Whether you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate _____
- u. Any income from investments associated with one fund that is assigned to another fund _____

Concentration of Credit Risk, Interest Rate Risk, and Foreign Currency Risk Disclosures

- v. Briefly describe the deposit and/or investment policies related to the custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk

STATE OF LOUISIANA

(Agency)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20__

disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact. _____

w. List, by amount and issuer (not including U.S. government securities, mutual funds, and investment pools), investments in any one issuer that represents 5% or more of total investments _____

x. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms of the investment (eg coupon multipliers, reset dates, etc.) _____

y. Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end. All debt investments regardless of type can be aggregated by credit quality rating (if any are unrated, disclose that amount). _____

z. Disclose the interest rate risk of debt investments by listing the investment type and the method that is used to identify and manage the interest rate of those investments (by one of the following 5 methods: a) segmented time distribution, b) specific identification, c) weighted average maturity, d) duration, or e) simulation model.) _____

aa. Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies). List by currency denomination and investment type, if applicable. _____

D. GENERAL FIXED ASSETS- CAPITAL LEASES ONLY (REVISED)

List, individually, those items of movable property with a value of \$5,000 or above (attach additional sheets as needed) and those buildings with a value of \$100,000 or above that are under capital leases (See definition on page 12). We no longer need a complete list of General Fixed Assets. The total must agree with the historical cost reflected in Column 1 of Note M (2) Schedule A.

<u>Description of Item</u>	<u>Movable Property Tag No.</u>	<u>Date Acquired</u>	<u>Historical Cost of Each Item</u>
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

STATE OF LOUISIANA

(Agency)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20__

E. INVENTORY OF MATERIALS AND SUPPLIES

In general, inventories are recorded as an expenditure when purchased. The cost value of inventory, determined under (perpetual or periodic) inventory system using the (FIFO, LIFO, etc.) valuation method, at the date of the financial statement is presented within the asset portion of the statement. A fund balance reserve for inventory equal to the amount of inventory is used to indicate that inventory is not an "available expendable resource". **NOTE: Do not include postage as inventory, include as prepayments, if material.**

F. SEEDS

The agency is in receipt of a seed in the amount of \$_____ as authorized by the joint approval of the State Treasurer and the Commissioner of Administration and drawn against the State Treasurer. The seed represents a liability to the unit and must be repaid if not reauthorized annually.

The breakdown of advances by unit are as follows:

	<u>Fund</u>	<u>Date Authorized</u>	<u>Amount</u>
1.	_____	_____	\$ _____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
	Total		\$ _____

G. DEFERRED REVENUE

Deferred revenue represents revenue (generally federal) that was received during fiscal year 2004 and not yet earned. Certain federal grants may fit this description. The deferred revenue amount(s) is/are \$_____ (federal), \$_____ (self-generated), and/or \$_____ (IAT).

H. OPERATING AND CAPITAL GRANTS FOR GASB 34 PRESENTATION

For OSRAP to complete the GASB 34 presentation, provide the following: the total operating grants and contributions were \$_____, and the total capital grants and contributions were \$_____.

- 1) Operating Grants-represent the total amount of the grant revenues for the year that are restricted by the grantor for operating purposes or that may be used for either capital or operating purposes at the discretion of the grantee.
- 2) Capital Grants-represent the total amount of the revenues for the year from grants restricted by the grantor for the acquisition, construction, or renovation of capital assets.

The sum of both should equal total federal revenues plus federal accruals.

STATE OF LOUISIANA

(Agency)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20__

I. JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES

Obligations and losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund and are not reflected in the accompanying special purpose financial statements. The self-insurance fund is operated by the Office of Risk Management, the state agency responsible for the state's risk management program.

Liability for claims and judgments should include specific incremental claim expenditures/expenses if known, or if it can be estimated (e.g., legal fees for outside legal assistance).

NOTE: Should you have claims which have not been submitted to Risk Management, include a schedule of these claims.

Those agencies collecting federal funds, who have been informed that certain of their previously claimed costs were disallowed, should disclose the requested information in the schedule shown below. Show each possible disallowance separately.

<u>Program</u>	<u>Date of Disallowance</u>	<u>Amount</u>	<u>Probability of Payment*</u>	<u>Estimated Settlement Amount</u>
1. _____	_____	\$ _____	_____	\$ _____
2. _____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____
6. _____	_____	_____	_____	_____

* Remote, reasonably possible, probable, or unknown

Claims and litigation cost of \$ _____ were incurred in the current year and are reflected in the accompanying financial statements.

J. LEAVE

1. ANNUAL AND SICK LEAVE

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits. Act 343 of 1993 allows members of the Louisiana State Employees' Retirement System, upon application for retirement, the option of receiving an actuarially determined lump sum payment for annual and sick leave which

STATE OF LOUISIANA

(Agency)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20__**

would otherwise have been used to compute years of service for retirement. The liability for unused annual leave payable at June 30, ____, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards Section C60.105, is estimated to be \$_____. The leave payable is not recorded in the accompanying financial statements.

Civil Service General Circular Number 001155 states that classified employees belonging to the Teacher's Retirement System of Louisiana and to the Louisiana School Employee's Retirement System are not eligible for payment of unused sick leave upon retirement or death. L.R.S. 17:425 on the other hand provides for payment for up to 25 days of unused sick leave for members of these two systems. In Opinion Number 94-373, the Attorney General opined that the Civil Service Commission had jurisdiction over classified employees and therefore those members are not eligible for payment of unused sick leave. Because the Commission has no authority over unclassified employees, those members are eligible to receive such compensation. Should you have employees who upon retirement - or their heirs upon the employee's death - are compensated for up to 25 days of unused sick leave disclose the liability. The liability for this unused sick leave payable at June 30, 20____ is \$_____.

2. Compensatory Leave (Use for Non-Exempt Employees)

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employee's hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, ____, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$_____. The leave payable (is) (is not) recorded in the accompanying financial statements.

K. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS PER GASB 12

LRS 42:821 through 42:880 establishes the self-insured and self-funded state employees group health care and life insurance program and authorizes the _____ agency to provide certain continuing health care and life insurance benefits for its retired employees. Substantially all of the agency's employees become eligible for those benefits if they reach normal retirement age while working for the agency. Monthly premiums are paid jointly by the employees and the employer (from the agency appropriation) for both retirees' and active employees' benefits regardless of whether benefits are provided by Group Benefits or one of the HMOs authorized by Group Benefits. The agency recognizes the cost of providing benefits as an expenditure when paid during the year. For the year ended June 30, ____, the costs of retirees' benefits totaled \$_____, while the number of retirees is _____. (As defined by the GASB Statement 12, dependents of a retiree should be counted as a single unit if the retiree is deceased and should not be counted if the retiree is alive.) The cost of retirees' benefits is net of participant's contribution.

STATE OF LOUISIANA

(Agency)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20__

L. ENCUMBRANCES

The following are multi-year contracts whose payments are to be liquidated with statutorily dedicated funds **only**: (Show each year separately). The General Fund is not shown. An example would be certain payments made by the Department of Natural Resources. Obligations are made against the Wetlands Conservation and Restoration Fund for contracts which are let for two to five years in the future. **Be sure that you do not double count cooperative endeavors that are reported in note X.**

Examples:

Wetlands Fund _____
Lottery Proceeds Fund _____

M. LEASE AND RENTAL COMMITMENTS

Lease agreements, if any, have non-appropriation exculpatory clauses that allow lease cancellation if the Legislature does not make an appropriation for its continuation during any future fiscal period. Total operating lease expenditures for fiscal year ___ - ___ amounted to \$_____.

1. OPERATING LEASES

Operating leases are all leases which do not meet the criteria of a capital lease. Operating leases are grouped by nature (i.e. office space, equipment, etc.) and the annual rental payments for the next five fiscal years are presented in the following schedule.

<u>Nature of lease</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY 2010- 2014</u>
a. Office space Less leases on state office buildings financed through OFC.	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____	_____	_____	_____
c. Land	_____	_____	_____	_____	_____	_____
d. Other	_____	_____	_____	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Rental expense for operating leases with scheduled rent increases is based on the relevant lease agreement except in those cases where a temporary rent reduction is used as an inducement to enter the lease. In those instances, rental expense is determined on

STATE OF LOUISIANA

(Agency)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20__**

either a straight-line or interest basis over the term of the lease, as required by GASB 13, and not in accordance with lease terms. The agency does (does not) have leases with scheduled rent increases due to temporary rent reductions used as an inducement to enter the lease. The resulting revenues/expenses are (are not) shown on the statement of operations. If not included on the statement of operations, attach a schedule listing all such leases.

2. CAPITAL LEASES AND LEASE PURCHASES-Do not include leases on state office buildings financed through Office Facilities Corporation

Capital leases are defined as an arrangement in which any one of the following conditions apply (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

Schedule A should be used to report all capital leases including new leases in effect as of 6/30/04. In schedule B, report only those new leases entered into during fiscal year 2003-2004. Note: LEAF leases should not be included in Schedule A or B.

SCHEDULE A – CAPITAL LEASES EXCEPT LEAF LEASES

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Cost)</u>	<u>Remaining interest and executory costs to end of lease</u>		<u>Remaining principal to end of lease</u>	<u>Fund that pays lease</u>
a. Office space	\$ _____	\$ _____		\$ _____	_____
b. Equipment	_____	_____		_____	_____
c. Land	_____	_____		_____	_____
Total	\$ _____	\$ _____		\$ _____	_____

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2004:

	<u>Total</u>
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total minimum lease payments	_____
Less amounts representing executory costs	(_____)
Net minimum lease payments	_____
Less amounts representing interest	(_____)
Present value of net minimum lease payments	\$ _____

STATE OF LOUISIANA

(Agency)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20__**

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Cost)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>	<u>Fund that pays lease</u>
a. Office space	\$ _____	\$ _____	\$ _____	_____
b. Equipment	_____	_____	_____	_____
c. Land	_____	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____	_____

Following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 20__:

	<u>Total</u>
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total minimum lease payments	_____
Less amounts representing executory costs	(_____)
Net minimum lease payments	_____
Less amounts representing interest	(_____)
Present value of net minimum lease payments	\$ _____

3. REVENUE LEASES

LESSOR DIRECT FINANCING LEASES

A lease is classified as a direct financing lease when (1) any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) both the following criteria are satisfied:

- ? Collectibility of the minimum lease payments is reasonably predictable.
- ? No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement, and complete the schedule below.

STATE OF LOUISIANA

(Agency)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20__**

<u>Composition of lease</u>	<u>Minimum lease payment receivable</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Less amounts representing executory costs	(_____)		
Minimum lease payment receivable	_____		
Less allowance for doubtful accounts	(_____)		
Net minimum lease payments receivable	_____		
Less Estimated Residual Value of Leased Property	(_____)		
Less unearned income	(_____)		
Net investment in direct financing lease	\$ _____		

Minimum lease payments do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if for example the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2004 were \$ _____ for office space, \$ _____ for equipment, and \$ _____ for land.

The agency received lease revenues for _____. Total revenues for fiscal year 20__ - 20__ totaled \$ _____. The following is a schedule by years of minimum lease receivable for the five succeeding fiscal years as of June 30, 2004:

	<u>Minimum Lease Receivables</u>
2005	\$ _____
2006	_____
2007	_____
2008	_____
2009	_____
2010-2014	_____
2015-2019	_____
2020-2024	_____
Total	\$ _____

4. LESSOR - Operating Lease

When a lease agreement does not satisfy at least one of the four criteria for reporting as a capital lease (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for leasing organized by major class of property and the amount of accumulated depreciation (optional for Governmental Funds) as of June 30, _____.

STATE OF LOUISIANA

(Agency)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20__**

a. Office space	\$ _____
b. Equipment	_____
c. Land	_____
Less: accumulated depreciation	(_____)
Total carrying amount of property	\$ _____

The following is a schedule by years of minimum future rentals on noncancellable operating lease(s) as of _____ (last day of fiscal year):

<u>Nature of lease</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>2010- 2014</u>
a. Office space	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____	_____	_____	_____
c. Land	_____	_____	_____	_____	_____	_____
d. Other	_____	_____	_____	_____	_____	_____
Total minimum future rentals	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Current Year lease revenues received in fiscal year _____ totaled \$ _____.

Contingent rentals received from operating leases for fiscal year 2004 were \$ _____ for office space, \$ _____ for equipment, and \$ _____ for land.

N. RELATED PARTY TRANSACTIONS

List all related party transactions as defined by FASB 57 including the description of all relationships, the transactions, the dollar amount of the transactions and any amounts to or from which result from related party transactions.

O. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

On-behalf payments for fringe benefits and salaries are direct payments made by one entity to a third-party recipient for the employees of another, legally separate entity. One of the two entities party to on-behalf payments for fringe benefits and salaries may be a non-governmental entity. On-behalf payments include pension plan contributions, employee health and life insurance premiums, and salary supplements or stipends.

1. Reporting:
 - a. Employer Entity:

STATE OF LOUISIANA

(Agency)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20__

The amount of revenues recognized (received) during the year plus any receivables at year end by third-party recipients for fiscal year _____ is \$_____.

The amount of expenditures/expenses when the employer entity is not legally obligated to make payments is recognized as the amount of revenues recognized. The amount of expenditures/expenses recognized for fiscal year _____ is \$_____.

The amount of expenditures/expenses when the employer entity is legally obligated to make payments is recognized based on the accounting standards applicable to that type of transaction. For example, if contributions are made to a pension plan, the expenditure/expense should be recognized following pension accounting standards. The amount of expenditures/expenses recognized for fiscal year _____ is \$_____.

b. Paying Entity:

A paying entity would not recognize any revenues for on-behalf payments for fringe benefits.

The amount of expenditures/expenses recognized and classified by the paying entity is the same amount it would use to classify similar cash grants to other entities. The amount of expenditures/expenses recognized for fiscal year _____ is \$_____.

2. Disclosure:

The following on-behalf payments that are contributions to a pension plan for which the agency is not legally responsible are:

<u>Contributor</u>	<u>Pension Plan</u>
_____	_____
_____	_____
_____	_____
_____	_____

P. PASS-THROUGH GRANTS

Pass-through grants are grants and other forms of financial assistance received by governmental entities to be transferred to or spent, according to legal or contractual requirements, on behalf of secondary recipients, which may or may not be governmental entities or agencies. Pass-through grants are grants which meet any of the following criteria:

The government entity monitors secondary recipients for compliance with program requirements.

The governmental entity determines secondary recipients eligibility even if the grantor's eligibility criteria are used.

The governmental entity is able to determine how grant funds are to be allocated.

STATE OF LOUISIANA

(Agency)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20__**

The governmental entity has direct financial involvement in administration of the grant, such as financing part of the program costs for matching purposes or being liable for disallowed costs. This does not apply to incidental administrative costs.

<u>Grant Name</u>	<u>Federal Identification Number</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Q. IN-KIND CONTRIBUTIONS

(List all in-kind contributions that are not included in the accompanying financial statements.)

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/ Fair Market Value as Determined by Grantor</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
Total	\$ _____

(NOTE: In-kind contributions represent things of value donated or received by your agency from an outside source which would otherwise create an expenditure to the agency if the agency was required to purchase the goods or services from current resources. Examples are 1) pharmacy items donated to a state hospital from a pharmaceutical company, 2) food items donated to a state prison from the U.S. Department of Agriculture, or 3) donated fixed assets, recorded at fair market value, and also recorded in general fixed assets. Do not include within the in-kind contribution funds contributed by local governments or nonprofit organizations to provide program matching shares.

R. PAYROLL AND RELATED BENEFITS ACCRUAL

Agencies will be required to reflect the 2003-2004 accrued personal services cost for this fiscal year on the accompanying financial statement. The following schedule will aid you in doing so. As most agency units pay their employees biweekly this would require a fiscal year 2002-03 accrual calculation based on six (6) days and the fiscal year 2003-04 calculation will be based on eight (8) days. Agencies must also determine the federal match on this accrual calculation.

STATE OF LOUISIANA

(Agency)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20__**

	<u>FY 2002-03</u>	<u>FY 2003-04</u>
1. 07/11/03 Payroll (gross & related)	\$ _____	
2. 07/9/04 Payroll (gross & related)	<u>X 60.0%</u>	\$ _____ <u>X 80.0%</u>
2a. Payroll accrual	_____	_____
2b. Add voids and supplementals (off cycle) paid in the 45 day close with prior year appropriations.	_____	_____
3. Total payroll accruals	\$ _____	\$ _____
4. Estimated federal receivable attributed to the accrual shown above	\$ _____	\$ _____
<u>Total Agency Expenditures</u>		
5. Total programs from Schedule 1		_____
6. Less: 2002-03 accrual from line 3, column 1 above		_____
7. Plus: 2003-04 accrual from line 3, column 2 above		_____
8. To Statement B (this should be the total for <u>all</u> programs)		\$ _____
<u>Total Federal Revenue</u>		
9. Federal Funds from Schedule 3, column VIII, line A or Schedule 3-1, column V, line 1 (Federal)		_____
10. Less: 2002-03 accrual from line 4, column 1 above		_____
11. Plus: 2003-04 accrual from line 4, column 2 above		_____
12. Less: Deferred Revenue from Note G (Federal)		_____
13. To Statement B (line 4) Federal Funds		\$ _____
Accrual by Programs:	Payroll	Federal Receivable
Program 1 _____	\$ _____	\$ _____
Program 2 _____	_____	_____
Program 3 _____	_____	_____
Program 4 _____	_____	_____
Total	\$ _____	\$ _____

STATE OF LOUISIANA

(Agency)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20__**

S. TOTAL COLUMNS ON COMBINED STATEMENTS – MEMORANDUM ONLY

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations. Neither is such data comparable to a consolidation.

T. FUND DEFICITS

The following individual funds had deficits for the year ended June 30, __:

<u>Fund</u>	<u>Amount</u>
_____	\$ _____
_____	_____
_____	_____
Total	\$ <u>_____</u>

These deficits were the results of (describe): _____

The deficits will be resolved (describe): _____

U. RESERVE FOR CONTINUING OPERATION (S)

The unit is by statute allowed to retain residual fund balance in order to finance future operations. For the fiscal year ended June 30, __, \$_____ was the amount reserved.

<u>Office/Fund</u>	<u>Louisiana Revised Statutes</u>	<u>Reserve for Continuing Operations</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total		\$ <u>_____</u>

STATE OF LOUISIANA

(Agency)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20__

V. PER DIEM PAID BOARD (COMMISSION) MEMBERS

Per diem payments are presented on Schedule 10. The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with Senate Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

W. CONSULTANT FEES FOR REASIBILITY STUDIES AND OTHER SPECIAL REPORTS

Schedule 11 presents professional services payments made for consultant fees for feasibility studies and other special reports. This schedule is prepared in compliance with Senate Concurrent Resolution No. 35 of the Regular Session of 1974.

X. COOPERATIVE ENDEAVORS

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state.

Some cooperative endeavor contracts are not coded with a document type of “COP” on the Contract Financial Management Subsystem (CFMS), but are considered cooperative endeavors. Please include these with your cooperative endeavor listed below. Examples of cooperative endeavors not coded as COP on CFMS include contracts that fall under delegated authority, Facility Planning and Control “CEA” contracts, certain federal government contracts, contracts that legislative auditors may have designated as such within your agency, work incumbent programs, etc. In prior years, this information was requested as supplemental documentation after the AFRs were submitted, usually in October or November.

The liability outstanding as of June 30, 2004, by funding source, is as follows:

<u>Funding Source</u>	Balance <u>June 30, 2004</u>
State General Fund	\$ _____
Self-generated revenue	_____
Statutorily dedicated revenue	_____
General obligation bonds	_____
Federal funds	_____
Interagency transfers	_____
Other funds/combination	_____

Be sure that you do not double count encumbrances reported in note L.

NOTE: Amounts in excess of contract limits cannot be used to reduce the outstanding contract balance at June 30, 2004. For example, if a contract specifies a percentage of usage for

STATE OF LOUISIANA

(Agency)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20__**

each month (25%) and usage exceeds that percentage (75%), you cannot claim actual usage that exceeds contract requirements (50%).

NOTE: In order to compute your ending balances by funding source, you should begin with your balances at June 30, 2003. These amounts will be increased by amounts for new contracts and amendments and decreased for payments as well as for liquidations.

Y. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2003-04:

<u>CFDA Number</u>	<u>Program name</u>	<u>State Match Percentage</u>	<u>Total Amount of Grant</u>
		%	\$
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total government-mandated nonexchange transactions (grants)			=====

Z. SUBSEQUENT EVENTS (Describe)

See definition on page 21 of instructions.

AA. GASB 34 ACCRUALS moved to Schedule 14

BB. INFRASTRUCTURE

Infrastructure is defined as long-lived capital assets associated with governmental activities that normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets. Examples include roads, bridges, tunnels, street signage, street lamps, traffic signals, drainage systems, water and sewer systems, dams, and lighting systems.

Each agency with infrastructure assets is required to track infrastructure expenditures to determine if the year's expenditures would be above the \$3 million threshold per infrastructure asset. List individually those infrastructure items with a value of \$3,000,000 per infrastructure asset, per year:

STATE OF LOUISIANA

(Agency)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 20__**

<u>Description of Infrastructure</u>	<u>Cost</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____

CC. LAND AND LAND IMPROVEMENTS (not reported to State Land Office or Facility Planning and Control)

Some agencies may acquire land or make land improvements that are not reported to the State Land Office or Facility Planning and Control. Land improvements are those betterments, improvements, and site preparations that ready land for its intended use. Some examples of land improvements would be excavation, filling, grading, demolition of existing buildings, and removal or relocation of other property (telephone or power lines). Other land improvements are built or installed to enhance or facilitate the use of the land for a particular purpose and may include walking paths and trails, fences and gates, landscaping, sprinkler systems, fountains, and beaches. Land and land improvements should be reported at cost, estimated cost, or estimated fair value at date of acquisition and should include all expenses necessary to obtain title such as legal fees.

List individually all land acquisitions and any improvements to land that the agency has made during the fiscal year that is not reported to the State Land Office or Facility Planning and Control:

<u>Description of Land or Improvement</u>	<u>Cost</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____

Information for Note C “Deposits with Financial Institutions and Investments”
(GASB Statement 3 Amended by GASB Statement 40)

I. Purpose:

Note C provides the required disclosures about the governmental entities’ deposits with financial institutions and investments. The disclosures required for deposits and investments as of the fiscal year ended date provides information about the credit risk and market risk of the deposits and investments and are designed to provide users of the financial statements information about the potential for losses associated with the deposits and investments.

GASB Statement 40 has modified or eliminated portions of GASB Statement 3 including:

- 1) modified the custodial credit risk disclosures of Statement 3 for deposits to limit the required disclosure to only category 3, thus eliminating the disclosures of category 1 and 2 deposits.**
- 2) modified the custodial credit risk disclosures of Statement 3 for investments to limit the required disclosure to only category 3, thus eliminating the disclosures of category 1 and 2 investments.**
- 3) established or modified disclosure requirements related to investment risks for concentrations of credit risk and interest rate risk (disclosures of investments that have fair values that are highly sensitive to changes in interest rates).**
- 4) Established disclosure requirements for foreign currency risks for both deposits and investments.**

II. Comparison of amounts disclosed per requirements in Note C to amounts shown on the Balance Sheet (if Balance Sheet is required as part of AFR packet):

- Generally, the amounts of cash and investments on the balance sheet will not be classified exactly the way they would be classified in Note C.
- “Deposits with Financial Institutions” and “Investments” in Note C may be reported on the balance sheet using titles or line items that are different than those in Note C, or they may be combinations of titles or line items. For instance, “Deposits” in Note C may come from several line items on the balance sheet such as “Cash in Bank” and “CD’s”, or even “Investments” (See section II below that gives further guidance on what should be considered “Deposits” in note C).
- Line items on the balance sheet may include amounts that would be deposits in Note C, and may also include amounts that would be investments in Note C. Also, cash and cash equivalents line items on the balance sheet may include amounts that are not deposited in bank accounts of the entity and therefore would not be reported in Note C as deposits but as separate line items such as petty cash, cash on hand, and treasury cash. These amounts must be listed separately from the deposits.
- Each line item on the balance sheet that involves cash or investments, including any restricted cash and/or investments, needs to be analyzed to determine what is included in the item and how it should be disclosed in Note C.

III. “Deposits with Financial Institutions” section of Note C:

- Generally, this section of the Note C disclosure refers to the various examples of “Deposits With Financial Institutions” (See A. for examples). The term “cash and cash equivalents” is used in reference to GASB Statement 9 that affects presentation for the balance sheet and statement of cash flows, not the note disclosures required by GASB Statement 3 & 40. “Deposits with Financial Institutions” include deposit accounts in banks, savings and loan associations, and credit unions. They can be demand, savings, or time accounts, including negotiable order of withdrawal (NOW) accounts and non-negotiable CD’s. As stated previously, deposits for Note C may be a combination of balance sheet line items or titles.

- Do not include treasury cash, petty cash not in a bank account, or cash on hand in Note C as part of the deposits in bank accounts. As mentioned previously, these amounts would be separate line items.

A. Examples and/or definitions:

Nonnegotiable Certificates of Deposit – Nonnegotiable CDs are time deposits that are placed by depositors directly with financial institutions and generally are subject to a penalty if redeemed before maturity. These are treated as deposits for GASB 3 Note C disclosures. (Negotiable CDs are securities that are normally sold in \$1 million units that are traded in a secondary market. These are treated as investments for Note C disclosures.)

Money Market Accounts – financial institution “money market” accounts are simply deposits that pay interest at a rate set to make the accounts competitive with money market mutual funds. They should be treated like any other deposit account for Note C disclosures.

Bank Investment Contracts (BICs) – A BIC is a general obligation instrument issued by a bank, typically to a pension plan, that provides for a guaranteed return on principal over a specified period. Since these are issued by a bank, they are treated as deposits for Note C disclosures.

B. Other definitions as applied to deposits:

Insured (Insurance) – deposits are insured by federal deposit insurance (FDIC), state deposit insurance, multiple financial institution collateral pools that insure public deposits, and even commercial insurance (if scope of coverage would be substantially the same as FDIC).

Collateral – Security pledged by a financial institution to a government entity for its deposits.

IV. “Investments” section of Note C:

- Following GASB Statement 3 requirements, investments (listed by type) were either “categorized as to level of credit risk” or “not categorized”, and were generally classified by whether they fit the definition of securities or not (see the definition of securities in section IV.C.). **GASB Statement 40 has eliminated the requirement to disclose investments by the 3 categories and classified or non-classified. Now investments are simply listed by type and if any category 3 investments exist, that fact would be disclosed in a paragraph form.**
- **Types of investments for listing investments by type definitions/examples:**
 1. Repurchase Agreements – An agreement in which a governmental entity (buyer-lender) transfers cash to a broker-dealer or financial institution (seller-borrower): the broker-dealer or financial institution transfers securities to the entity and promises to repay the cash plus interest in exchange for a) the same securities, or for b) different securities.
 2. U.S. Government Obligations – examples include treasury bills, treasury notes and treasury strips; obligations of certain U.S. Government Agencies such as FNMA, FHLB, or SLMA.
 3. Common & Preferred Stock – a security that represents an ownership interest in an entity.
 4. Commercial Paper (mortgages, notes, etc.) – An unsecured promissory note issued primarily by corporations for a specific amount and maturing on a specific day. Almost all commercial paper is rated as to credit risk by rating services.
 5. Corporate Bonds
 6. Other (identify) – It is not appropriate to present material amounts of investments as “Other”, unless the note disclosure describes the composition of the “Other” category. The following are examples of other investments:
 - a. Closed-end Mutual Fund – The investment company sells shares of its stock to investors and it invests on the shareholders’ behalf in a diversified portfolio of securities. A closed-end mutual fund has a constant number of shares, the value depends on the market supply

and demand for the shares rather than directly on the value of the portfolio, the fund does issue certificates, and the securities are traded on a stock exchange.

b. Open-end Mutual Funds – The investment company sells shares of its stock to investors and it invests on the shareholders' behalf in a diversified portfolio of securities. In contrast to a closed-end mutual fund, the open-end mutual fund creates new shares to meet investor demand, the value depends directly on the value of the portfolio, the fund does not issue certificates but sends out periodic statements showing account activity. These investments are not evidenced by securities that exist in physical or book entry form.

c. Reverse Repurchase Agreements - An agreement in which a broker-dealer or financial institution (buyer-lender) transfers cash to a governmental entity (seller-borrower); the entity transfers securities to the broker-dealer or financial institution and promises to repay the cash plus interest in exchange for a) the same securities, or for b) different securities.

d. Investments in pools managed by another government – GASB 3 does not require the investment to be categorized as to level of risk, but it does not prohibit it either.

Generally, these investments would not be categorized because they are not evidenced by securities that exist in physical or book entry form.

e. Private placements, such as venture capital and limited partnerships

f. Investments in real estate, annuity contracts, and direct investments in mortgages

V. Risk Disclosures for Deposits and Investments:

- Deposits and investments are subject to several types of risks, mainly **credit risk, market risk, interest rate risk, and foreign currency risk.**

Credit risk - defined as the risk that a counterparty to an investment transaction will not fulfill its obligations and can be associated with the issuer of securities, with a financial institution holding deposits, or with a party holding investment or collateral securities.

Concentration of credit risk – defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer.

Market risk – defined as the risk that the market value of investment securities, collateral securities protecting a deposit, or securities of a repurchase agreement will decline.

Interest rate risk – defined as the risk that changes in interest rates will adversely affect the fair value of an investment.

Foreign currency risk – defined as the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit.

A. Risk Disclosures for Deposits:

Following GASB Statement 3, deposits were classified into three categories of custodial credit risk depending on whether they were insured or collateralized, and who holds the collateral and how the collateral is held.

Collateral – Securities pledged by the financial institution for the purpose of securing the governmental entity's deposits.

Collateralized – When the entity's deposits are secured with securities pledged by the financial institution holding the deposits.

Category 1 – Deposits that are covered by insurance (FDIC) or collateralized with securities that are held by the entity in the entity's name or registered in the entity's name.

Category 2 – Deposits that are not insured but are collateralized with securities that are held by the financial institution's trust department or agent and are in the entity's name.

Category 3 – Deposits that are not covered by insurance and also are not collateralized. Not collateralized includes when the securities (collateral) are held by the financial institution's trust department or agent and they are not in the entity's name.

GASB Statement 40 has eliminated the requirement to disclose category 1 and 2 deposits. Only category 3 deposits are now required to be disclosed. If an entity has deposits exposed to custodial credit risk Category 3, it should disclose:

1. the amount of those balances,
2. the fact that they are uninsured, and
3. whether the balances are either:
 - a. Uncollateralized,
 - b. Collateralized with securities held by the pledging financial institution, or
 - c. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the entity's name.

B. Following GASB Statement 3, investments (listed by type) were either classified into three categories (depending on whether they are insured or registered and who holds the securities and how they are held), or listed as non-classified investments.

Category 1 – Investments that are insured (SIPC) or registered in the entity's name, or securities held by the entity or agent in the entity's name.

Category 2 – Investments that are not insured or registered, and the securities are held by the counterparty's trust department or agent in the entity's name.

Category 3 – Investments that are not insured or registered, and the securities are held by the counterparty or its trust department or agent not in the entity's name.

GASB Statement 40 has eliminated the requirement to disclose investments by the 3 categories and classified or non-classified. Now investments are simply listed by type and if any category 3 investments exist, that fact would be disclosed in a paragraph form.

Additional Risk Disclosures for Investments:

C. Securities as applied to the credit risk categories :

Securities – a transferable financial instrument that evidences ownership or creditorship. Securities can be in either paper or book-entry form.

1. Examples of securities that are often held by or pledged to (as collateral) governmental entities include:

- a. treasury bills, treasury notes, treasury bonds
- b. federal agency obligations
- c. corporate debt instruments (including commercial paper)
- d. corporate equity instruments
- e. negotiable CD's (keyword here is negotiable)
- f. bankers' acceptances
- g. shares of closed-end mutual funds (keyword here is closed-end)
- h. shares of unit investment trusts

2. Instruments or investments that are not securities include:

(These instruments or investments would therefore not be categorized as to credit risk for GASB 3 disclosure requirements)

- a. investments made directly with another party (such as limited partnerships)
- b. real estate
- c. direct investments in mortgages and other loans
- d. investments in open-ended mutual funds (keyword here is open-ended)
- e. pools managed by other governments
- f. annuity contracts
- g. guaranteed investment contracts