



Report Highlights

Department of Transportation and Development

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Why We Conducted This Audit

We performed certain procedures at the Department of Transportation and Development (DOTD) as a part of the Comprehensive Annual Financial Report of the State of Louisiana, the Single Audit of the State of Louisiana, and to evaluate DOTD's accountability over public funds for the period July 1, 2017, through June 30, 2018.

Unclaimed Property Leverage Fund (UNC PROP) is a special fund that is funded by a portion of unclaimed property collected by the state. It contains two separate accounts, I-49 North and I-49 South, which can only be used to match federal funds for the costs associated with each respective project.

State Highway Improvement Fund (SHIF) collects registration and license fees and taxes to be used exclusively for funding projects that are part of the state highway system but not part of the federal system, and thus, is ineligible for federal highway funding assistance.

Transportation Infrastructure Model for Economic Development (TIMED) program is funded by a 4 cents gasoline tax and composed of 16 projects approved by the legislature in 1989. Bonds were issued to accelerate the completion of the TIMED program.

Transportation Trust Fund (TTF) is funded by a 16 cents gasoline tax, which is used exclusively for the construction and maintenance of the state and federal highway systems, the Statewide Flood-Control program, ports, airports, transit, traffic control, and the Parish Transportation Fund.

Highway Planning and Construction Cluster (HPCC) provides federal grants to states to assist in the construction, rehabilitation, and preservation of the National Highway System; to provide aid for the repair of federal-aid highways following disasters; to foster safe highway design and improve bridge conditions; to support community-level transportation infrastructure; and to provide for other special purposes.

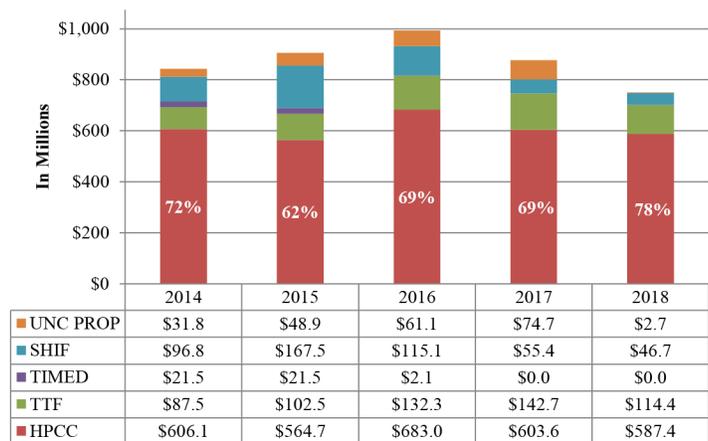
Sources: LA Constitution Article 7, Section 27; RS 47:820.1 and 47:820.2; www.whitehouse.gov; RS 48:196; RS 9:165

What We Found

- We reviewed the status of the prior-year findings related to Inadequate Controls over National Transit Database Reporting, Inadequate Controls over the Statewide Transit Tracking and Reporting System, and Noncompliance with Indirect Cost Rate Reimbursements. We determined that management has resolved all prior-year findings.
- Financial information relating to the following accounts was materially correct: Capital Outlay Escrow - infrastructure, construction-in-progress, right-of-way, expenditures, and accounts payable; Transportation Trust Fund - federal revenue (progress billings); and Engineering and Operations - classification of operating and capital grant revenues.
- Based on the results of our procedures, we did not report any internal control deficiencies or noncompliance with laws and regulations.

Five-Year Trend of DOTD Capital Outlay Significant Funding Sources, by Fiscal Year (FY)

Source: FY 2014–2018 DOTD Capital Outlay AFRs



As shown in the chart, federal funds provided \$587.4 million (78%) of the significant funding sources for the capital outlay program in fiscal year 2018. There was a \$16 million decrease (3%) in federal funds and a \$28 million decrease (20%) in the Transportation Trust Fund for fiscal year 2018. This decline is primarily caused by the unexpected increase of expenditures in fiscal year 2017 due to projects associated with the August 2016 flooding in addition to projects funded with bonds nearing completion. Finally, the Unclaimed Property Leverage Fund significantly decreased (\$72 million) in fiscal year 2018 due to the exhaustion of funding for I-49 North, where most of the designated projects are nearing completion.

View the full report at www.lla.la.gov.