

INTERFUND BORROWING

DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES
INFORMATIONAL REPORT
NOVEMBER 12, 2015

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

November 12, 2015

The Honorable John A. Alario, Jr.,
President of the Senate
The Honorable Charles E. "Chuck" Kleckley,
Speaker of the House of Representatives
The Honorable John N. Kennedy, State Treasurer
Department of the Treasury

Dear Senator Alario, Representative Kleckley, and Treasurer Kennedy:

This report provides the results of our procedures on the Department of the Treasury's interfund borrowing practices. We performed these procedures to determine the extent of interfund borrowing in Louisiana and identify the long-term effects on the state's cash flow. The scope of our procedures was significantly less than an audit conducted in accordance with *Government Auditing Standards*. I hope this report will assist you in your legislative decision-making process.

We would like to express our appreciation to the management and staff of the Department of the Treasury for their assistance.

Sincerely,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

BF:BDC:EFS:aa

TREASURYINTERFUND2015

Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



Interfund Borrowing

November 2015

Audit Control # 80150122

Introduction

Annually, the Legislature passes a balanced budget, as required by Louisiana Revised Statute (R.S.) 39:51. However, the budget does not explicitly consider whether there is enough General Fund cash to support the state's daily operations.

R.S. 49:308.4 allows the Treasury to use, loan, or borrow any available state cash from any fund, except the Louisiana Education Quality Trust Fund or Transportation Trust Fund, as long as that money is repaid by August 15 following the end of the fiscal year. By policy, the Treasury limits its borrowing to cash in those funds that are not constitutionally protected. As of June 30, 2015, the Treasury had designated 280 funds as borrowable and 77 funds as non-borrowable.

During November 2014, the state of Louisiana's General Fund reached a peak \$1.1 billion cash flow deficit, requiring significantly more interfund borrowing than in previous fiscal years. This practice is necessary because much of the state's revenue is not collected until late in the fiscal year, while General Fund expenditures occur throughout the fiscal year.

Interfund Borrowing:

The practice by which the Department of the Treasury borrows cash from dedicated funds to maintain General Fund cash flow.

We performed procedures to determine the extent of interfund borrowing in Louisiana and identify the long-term effects on the state's cash flow. Overall, we concluded that interfund borrowing is unlikely to result in significant cash flow problems for fiscal year 2016. However, future legislative changes to taxes, tax credits, or exemptions could have unanticipated consequences on General Fund cash flow, as could changes in the use of borrowable cash balances. In addition, the state's recognition in fiscal year 2014 of an accumulated cash balance in the General Fund as "surplus" resulted in a permanent decrease in General Fund cash that will continue for all future years, effectively increasing interfund borrowing.

As of October 30, 2015, General Fund interfund borrowing totaled approximately \$1.475 billion, or \$491 million more borrowing than a year ago. Borrowable funds totaled approximately \$2.5 billion at the end of September 2015. Also, the Treasury reported that General Fund interfund borrowing reached a new peak of \$1.833 billion on October 14, 2015.

Appendix A provides our scope and methodology, Appendix B includes a listing of funds with borrowable cash balances, and Appendix C lists funds with non-borrowable cash balances.

Interfund Borrowing

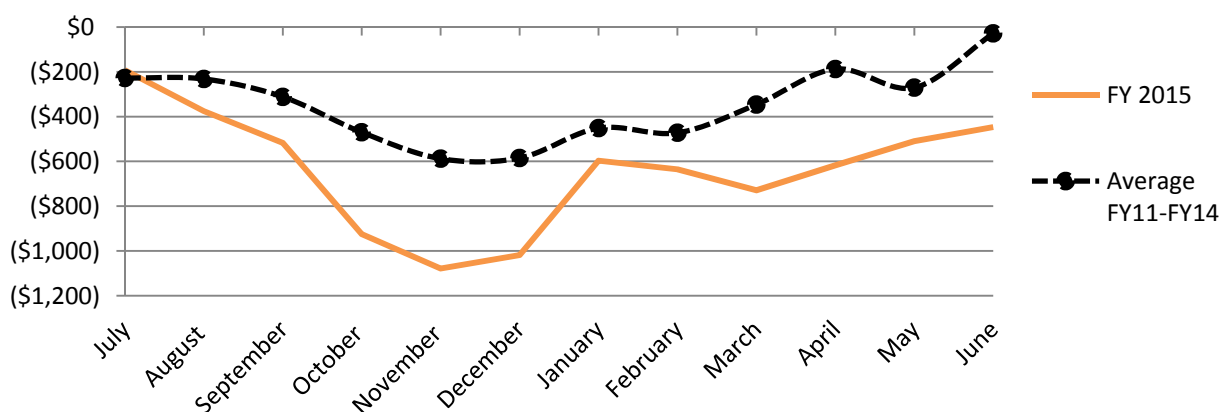
To determine the extent of interfund borrowing in Louisiana and identify the long-term effects on the state's cash flow, we conducted procedures in the areas of General Fund cash balances, availability of borrowable cash, and timely repayment of borrowed cash. Overall, we found that interfund borrowing is unlikely to result in significant cash flow problems for fiscal year 2016, based on the reasons outlined below. However, we also found that future legislative changes to taxes, tax credits, or exemptions could have unanticipated consequences on General Fund cash flow, as could changes in the use of borrowable cash balances.

General Fund cash flow follows historic patterns based on the timing of revenue collections. Operating deficits, such as the one recognized in fiscal year 2015, caused by lower than expected revenues in the early part of the fiscal year, would be partially mitigated by changes in revenue projections by the Revenue Estimating Committee.

General Fund Cash Balances

The state's General Fund cash balances fluctuate throughout each fiscal year; however, the state's fiscal year 2015 General Fund cash balance was consistently lower than in other recent years, resulting in higher levels of interfund borrowing. The one-time recognition of \$345 million of an accumulated cash balance in the General Fund as "surplus" in January 2015 will further contribute to correspondingly higher interfund borrowing in all future years.

Exhibit 1
General Fund's Cash Balance by Month
(in millions)



Source: Month-end balances obtained from Treasury interfund borrowing reports

The General Fund cash balances are normally at their lowest levels during the Fall because much of the state's revenue is not collected until later in the fiscal year, while expenditures occur more consistently throughout the fiscal year. During November 2014, the General Fund cash balance reached a peak deficit of \$1.1 billion, primarily because of lower than expected revenues. In spite of subsequent mid-year budget reductions, the General Fund cash balance was still significantly lower than average at June 30, 2015.

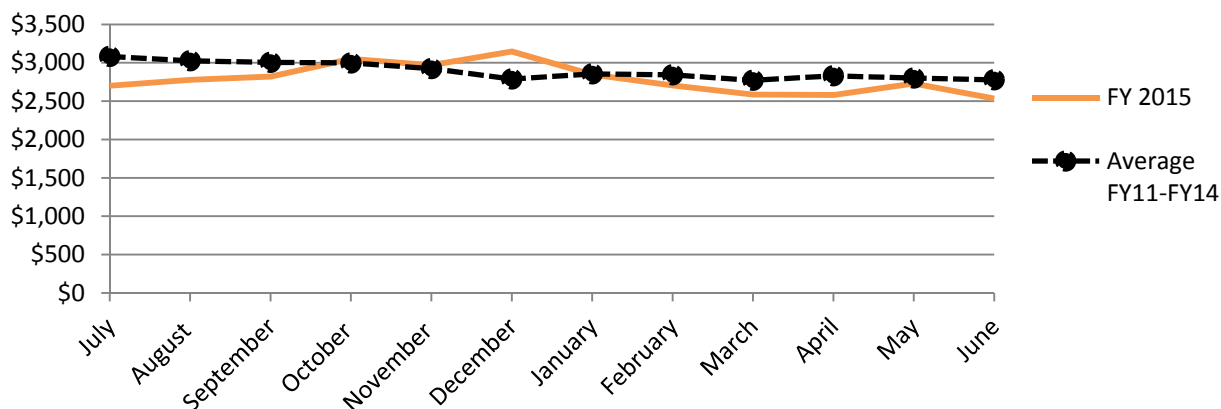
During its meeting in January 2015, the Revenue Estimating Conference (REC) recognized a prior-year General Fund cash surplus of \$178 million. This net figure represents a \$167 million operating deficit offset by \$345 million in General Fund cash carried forward from prior years. Of the net \$178 million, \$125 million was used for debt defeasance prior to June 30, 2015, and the remaining \$53 million was earmarked for transfer to the Budget Stabilization Fund and retirement systems. By using the \$345 million in prior-year General Fund cash, future General Fund cash balances will be lower, resulting in more interfund borrowing in all future years.

Borrowable cash of \$2.5 billion to \$3 billion exceeds the largest fiscal year 2015 deficit level of \$1.1 billion and has remained consistent for the past five years. The permanent removal of \$345 million in General Fund cash for the recognition of the fiscal year 2014 General Fund cash surplus would have further decreased borrowable cash but would have left a borrowable cash cushion of at least \$1 billion.

Availability of Borrowable Cash

The cash balances in the borrowable funds between fiscal years 2011 and 2014 have generally averaged \$2.5 billion to \$3 billion. The fiscal year 2015 cash balances in the borrowable funds were generally consistent with prior-year balances. Exhibit 2 shows the month-end cash balance in the borrowable funds for fiscal year 2015 compared to the average of the previous four fiscal years' month-end balances. See Appendix B for the cash balance in each borrowable fund at June 30 for the periods analyzed.

Exhibit 2
Borrowable Cash by Month
(in millions)



Source: Month-end balances obtained from Treasury interfund borrowing reports

Borrowable cash balances fluctuate because of the regular operations of the underlying funds (i.e. revenues, expenditures, and transfers). For example, cash infusions from bond proceeds used to repay Capital Outlay project extended lines of credit indirectly increase borrowable cash, while legislative “fund sweeps,” or permanent transfers of borrowable cash to the General Fund, decrease borrowable cash. The December 2014 spike in borrowable cash was the indirect result of a general obligation bond issue. At June 30, 2015, statutory dedications available to be swept by legislative Act totaled approximately \$1.1 billion, or 44% of borrowable funds.

Although there was a significant increase in the level of interfund borrowing between October and December 2014 to cover General Fund cash deficits, the cash available for borrowing was approximately \$3 billion during that period, leaving approximately \$2 billion after interfund borrowing.

The repayment of fiscal year 2015 borrowed cash occurred on July 17, 2015, well within the statutory 45-day deadline.

Timely Repayment of Borrowed Cash

Repayment of General Fund interfund borrowing has historically occurred prior to June 30. Fiscal years 2012, 2014, and 2015 are the only years since 2003 where the General Fund did not have a positive cash balance at June 30, with fiscal year 2015 having the largest deficit of \$446 million. However, for all years, including fiscal year 2015, the cash was repaid by the statutory deadline.

| Exhibit 3 | | |
|--|--------------------------------------|-------------|
| Fiscal Year | June 30 General Fund Cash Balance | Date Repaid |
| 2003 | \$197,883,061 | N/A |
| 2004 | \$215,565,658 | N/A |
| 2005 | \$490,092,789 | N/A |
| 2006 | \$948,951,334 | N/A |
| 2007 | \$1,055,128,884 | N/A |
| 2008 | \$989,089,443 | N/A |
| 2009 | \$1,027,908,277 | N/A |
| 2010 | \$547,659,143 | N/A |
| 2011 | \$241,428,347 | N/A |
| 2012 | (\$247,465,754) | July 18 |
| 2013 | \$35,306,954 | N/A |
| 2014 | (\$141,854,830) | July 1 |
| 2015 | (\$446,521,890) | July 17 |
| Source: Month-end General Fund balances obtained from Treasury reports | | |

All borrowed amounts outstanding at June 30 of fiscal years 2012, 2014, and 2015 were paid back within the 45-day year-end close period as required by R.S. 49:308.4. Exhibit 3 depicts the General Fund cash balances at June 30 and the dates when the General Fund repaid its interfund borrowing. A positive cash balance in the General Fund at June 30 indicates there was no interfund debt to repay.

Future legislative changes to taxes, tax credits, or exemptions could have unanticipated consequences on General Fund cash flow, as could changes in the use of borrowable cash balances.

The long-term effects of interfund borrowing on the state's cash flow are less clear but center around the ability of the state to continue to pay its bills on time. General Fund cash flow is directly impacted by the timing of tax collections, which have produced a fairly consistent pattern for the past several years.

Future legislative changes to taxes, tax credits, or exemptions could have unanticipated consequences to General Fund cash flow, such as the timing or amounts of General Fund collections in the early part of the fiscal year, as could changes in the use of borrowable cash balances. For example, shifting to a tax structure that "smooths" collections over the entire fiscal year could improve General Fund cash flow, while shifting to a tax structure that relies upon collections at one time of the year could require additional interfund borrowing. Also, additional uses of borrowable cash to resolve future budget shortfalls could further reduce the borrowable cash base upon which the General Fund relies. Further, the state's recognition of the fiscal year 2014 cash surplus resulted in a permanent decrease in General Fund cash that will continue for all future years, effectively increasing interfund borrowing.

APPENDIX A: SCOPE AND METHODOLOGY

We performed procedures to determine the extent of interfund borrowing in Louisiana and identify the long-term effects on the state's cash flow. We focused our efforts on General Fund cash balances, availability of borrowable cash, and timely repayment of borrowed cash. The scope of our engagement was significantly less than an audit conducted in accordance with *Government Auditing Standards*. The following procedures were performed:

- Obtained and reviewed the Treasury's monthly calculations of the cash balances in the General Fund and various statutory-dedicated and constitutionally-protected funds and verified that the Treasury cash balances agreed to the state's accounting system.
- Performed a comparison of the fiscal year 2015 General Fund's monthly cash balances to the average cash balances of the previous four fiscal years.
- Performed a comparison of the fiscal year 2015 borrowable funds' monthly cash balances to the average cash balances of the previous four fiscal years.
- Reviewed the Treasury's policies and procedures for tracking interfund borrowing levels.
- Reviewed applicable Louisiana Revised Statutes.
- Considered Treasury's responses to our questions and reviewed applicable supporting documentation, as well as other information and understanding we have accumulated through our annual audits of the Treasury and the state's Comprehensive Annual Financial Report.
- Shared the report with Treasury management to obtain its input and provided management with the opportunity to formally respond to the report.

APPENDIX B: BORROWABLE CASH BY FUND (Unaudited)

The state's funds with borrowable cash balances at June 30 are listed below. Borrowable funds without a cash balance in the years presented are excluded.

| Fund Description | Cash Balance (in millions) at June 30 | | | | |
|---|---------------------------------------|-------|-------|-------|-------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| 1. 2% Fire Insurance Fund | \$0.5 | \$0.4 | \$1.5 | | \$0.4 |
| 2. 2013 Amnesty Collections Fund | | | | \$8.6 | |
| 3. Academic Improvement Fund | 1.3 | | | | |
| 4. Agricultural Commodities Commission's Self-Insurance Fund | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 |
| 5. Agricultural Commodity Dealers and Warehouse | 0.7 | 0.4 | 0.7 | 0.7 | 0.6 |
| 6. Alexandria/Pineville Area Tourism | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 |
| 7. Alexandria/Pineville Exhibition | 0.6 | 0.5 | 0.6 | 0.7 | 0.7 |
| 8. Aquatic Plant Control Fund | 0.2 | | | | 0.3 |
| 9. Artificial Reef Development Fund (1) | 33.7 | 18.3 | 21.3 | 23.4 | |
| 10. Ascension Parish Visitor Enterprise | 1.0 | 1.2 | 1.2 | 1.4 | 1.5 |
| 11. Bastrop Municipal Center Fund | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| 12. Beauregard Parish Community Improvement | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 |
| 13. Beautification and Improvement of the New Orleans City Park | 0.5 | 0.1 | 0.5 | | |
| 14. Beautification Project for New Orleans Neighborhoods | 0.3 | | 0.1 | 0.1 | |
| 15. Blind Vendors Trust Fund | 1.0 | 0.7 | 0.8 | 0.7 | 0.7 |
| 16. Boll Weevil Eradication Fund | 0.5 | 0.3 | | | |
| 17. Bossier City Civic Center Fund | 2.0 | 2.3 | 2.3 | 2.8 | 2.9 |
| 18. Bossier Education Excellence | 0.1 | | 0.1 | | |
| 19. Calcasieu Parish Excellence Fund | 0.5 | 0.1 | 0.1 | | |
| 20. Calcasieu Visitor Enterprise | 0.5 | 0.2 | 0.1 | | 0.1 |
| 21. Capital Outlay Escrow Fund (2) | 697.4 | 422.9 | 265.1 | 454.0 | 353.6 |
| 22. Children's Trust Fund | 0.8 | 0.4 | 0.4 | 0.6 | 0.7 |
| 23. Clean Water State Revolving Fund | 238.6 | 269.2 | 334.7 | 311.7 | 335.1 |
| 24. Coastal Resources Trust Fund | 0.7 | 1.3 | 2.5 | 2.8 | 2.7 |
| 25. Community & Family Support System Fund | | | 0.1 | 0.1 | |
| 26. Community Hospital Stabilization Fund | | | 0.9 | | 12.7 |
| 27. Community Water Enrichment Fund | 2.7 | 1.3 | 0.8 | | |
| 28. Compulsive & Problem Gaming Fund | 0.5 | 0.1 | 0.2 | 0.1 | 1.3 |
| 29. Concealed Handgun Permit Fund | 1.6 | 0.3 | 2.6 | 4.8 | 3.3 |
| 30. Crab Promotion and Marketing Fund | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| 31. Crescent City Amnesty Refund Fund | | | | | 0.1 |
| 32. Crescent City Connection Toll Fund | | | 1.4 | | |
| 33. Crescent City Connection Transition Fund | | | 18.3 | 16.4 | 11.6 |

| Fund Description | Cash Balance (in millions) at June 30 | | | | |
|--|---------------------------------------|-------|-------|-------|-------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| 34. Crime Victims' Reparation | \$1.3 | \$1.9 | \$1.6 | \$1.8 | \$1.3 |
| 35. Criminal Identification & Information | 2.2 | 1.6 | 0.3 | 0.2 | 0.3 |
| 36. Crop Pests & Diseases Fund | 0.1 | | | | |
| 37. Debt Recovery Fund | | | | | 5.0 |
| 38. Debt Service Reserve | 3.6 | 3.6 | 3.6 | 3.4 | 3.4 |
| 39. Dept. of Justice Debt Collection Fund | 0.8 | 0.2 | 0.1 | 0.1 | 0.7 |
| 40. Dept. of Justice Legal Support Fund | 0.6 | 6.8 | 0.3 | 0.3 | |
| 41. Dept. of Public Safety and Corrections Police Officer | | 0.1 | 0.3 | | |
| 42. Dept. of Revenue Alcohol and Tobacco Control Offices | 0.2 | 0.3 | 0.4 | 0.4 | 0.5 |
| 43. Desoto Parish Visitor Enterprise | 0.2 | 0.4 | 0.5 | 0.7 | 0.6 |
| 44. Disability Affairs Trust Fund | 0.1 | 0.1 | 0.1 | 0.2 | 0.1 |
| 45. DNA Testing Post-Conviction Relief | 0.1 | | | | |
| 46. DOTD Right-of-Way Permit Processing Fund | 0.1 | 0.1 | 0.2 | 0.1 | 0.1 |
| 47. Drinking Water Revolving Loan Fund | 30.4 | 36.4 | 72.7 | 77.1 | 95.3 |
| 48. Drug Abuse Education & Treatment | 0.1 | 0.3 | 0.3 | 0.3 | 0.4 |
| 49. EBR Parish Community Improvement Fund | 0.4 | 0.5 | 0.3 | 0.2 | 0.2 |
| 50. EBR Parish Enhancement Fund | 0.2 | 0.2 | 0.3 | 0.3 | 0.2 |
| 51. EBR Parish Riverside Centroplex | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| 52. Economic Development Fund | 53.5 | 8.7 | 11.0 | 8.3 | 2.4 |
| 53. Emergency Medical Technician | 0.1 | 0.1 | 0.1 | | 0.1 |
| 54. Energy Performance Contract Fund | | 0.7 | 0.7 | 0.4 | 0.3 |
| 55. Entertainment Promotion & Marketing Fund | 0.4 | 0.5 | 0.6 | 0.2 | 0.2 |
| 56. Environmental Trust | 3.8 | 3.7 | 7.2 | 10.4 | 6.7 |
| 57. Escrow Fund - LA Racing Commission | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| 58. Evangeline Visitor Enterprise | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 |
| 59. Explosives Trust Fund | 0.9 | | 0.1 | | 0.1 |
| 60. FEMA Reimbursement Fund | 41.1 | | | | |
| 61. Fire Marshall Fund | | 0.1 | 0.9 | 0.1 | 0.1 |
| 62. Fisherman's Gear Compensation Fund | 0.5 | | 1.2 | 1.2 | 0.8 |
| 63. Forest Protection Fund | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 |
| 64. Forestry Productivity Fund | 3.0 | 3.6 | 4.5 | 5.3 | 6.2 |
| 65. Franklin Visitor Enterprise Fund | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| 66. Fraud Detection Fund | 0.8 | 0.8 | 1.1 | 1.4 | 1.3 |
| 67. Friends of NORD Fund | 0.4 | | 0.1 | 0.1 | 0.1 |
| 68. Future Medical Care Fund | 9.3 | 10.0 | 9.1 | 8.8 | 8.9 |
| 69. Geaux Pass Transition Fund | | | | 2.3 | 1.6 |
| 70. Grain & Cotton Indemnity Fund | 0.3 | 0.9 | 2.0 | 2.7 | 3.4 |
| 71. Grand Isle Tourist Commission Account | 0.2 | 0.2 | 0.2 | 0.3 | 0.2 |
| 72. Greater N. O. Expressway Commission Additional Cost Fund | 0.1 | | | | |
| 73. Hazardous Materials Emergency Response | 0.1 | 0.3 | 0.1 | | |
| 74. Hazardous Waste Site Cleanup | 6.0 | 6.0 | 6.0 | 4.8 | 4.3 |
| 75. Health Care Facility Fund | | | 1.1 | 0.3 | 0.4 |

| Fund Description | Cash Balance (in millions) at June 30 | | | | |
|--|---------------------------------------|-------|-------|-------|--------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| 76. Health Care Redesign Fund | \$4.7 | \$0.6 | \$1.8 | | |
| 77. Health Trust Fund | | | | | \$11.1 |
| 78. Help LA Vote Fund | 7.4 | 3.4 | 1.8 | \$0.3 | 0.2 |
| 79. Higher Education Initiatives Fund | 0.1 | 0.1 | | | |
| 80. Horticulture & Quarantine Fund | | | 0.5 | 0.1 | |
| 81. Horticulture Commission Fund | 0.3 | | | | |
| 82. Houma/Terrebonne Tourist Fund | 0.8 | 0.6 | 0.8 | 0.9 | 0.2 |
| 83. Iberia Parish Tourist Commission Fund | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 |
| 84. Iberville Enterprise Fund | 0.3 | | | | 0.1 |
| 85. Incentive Fund | | 0.1 | 0.1 | | |
| 86. Industrialized Building Program Fund | | 0.1 | 0.1 | 0.2 | 0.1 |
| 87. Innocence Compensation Fund | | | | | 0.1 |
| 88. Insurance Fraud Investigation Fund | 0.2 | | 0.1 | 0.4 | 0.7 |
| 89. Insurance Verification System Fund | | | | | 1.6 |
| 90. Internal Service Funds | 68.5 | 62.5 | 83.7 | 47.3 | 35.9 |
| 91. Jackson Parish Economic Development and Tourism Fund | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 |
| 92. Jefferson Par Convention Center | 0.5 | 0.6 | 0.7 | 0.7 | 0.6 |
| 93. Judges' Supplemental Compensation Fund | 0.6 | 0.1 | 0.4 | 0.4 | 0.4 |
| 94. LA Animal Welfare Fund | 0.1 | 0.1 | | | |
| 95. LA Auto Theft & Insurance Fraud Prevention | | | 0.1 | 0.1 | 0.1 |
| 96. LA Charter School Start-Up Loan Fund | 0.6 | 0.5 | 0.3 | | 0.1 |
| 97. LA Duck License, Stamp, and Print Fund | 3.8 | 3.9 | 4.0 | 3.5 | 3.8 |
| 98. LA Education Savings & Tuition | 311.1 | 355.0 | 406.6 | 455.7 | 510.5 |
| 99. LA Environmental Education Fund | 0.5 | | | | |
| 100. LA Filmmakers Grant Fund | 0.2 | 0.2 | 0.7 | 0.6 | |
| 101. LA Fur Public Education and Marketing Fund | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| 102. LA Highway Safety Commission | | | 0.2 | 0.2 | 0.2 |
| 103. LA Indigent Parent Representation Program Fund | 0.2 | | 0.1 | | |
| 104. LA Interoperability Communications Fund | 3.0 | 3.2 | 5.6 | 1.7 | 0.5 |
| 105. LA Life Safety Property Protection | 0.4 | 0.5 | 0.7 | 0.6 | 0.1 |
| 106. LA Manufactured Housing Commission Fund | 0.2 | 0.1 | | 0.3 | 0.2 |
| 107. LA Mega-Project Development Fund | 172.7 | 85.9 | 85.0 | 19.2 | 10.4 |
| 108. LA Public Defender Fund | 0.2 | 0.2 | 0.4 | 0.9 | 2.1 |
| 109. LA Rice Research Board Fund | 0.1 | 0.1 | | | |
| 110. LA Stadium and Exposition License Plate Fund | 0.6 | | 0.2 | | 0.1 |
| 111. LA Towing & Storage Fund | 0.1 | 0.2 | 0.2 | 0.2 | 0.1 |
| 112. LA Worker's Compensation 2nd Injury Fund | 38.2 | 38.9 | 40.3 | 43.9 | 44.2 |
| 113. Lafayette Parish Visitor Enterprise Fund | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 |
| 114. Lafourche Parish ARC Training & Development | 0.8 | 1.0 | 1.1 | 1.3 | 1.3 |
| 115. Lafourche Parish Enterprise Fund | 0.6 | 0.7 | 0.8 | 1.1 | 1.2 |
| 116. Lake Charles Civic Center | 2.6 | 3.1 | 3.7 | 4.3 | 0.3 |
| 117. Legislative Capitol Technology Enhancement Fund | 16.9 | 8.0 | | | |

| Fund Description | Cash Balance (in millions) at June 30 | | | | |
|---|---------------------------------------|-------|-------|-------|-------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| 118. Lincoln Parish Enterprise Fund | | | | | \$0.1 |
| 119. Liquefied Petrol Gas Commission | \$0.3 | \$0.6 | \$0.4 | \$0.1 | |
| 120. Livingston Parish Tourism & Economic Development Fund | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| 121. LTRC Transportation Training & Education Center Fund | | | 0.8 | 1.6 | 1.5 |
| 122. Madison Parish Visitor Enterprise Fund | 0.1 | | | | |
| 123. Marketing Fund | 0.2 | 1.1 | 1.0 | | |
| 124. Medicaid Trust Fund for the Elderly (3) | 603.0 | 518.8 | | | |
| 125. Medical and Allied Health Professional Education Scholarship and Loan Fund | | | 0.2 | | |
| 126. Medical Assistance Trust Fund (4) | 169.0 | 181.5 | 13.8 | 9.3 | |
| 127. Medical Assistance Program Fraud Detection Fund | 9.6 | 10.3 | 12.4 | 8.5 | 9.0 |
| 128. Mineral Resource Audit & Collection | 7.0 | 4.7 | | 0.2 | 1.2 |
| 129. Motor Carrier Regulation Fund | 0.1 | 0.1 | 0.2 | 0.3 | 0.4 |
| 130. Motor Fuels Underground Storage Tank | 55.8 | 63.7 | 72.4 | 80.1 | 87.4 |
| 131. Motorcycle Safety | | | | 0.1 | 0.1 |
| 132. Municipal Fire & Police Civil Service | | | | 0.1 | 0.1 |
| 133. Natchitoches Historic District Development Fund | 0.4 | 0.4 | 0.3 | 0.3 | 0.2 |
| 134. Natural Gas Restoration Trust Fund | 7.5 | 4.9 | 22.2 | 13.3 | 251.8 |
| 135. New Opportunities Waiver Fund | 23.3 | 3.1 | 1.7 | | |
| 136. New Orleans Metropolitan Convention and Visitors Bureau Fund | 0.8 | | 2.0 | 0.3 | 1.7 |
| 137. New Orleans Sports Franchise Assistance Fund | 0.4 | 0.3 | 0.3 | | |
| 138. New Orleans Sports Franchise Assistance Fund | 0.4 | 0.3 | 0.3 | | |
| 139. New Orleans Sports Franchise Fund | 0.1 | | | | |
| 140. New Orleans Area Tourism and Economic Development Fund | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| 141. New Orleans Urban Tourism & Hospitality Economic Development Fund | 0.4 | 0.1 | 0.2 | 0.3 | 0.4 |
| 142. Nursing Home Residents' Trust | 5.9 | 6.7 | 7.6 | 9.6 | 10.4 |
| 143. Office of Motor Vehicle Customer Service and Technology Fund | 1.3 | 1.2 | 0.3 | 1.8 | 1.7 |
| 144. Oil & Gas Regulatory Fund | 2.6 | | 0.2 | | 0.5 |
| 145. Orleans Parish Excellence Fund | 1.1 | | | | |
| 146. Ouachita Parish Visitor Enterprise Fund | 0.4 | 0.3 | 0.4 | 0.5 | 0.3 |
| 147. Overcollection Fund | 91.6 | 4.7 | 308.3 | 109.5 | 47.8 |
| 148. Oyster Development Fund | 0.2 | 0.2 | 0.2 | 0.3 | 0.4 |
| 149. Oyster Sanitation Fund | 0.5 | 0.4 | 0.4 | 0.4 | 0.3 |
| 150. Pari-Mutuel Live Racing Gaming Control | 1.3 | 25.7 | 0.9 | 23.8 | 23.3 |
| 151. Payroll Clearing | 69.4 | 105.4 | 80.9 | 72.4 | 79.7 |
| 152. Pineville Economic Development | 0.4 | 0.5 | 0.6 | 0.7 | 0.7 |
| 153. Plaquemines Parish Visitor Enterprise Fund | 0.4 | 0.4 | 0.5 | 0.6 | 0.6 |
| 154. Pointe Coupee Parish Visitor Enterprise | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 |
| 155. Poverty Point Reservoir Development Fund | 0.1 | 0.1 | 0.2 | 0.1 | |
| 156. Proprietary School Students Protection | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| 157. Public Safety D.W.I. Testing Maintenance | 0.2 | 0.3 | 0.2 | 0.2 | 0.1 |
| 158. Rapid Response Fund | 25.5 | 26.8 | 25.2 | 38.3 | 31.1 |

| Fund Description | Cash Balance (in millions) at June 30 | | | | |
|---|---------------------------------------|-------|-------|-------|-------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| 159. Rapides Parish Economic Dev. Fund | \$0.4 | \$0.6 | \$0.7 | \$0.8 | \$0.9 |
| 160. Red River Visitor Enterprise | 0.1 | 0.1 | 0.2 | 0.2 | 0.1 |
| 161. Rehabilitation For Blind & Visually Impaired | 1.7 | 0.1 | 0.3 | 0.3 | 0.5 |
| 162. Richland Visitor Enterprise Fund | 0.4 | 0.5 | 0.5 | 0.5 | 0.6 |
| 163. Right to Know Fund | 0.2 | | 0.1 | | |
| 164. Riverboat Gaming Enforcement | 0.9 | 1.5 | 4.2 | 1.5 | 0.6 |
| 165. Rockefeller Refuge Fund | 6.7 | 13.7 | 15.6 | 18.1 | 24.5 |
| 166. Rockefeller Wildlife Refuge Trust & Protection | 58.0 | 56.0 | 52.0 | 59.2 | 59.2 |
| 167. Russell Sage or Marsh Island Capital Improvement | 1.6 | 1.7 | 1.6 | 1.6 | 1.6 |
| 168. Savings Enhancement Fund | 12.2 | 13.4 | 14.8 | 16.0 | 17.1 |
| 169. Seafood Promotion & Market | 0.2 | 0.7 | 0.1 | 0.3 | 0.3 |
| 170. Seed Commission Fund | 0.2 | | 0.1 | | |
| 171. Sex Offender Registry Technology Fund | 0.2 | 0.1 | 0.1 | 0.1 | 0.5 |
| 172. Shreveport Riverfront Convention Center | 4.1 | 5.2 | 2.1 | 1.3 | 1.1 |
| 173. Shreveport-Bossier City Visitor Enterprise Fund | 0.3 | 0.3 | 0.2 | 0.1 | 0.1 |
| 174. Shrimp Marketing & Promotion Account | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 |
| 175. Small Business Surety Bonding | 1.1 | 1.7 | 2.0 | 0.1 | |
| 176. Southern University Ag Center Program Fund | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| 177. Sports Facility Assistance Fund | 1.2 | 0.2 | 1.0 | 1.1 | 2.6 |
| 178. St. Bernard Parish Enterprise Fund | | | | 0.1 | 0.1 |
| 179. St. Charles Parish Enterprise Fund | 0.9 | 1.0 | 1.1 | 1.3 | 1.4 |
| 180. St. Francisville Economic Development Fund | | 0.1 | 0.1 | 0.2 | 0.2 |
| 181. St. James Parish Enterprise Fund | | 0.1 | 0.1 | 0.1 | |
| 182. St. John the Baptist Convention Facility Fund | 0.9 | 1.1 | 1.2 | 1.4 | 1.4 |
| 183. St. Landry Parish Excellence Fund | | 1.8 | | | |
| 184. St. Landry Parish Historical Development | 0.1 | 0.1 | 0.2 | 0.3 | 0.2 |
| 185. St. Martin Parish Enterprise Fund | | | 0.1 | 0.1 | 0.1 |
| 186. St. Mary Parish Visitor Enterprise Fund | 0.8 | 0.6 | 0.8 | 0.6 | 0.5 |
| 187. St. Tammany Parish Fund | 0.3 | 0.3 | 0.4 | 0.6 | 0.6 |
| 188. State Emergency Response Fund | 13.7 | 17.5 | 0.2 | 0.4 | 0.4 |
| 189. State Highway Fund #2 | 9.3 | 13.4 | 10.0 | 11.4 | 11.8 |
| 190. State Highway Improvement Fund (2) | 40.2 | 62.9 | 162.8 | 357.2 | 117.6 |
| 191. State Park Improve & Repair | 7.3 | 4.1 | 2.1 | 1.5 | 3.0 |
| 192. Structural Pest Control Commission | 0.1 | | | | |
| 193. Support Education in LA First Fund | 2.3 | 6.8 | 2.8 | 11.0 | 4.4 |
| 194. Sweet Potato Pest & Diseases Fund | | 0.1 | | | |
| 195. Tangipahoa Parish Economic Development Fund | 0.4 | 0.4 | 0.5 | 0.5 | 0.6 |
| 196. Tangipahoa Parish Tourist Commission | 0.4 | 0.3 | 0.1 | 0.1 | 0.1 |
| 197. Tax Commission Expense Fund | 0.3 | 0.3 | 0.4 | 0.3 | 0.1 |
| 198. Telecommunications for the Deaf | 4.6 | 3.2 | 2.6 | 2.1 | 1.6 |
| 199. Telephone Co. Property Assessment Relief Fund | 28.8 | 32.7 | 45.6 | 46.5 | |
| 200. Telephonic Solicitation Relief | 0.1 | | | 0.1 | 0.1 |

| Fund Description | Cash Balance (in millions) at June 30 | | | | |
|---|---------------------------------------|----------------|----------------|----------------|----------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| 201. Terrebonne Parish Visitor Enterprise | \$0.5 | \$0.6 | \$0.7 | \$0.9 | \$0.2 |
| 202. Tobacco Regulation Enforcement | 0.1 | 0.2 | | | |
| 203. Tobacco Settlement Enforcement | 0.1 | | | | |
| 204. Tobacco Tax Health Care Fund | 3.4 | 3.9 | 0.2 | 5.0 | 3.2 |
| 205. Traumatic Head & Spinal Cord Trust | 2.9 | 3.2 | 0.9 | 0.4 | 0.2 |
| 206. Trial Court Case Management Information Fund | 0.8 | 1.3 | 1.3 | 1.9 | 1.4 |
| 207. Unclaimed Property Leverage Fund (2) | 45.1 | 53.8 | 63.0 | 157.7 | 71.8 |
| 208. Underground Damage Prevention | 0.6 | 0.9 | 0.8 | | |
| 209. Underwater Obstruction Removal Fund | | | 0.3 | | 0.2 |
| 210. Unified Carrier Registration Agreement Fund | 1.8 | 1.5 | 3.8 | 3.5 | 6.7 |
| 211. Union Parish Visitor Enterprise | | | | 0.1 | 0.1 |
| 212. UNO Slidell Technology Park Fund | 0.4 | | | | |
| 213. Utility & Carrier Inspection & Supervision | 0.4 | | | | |
| 214. Vermilion Parish Visitor Enterprise | 0.1 | | | | |
| 215. Vernon Parish Legislative Community Improvement Fund | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| 216. Video Draw Poker Device | 4.0 | 132.1 | 2.3 | 128.0 | 126.3 |
| 217. Video Draw Poker Purse Supplement | 2.2 | 1.9 | 1.3 | 1.0 | 0.6 |
| 218. Vital Records Conversion Fund | | | 0.1 | 0.3 | 0.5 |
| 219. Waste Tire Management | 1.4 | 1.3 | 1.0 | 1.4 | 2.0 |
| 220. Weights & Measures Fund | | 0.1 | 0.1 | 0.1 | |
| 221. West Baton Rouge Parish Visitor Enterprise Fund | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| 222. West Calcasieu Community Center Fund | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| 223. West Carroll Visitor Enterprise | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| 224. Wildlife Habitat & Natural Heritage | 8.2 | 5.6 | 4.6 | 4.4 | 4.4 |
| 225. Winn Parish Tourism Fund | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| 226. Worker's Compensation Administrative Fund | 5.1 | 3.4 | 4.1 | 4.1 | 4.1 |
| 227. Youthful Offender Management | 0.4 | | | | 0.1 |
| Total | \$3,146 | \$2,799 | \$2,395 | \$2,770 | \$2,533 |

Source: Month-end balances obtained from Treasury interfund borrowing reports

- (1) The Artificial Reef Development Fund became constitutionally protected in November 2014; therefore, the Fund was designated as "not borrowable." (See Act 434 of the 2013 Regular Session.)
- (2) Excludes unspent bond proceeds which are not "borrowable."
- (3) The Medicaid Trust Fund for the Elderly became constitutionally protected in November 2012; therefore, the fund was designated as "not borrowable." (See Act 873 of the 2012 Regular Session.)
- (4) The Medical Assistance Trust Fund became constitutionally protected in 2014; therefore, the fund was designated as "not borrowable." (See Act 439 of the 2013 Regular Session.)

APPENDIX C: NONBORROWABLE CASH BY FUND (Unaudited)

The state's non-borrowable funds with cash balances at June 30 are listed below. The Treasury began tracking the monthly cash balances by non-borrowable fund in January 2013; therefore, only fiscal years 2013, 2014, and 2015 are presented. Also, nonborrowable funds without a cash balance at June 30 in the years presented are excluded.

| Fund Description | Cash Balance (in millions) at June 30 | | |
|---|---------------------------------------|---------|---------|
| | 2013 | 2014 | 2015 |
| 1. Adult Probation and Parole Officer Retirement Fund | \$ 0.9 | | \$3.3 |
| 2. Artificial Reef Development Fund (1) | | | 17.0 |
| 3. Atchafalaya Delta WMA Mooring | | \$0.1 | 0.1 |
| 4. Black Bear Account | 0.2 | 0.3 | 0.3 |
| 5. Budget Stabilization Fund | 443.9 | 444.5 | 469.9 |
| 6. Capital Outlay Escrow Fund (2) | 269.6 | 198.0 | 147.2 |
| 7. Coastal Mitigation Account | 2.4 | 2.6 | 3.4 |
| 8. Coastal Protection & Restoration Fund | 265.8 | 170.8 | 114.3 |
| 9. Conservation Fund | 51.7 | 98.2 | 116.7 |
| 10. Derelict Crab Trap Removal Program Account | 0.2 | 0.2 | 0.2 |
| 11. Education Excellence Fund | 464.8 | 471.4 | 474.2 |
| 12. Employment Security Administration Account | 11.1 | 5.9 | 0.2 |
| 13. Enforcement Emergency Situation Response Account | 0.2 | 0.3 | 0.2 |
| 14. Escrow Fund | 500.0 | 342.1 | 296.7 |
| 15. Federal Energy Settlement Fund | 18.1 | 19.6 | 15.6 |
| 16. Free School Fund - Interest | 16.1 | 16.5 | 17.0 |
| 17. Free School Fund - Investments | 11.7 | 11.9 | 12.0 |
| 18. Free School Fund - Vacant Estates | 1.4 | 1.4 | 1.4 |
| 19. Fuller-Edwards Arboretum Trust Fund | 0.2 | 0.2 | 0.2 |
| 20. Health Excellence Fund | 464.6 | 470.7 | 467.4 |
| 21. Incumbent Worker Training Account | 23.8 | 21.6 | 21.0 |
| 22. LA Alligator Resource Fund | 1.5 | 2.1 | 3.7 |
| 23. LA Education Quality Trust Fund | 1,101.3 | 1,155.9 | 1,169.5 |
| 24. LA Lottery Proceeds Fund | 82.9 | 84.9 | 71.5 |
| 25. LA Military Family Assistance Fund | 0.6 | 0.7 | 0.7 |
| 26. LA Quality Education Support Fund | 41.0 | 48.6 | 47.5 |
| 27. LA Rice Research Board Fund | 0.1 | 0.1 | |
| 28. LA Tourism Promotion District Fund | | 0.2 | 0.4 |
| 29. LA Wild Turkey Fund | 0.6 | 0.7 | 0.7 |
| 30. Labor Penalty & Interest Account | 4.9 | 4.4 | |

| Fund Description | Cash Balance (in millions) at June 30 | | |
|--|---------------------------------------|------------------|------------------|
| | 2013 | 2014 | 2015 |
| 31. Lifetime License Endowment Trust Fund | \$18.8 | \$19.4 | \$20.0 |
| 32. Litter Abatement and Education Account | 0.2 | 0.4 | 0.3 |
| 33. Louisiana Fund | 8.3 | 1.7 | 0.2 |
| 34. Marsh Island Operating Fund | 0.1 | 1.6 | 2.3 |
| 35. MC Davis Conservation Fund | 0.3 | 0.2 | 0.3 |
| 36. Medicaid Trust Fund for the Elderly | 410.4 | 238.9 | 36.0 |
| 37. Medical Assistance Trust Fund (3) | | | 11.6 |
| 38. Mineral Revenue Audit & Settlement Fund | 0.1 | 0.1 | 0.1 |
| 39. Natural Heritage Account | 0.4 | 0.4 | 0.4 |
| 40. Non-State Education Excellence Investment Trust Fund | 62.2 | 56.6 | 53.4 |
| 41. Oil Spill Contingency Fund | 70.3 | 17.5 | 9.6 |
| 42. Oilfield Site Restoration Fund | 13.9 | 16.7 | 12.1 |
| 43. Parish Road Royalty Fund | 8.4 | 13.7 | 4.4 |
| 44. Parish Severance Tax Fund - General Severance Tax | 3.9 | 5.9 | 2.6 |
| 45. Parish Severance Tax Fund - Timber Severance Tax | 1.3 | 1.3 | 1.5 |
| 46. Patient's Compensation Fund (4) | 806.6 | | |
| 47. Public Oyster Seed Ground Development Account | | | 1.0 |
| 48. Quail Account | 0.1 | 0.1 | 0.1 |
| 49. Russell Sage or Marsh Island Refuge Fund | 14.1 | 16.6 | 16.1 |
| 50. Russell Sage Special Fund No. 2 | 9.2 | 8.8 | 9.0 |
| 51. Saltwater Fish Research and Conservation Fund | | | 1.2 |
| 52. Shrimp Trade Petition Fund | 0.1 | 0.1 | 0.1 |
| 53. State Highway Improvement Fund (2) | | | 102.7 |
| 54. Sweet Potato Fund | 0.2 | 0.3 | 0.2 |
| 55. TIMED Bond Proceeds Account | 50.7 | 25.7 | 5.6 |
| 56. TOPS Fund | 491.5 | 469.6 | 470.7 |
| 57. Transportation Infrastructure Model for Economic Development | 3.4 | 3.5 | 3.5 |
| 58. Transportation Trust Fund | 309.7 | 347.9 | 327.2 |
| 59. TTF 4 Cents Revenue | 20.2 | | |
| 60. Unclaimed Property Leverage Fund (2) | | | 45.7 |
| 61. Waterfowl Account | 0.2 | 0.1 | 0.1 |
| 62. White Lake Property Fund | 2.6 | 1.8 | 2.3 |
| 63. White Tail Deer Account | | 0.1 | 0.1 |
| Total | \$6,086.8 | \$4,822.9 | \$4,612.7 |

Source: Month-end balances obtained from Treasury interfund borrowing reports

- (1) The Artificial Reef Development Fund was designated as borrowable prior to becoming constitutionally protected in November 2014 (See Act 434 of the 2013 Regular Session.)
- (2) Only unspent bond proceeds are included. Remaining cash in fund is borrowable.
- (3) The Medical Assistance Trust Fund was designated as borrowable prior to becoming constitutionally protected in November 2014 (See Act 439 of the 2013 Regular Session.)
- (4) The Treasury transferred the Patient's Compensation Fund to the Fund's oversight board in June 2014; therefore, the cash balance is not included for 2014 and 2015.