

# LOUISIANA

Comprehensive Annual Financial Report

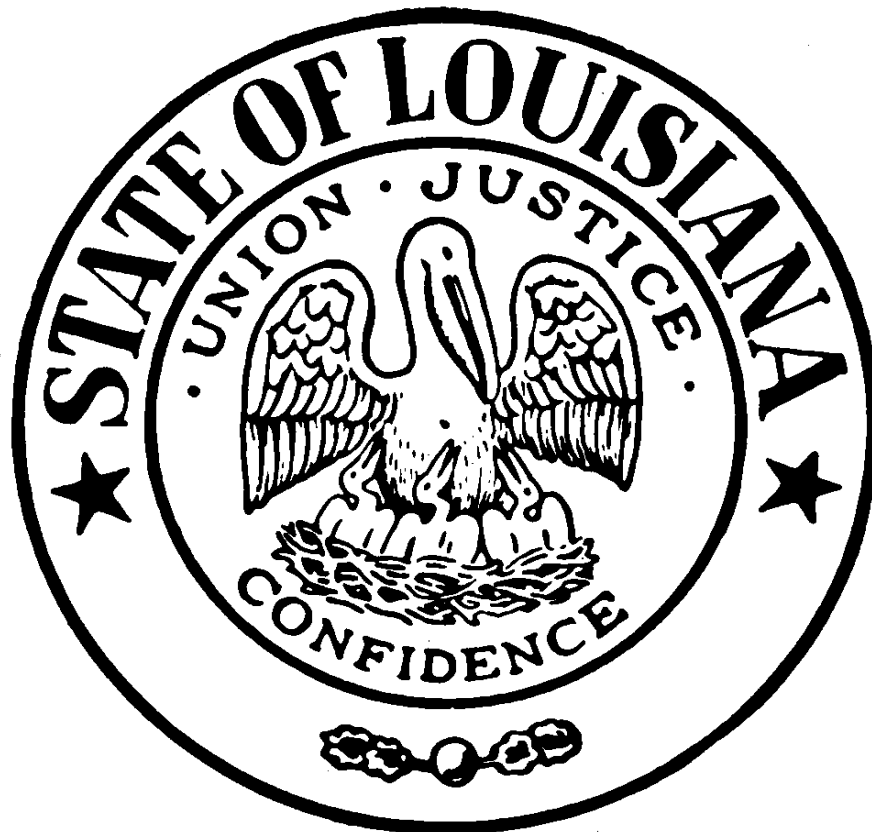
For the fiscal year ended June 30, 2018



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**State of Louisiana  
Comprehensive Annual Financial Report  
for the Year Ended June 30, 2018**

**JOHN BEL EDWARDS**  
Governor



Prepared By  
**DIVISION OF ADMINISTRATION**  
**JAY DARDENNE**  
Commissioner

# On the Cover

The image of a Roseate Spoonbill on this year's cover was taken by Mark Fradella on Lonesome Island located in Black Bay in Plaquemines Parish. The island is a top fishing spot in Black Bay attracting numerous migratory bird species. The flamboyant Roseate Spoonbill has bright pink feathers, red eyes, a partly bald head, and a large spoon-shaped bill. Groups of these birds sweep their spoonbills through shallow fresh or salt waters snapping up crustaceans and fish. They fly with necks outstretched, to and from foraging and nesting areas along the coastal southeastern United States and South America. These social birds nest and roost in trees and shrubs with other large wading birds such as the state bird of Louisiana, the Brown Pelican, pictured in the background.

**Mark Fradella** retired from the Louisiana Department of Public Safety and Corrections in 2017 after serving the State of Louisiana for 25 years. Having a lifelong passion for photography and in anticipation of retiring, he and his wife launched Fradella Photography in 2015. They focus on family portraits, senior portraits and wedding photography. He is also passionate about photographing landscapes, wildlife and people. "It is such a great feeling when I click the shutter button, look in the view finder, and realize that the image that I just captured will be inspirational and appreciated by others. Ultimately my hope is that my work will encourage people to slow down, take a look around, and appreciate both the natural and created wonders that are all around them."



**John Bel Edwards**

**Governor**

**State of Louisiana**



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# State of Louisiana

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# I. INTRODUCTORY SECTION



Office of the Commissioner  
State of Louisiana  
Division of Administration

JOHN BEL EDWARDS  
GOVERNOR



JAY DARDENNE  
Commissioner of Administration

December 28, 2018

To: The Honorable John Bel Edwards, Governor,  
Members of the Legislature, and the  
People of the State of Louisiana

It is my privilege to present the State of Louisiana's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. State law requires that the CAFR be prepared for the State within six months after the close of each fiscal year. The report was prepared in conformity with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The Division of Administration is responsible for the accuracy, completeness, and fair presentation of the data, representations, and disclosures presented in the CAFR. To the best of our knowledge and belief, the data presented is accurate in all material respects, reported in a manner designed to fairly present the financial position and results of operations, and provides disclosures necessary to enable the reader to gain an understanding of the financial activities and condition of the State.

The Division of Administration and fiscal management at each entity included in the CAFR are responsible for establishing and maintaining internal controls designed to ensure that assets are protected from loss, theft, or misuse and that accurate and complete accounting data are compiled to provide for the preparation of financial statements in conformity with GAAP. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework. We believe that the internal accounting controls of the State adequately safeguard assets and provide reasonable assurance of proper recording and reporting of financial transactions.

The basic financial statements have been audited by the Louisiana Legislative Auditor and unmodified ("clean") opinions have been issued on the financial statements for the year ended June 30, 2018. This audit report is located at the front of the "Financial Section" of this report.

The independent audit of the basic financial statements of the State of Louisiana was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the internal controls of the government and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the separately issued Single Audit Report for the State of Louisiana.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements the letter of transmittal and should be read in conjunction with it.

## **PROFILE OF THE GOVERNMENT**

Located on the Gulf of Mexico and bordered by Arkansas, Texas, and Mississippi, Louisiana serves a population of 4,684,000. The powers of government of the state are divided into three separate branches: legislative, executive, and judicial. Except as otherwise provided by the Louisiana Constitution, no one of these branches, or any person holding office in one of them, shall exercise power belonging to another branch.

The State provides a variety of services to citizens including education, health care, public safety, road and highway development and maintenance, and recreation. These services are financed primarily through taxes, fees, mineral royalties, and federal revenues, which are accounted for by various funds (general fund, special revenue funds, capital project funds, etc.).

The State’s financial reporting entity includes 57 active component units, which are reported discretely in the financial statements. These component units include colleges and universities, boards and commissions, ports, levee districts, and other special purpose authorities.

Final financial control is exercised through the budgetary system. Financial statements are presented in conformity with GAAP and are also presented on a non-GAAP budgetary basis to demonstrate legal compliance. Variances between the GAAP and non-GAAP budgetary presentations are caused by differences in reporting entity, accounting basis, and perspective. The budgetary process is further described in Note 1 of the basic financial statements and the reconciliation between GAAP and non-GAAP budgetary basis fund balances is presented as required supplementary information.

## **ECONOMIC CONDITIONS AND OUTLOOK**

Louisiana is a major energy producing state. In fact, Louisiana is ranked second in the nation in production of both oil and natural gas if the Gulf waters are included. When energy prices are strong, the state prospers. When oil prices are declining, the economy weakens – especially for certain areas of the State. Louisiana is finally emerging from a 28-month recession that cost Louisiana more than 23,000 jobs. The state’s economy began to grow again in 2018. The forecast for 2019-20 is undergirded by the assumptions that (1) the national economy will expand at a healthy rate (though threats from tariffs and

International Maritime Organization 2020 are unsettling), (2) inflation and interest rates will rise a bit but remain unthreatening, (3) oil prices will rise gradually from \$65 per barrel this year to \$80 in 2020, and (4) natural gas prices will decline slightly and continue to fuel a remarkable industrial boom in Louisiana. That industrial boom and a revived oil and gas industry should produce a nice recovery from the recession, with 2020 being particularly strong for the state. In total, the State is projected to add 23,400 jobs in 2019 (up 1.2%) and another 36,100 jobs in 2020 (up 1.8%).

Louisiana is home to nine metropolitan statistical areas (MSA), each with unique demographic and economic profiles. Essentially, the State is split into three regions: (1) the rapidly expanding Baton Rouge and Lake Charles regions; (2) the northern tier of the state; and (3) an oil patch region that is projected to increase through 2020. The economic outlook for each region is forecasted as follows:

- Louisiana's largest MSA, New Orleans, is projected to be the seventh fastest growing MSA of the state, adding 6,500 jobs (1.1%) in 2019 and 9,100 jobs (1.6%) in 2020. Huge industrial projects, especially to the west in St. James Parish, will drive this growth. Very upbeat LNG and methanol industries will be the key to this resurgence. Nice infusions from the tech sector, including the 2,000+ DXC Technology, iMerit, and Accurent and big hires at Michoud will add another bump.
- After a brief lull in industrial projects in the Baton Rouge MSA several major projects will begin in fiscal year 2020, providing a major boost to the construction sector. This MSA is expected to tie for second place in economic growth over the next two years, adding 6,000 jobs in 2019 (+1.5%) and another 8,100 in 2020 (+1.9%). More than half a billion dollars in road projects, including widening of I-10 from the bridge to the split will also infuse the construction sector.
- After almost a decade of decline, the Shreveport-Bossier MSA is projected to return to a positive, though modest growth mode over the next two years. This MSA is projected to add 600 jobs a year or an annual growth rate of 0.3%, ninth among the state's nine MSAs. While activity at the Port of Shreveport-Bossier and the tech facility CSRA remain a bright spot in this economy, the region suffers from a lack of major announcements supporting the next two years.
- The rise of oil prices to \$80 a barrel is expected to revive the Lafayette MSA. That, combined with solid performance by the MSA's Big Five—Stuller, Acadian Ambulance, the Schumacher Group, GCI, and LHC—is expected to generate 1,400 new jobs (+0.7%) in 2019 and a more robust 4,900 jobs (+2.4%) in 2020.
- In Houma MSA, fabricators and shipbuilders are making a reasonably successful shift to non-extraction-related customers. An oil price of \$80 a barrel by 2020 is expected to start a serious revival in the Gulf by 2020. This MSA is projecting 700 new jobs (+0.8%) in 2019 and a healthier, extraction-driven bump of 2,100 jobs (+2.4%) in 2020.
- The Lake Charles MSA is the fastest growing MSA in the country over 2013-2018. There is documented almost \$117 billion in projects announced for this region since 2012. About half

of those projects have yet to start construction but will in the mid 2019 when three LNG projects are expected to go vertical. Lake Charles is expected to continue in its role as the fastest growing MSA in the state, adding 4,000 jobs (+3.3%) in 2019 and another 5,300 jobs (+4.3%) in 2020.

- Chase Mortgage Processing, IBM, Graphics Packaging and Vantage Health Plan provide stability to the Monroe MSA. There is concern about the future of Century Link post-merger. The projection for new jobs are 400 in 2019 (+0.5%) and 200 more in 2020 (+0.3%)
- A special 2-year IT project at Cleco in the Alexandria MSA will be ending in 2019. Key industries like Union Tank Car, P&G, Crest Industries, and Cleco will remain a steady base for the region. Temporary IT jobs at Cleco should keep the region's growth rate flat in 2019, and about 500 new jobs (+0.8%) are projected for 2020.
- Louisiana's smallest MSA is Hammond. Hammond's record of adding about 600 jobs a year since 2015 is expected to continue in fiscal year 2020 adding 800 jobs, a very nice growth rate of 1.7% a year.

The information for the economic discussion is from The Louisiana Economic Outlook: 2019 and 2020, by Loren C. Scott and Judy S. Collins, published in September, 2018.

## **Major Fiscal Initiatives**

Louisiana's fiscal situation improved during fiscal year 2018. After years of deficits, the state ended the budget year in the black for the second year in a row, registering an estimated \$300 million surplus without encountering mid-year budget cuts. The administration once again worked to establish a more balanced and fair tax system providing sufficient revenues to fund government, but the goal remained elusive. The Legislature agreed to continue 4.45 cents of a 5-cent state sales tax until 2025 instead of a short-term, temporary fix. This move has already improved the state's standing with bond rating agencies by providing more year-to-year budget stability sought by the administration. Taxpayers are actually paying less in state sales tax.

The administration continued its commitment to honest budgeting practices, refusing to use one-time money for recurring expenses or fund sweeps to plug holes. In budget development, the administration continued efforts to identify efficiencies and savings. Adequate funding for education and health care remained top budget priorities. A healthy and educated work force is key to Louisiana's future in terms of quality of life for its residents and bringing jobs to the state.

Some initiatives in fiscal year 2018 that resulted in major fiscal impacts included the state taking action by:

- Reducing the state's capital construction program, making it more realistic and better aligned with the state's ability to fund it. The bond portion of the program dropped from \$3.96 billion



to \$1.9 billion. The program is back to a manageable process similar to the early 2000's, directing surplus toward deferred maintenance instead of embarking on new projects.

- Continuing the transition into a more modern financial and budget development system.
- Continuing implementation of a single point of entry system to apply for health and social services programs, i.e., Medicaid, SNAP, and TANF, leading to efficiencies and fraud prevention due to cross-checks that determine applicant eligibility.
- Reducing the waiting list for thousands of people with developmental disabilities seeking access to Medicaid-funded community-based services by updating the system.
- Developing “shovel ready” projects in order to receive \$80 million in additional federal highway funds that were not used by other states or national programs. This is the largest amount the state has ever received.
- Identifying and reducing third party contracts.
- Increasing transparency in the financial operations of state government by introducing Louisiana Checkbook, a searchable website that allows citizens to see a greater level of detail on how and where taxpayer dollars are spent.

### **Relevant Financial Policies**

Louisiana's Constitution requires the State to pass a balanced operating budget. The Constitution also provides for an annual expenditure limit to control the rate of spending. The expenditure limit is determined each fiscal year and is established during the first quarter of the calendar year for the next fiscal year. The limit is equal to the expenditure limit from the previous fiscal year multiplied by a positive growth factor. The growth factor is the average annual percentage rate of change of personal income for Louisiana as defined and reported by the United States Department of Commerce for the three calendar years prior to the fiscal year for which the limit is calculated.

The State has restrictions on how revenues designated as “non-recurring” can be spent since these revenues cannot be relied on in future budget periods. Constitutionally established percentages of nonrecurring revenues are required to be deposited in the Budget Stabilization Fund and paid to fund the actuarially accrued liability of State pension plans. Any remaining amounts of non-recurring revenues may be used for purposes provided for in the Constitution including but not limited to the repayment of bonds in advance of maturity, additional payments to fund the unfunded accrued liability of the State pension plans, funding for capital outlay projects in the comprehensive state budget, and funding for conservation and restoration efforts for Louisiana's coast.

To aid the State in balancing its budget in years of declining revenue, the Budget Stabilization Fund was created. The fund was created in the 1990s and receives its monies from excess mineral revenues, non-

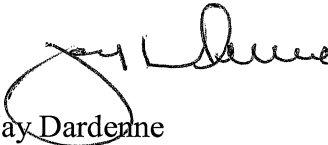
recurring revenues, monies in excess of the expenditure limit, and other monies appropriated by the legislature. The monies can be spent if the official forecast for recurring revenues for the next fiscal year is less than the official forecast of recurring revenues for the current fiscal year, or if a deficit for the current fiscal year is projected due to a decrease in recurring revenues. At the end of the fiscal year, the fund balance in the Budget Stabilization Fund was \$321 million.

The State's fiscal status is constantly monitored to ensure that the State is spending within its means. Any projected budgetary deficits are required to be resolved within 30 days, otherwise a special session of the Legislature is required to be held. The governor has several means by which to resolve projected deficits including appropriation reductions and access of funds that are normally statutorily or constitutionally protected, in addition to the use of the Budget Stabilization Fund mentioned above.

#### **ACKNOWLEDGEMENTS**

In conclusion, I wish to express my appreciation to the staff of the Office of Statewide Reporting and Accounting Policy for their professionalism, dedication, and expertise in preparing this report, as well as their commitment to maintaining the highest standards of accountability in financial reporting. I also wish to thank the agency fiscal officers and accountants whose contributions helped make this report possible.

Sincerely yours,



Jay Dardenne  
Commissioner of Administration



# State of Louisiana

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## PRINCIPAL STATE OFFICIALS

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### Executive (Elected)

John Bel Edwards  
Governor  
William "Billy" H. Nungesser  
Lieutenant Governor  
R. Kyle Ardoin  
Secretary of State  
Jeff Landry  
Attorney General  
John M. Schroder, Sr.  
Treasurer  
Dr. Mike Strain  
Commissioner of Agriculture and Forestry  
James J. Donelon  
Commissioner of Insurance

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### Legislative (Elected)

Taylor F. Barras  
Speaker of the House of Representatives  
John A. Alario, Jr.  
President of the Senate

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### Judicial (Elected)

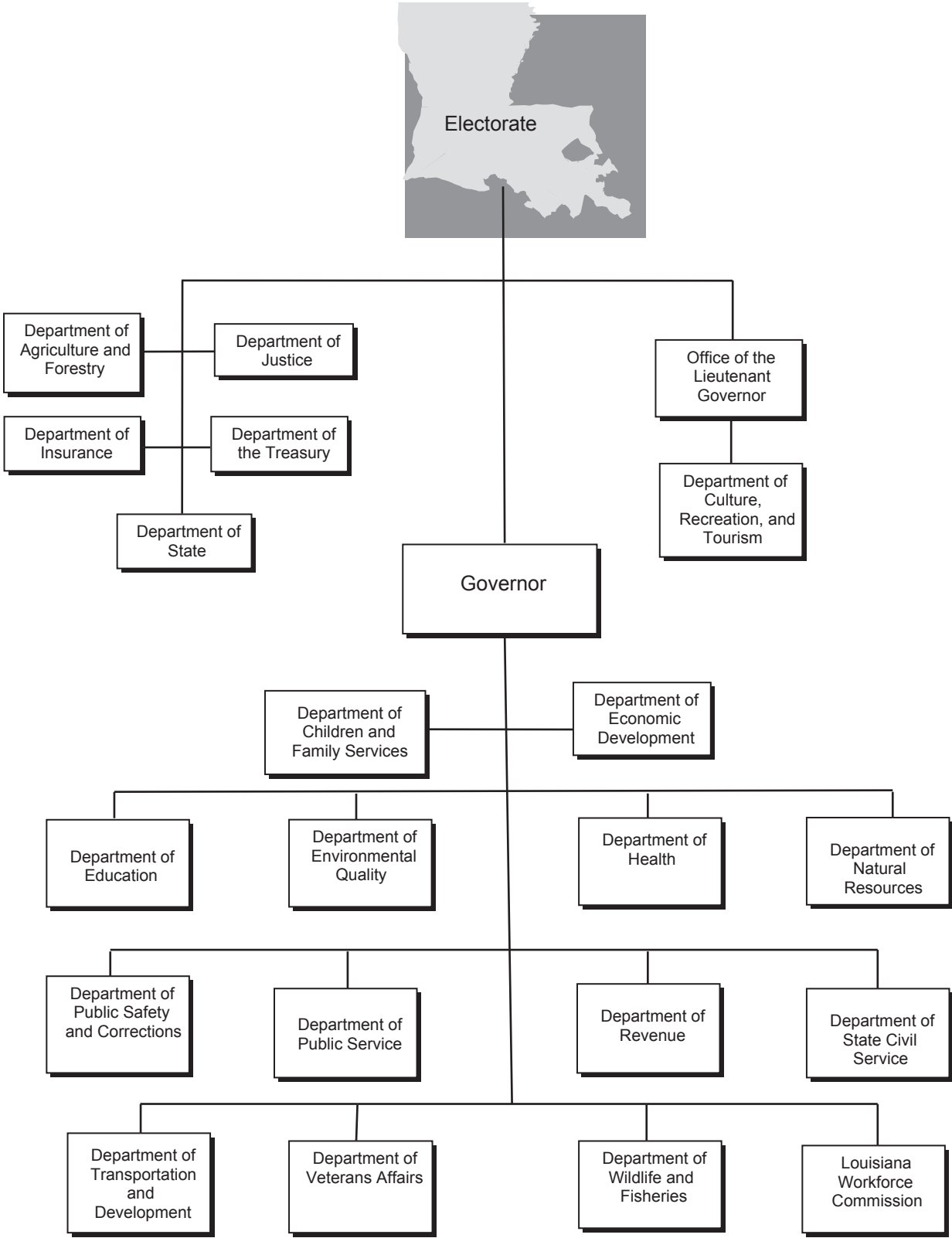
Bernette J. Johnson  
Chief Justice of the Supreme Court of Louisiana

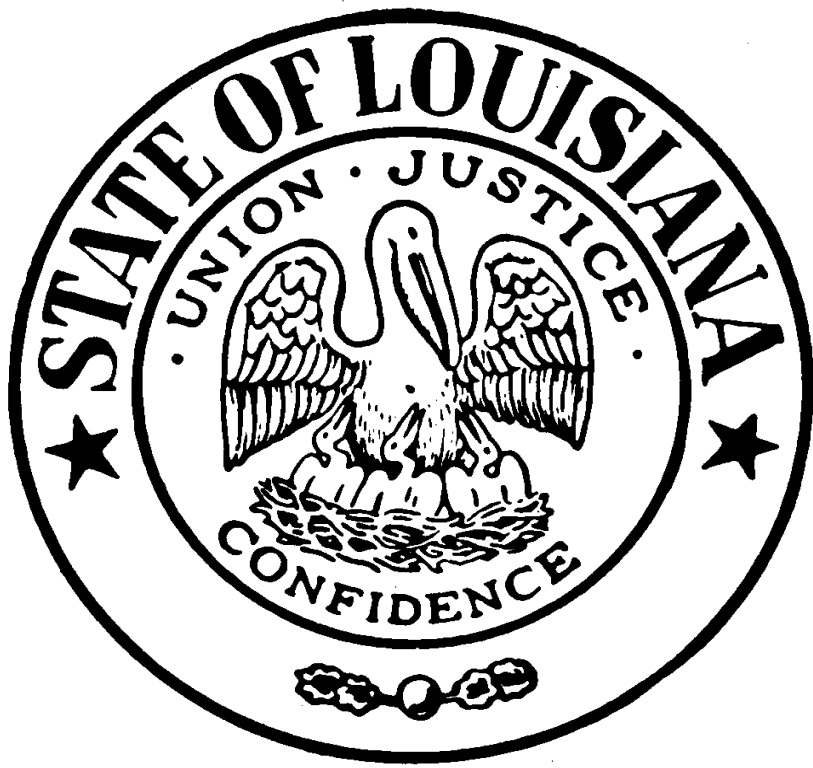
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### Executive (Appointed)

Marketa Garner Walters  
Secretary of Children and Family Services  
William "Billy" H. Nungesser  
Secretary of Culture, Recreation, and Tourism  
Don Pierson  
Secretary of Economic Development  
John White  
State Superintendent of Education  
Dr. Chuck Brown  
Secretary of Environmental Quality  
Dr. Rebekah E. Gee  
Secretary of Health  
Tom Harris  
Secretary of Natural Resources  
James M. LeBlanc  
Secretary of Public Safety and Corrections  
Colonel Kevin Reeves  
Deputy Secretary of Public Safety and Corrections  
Superintendent, Office of State Police  
Brandon Frey  
Secretary of Public Service Commission  
Kimberly Lewis Robinson  
Secretary of Revenue  
Byron Decoteau, Jr.  
Director of State Civil Service  
Dr. Shawn Wilson  
Secretary of Transportation and Development  
Joey Strickland  
Secretary of Veterans Affairs  
Jack Montoucet  
Secretary of Wildlife and Fisheries  
Ava Dejoie  
Executive Director of Louisiana Workforce Commission

## STATE ORGANIZATIONAL CHART





# II. FINANCIAL SECTION







LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

December 28, 2018

## Independent Auditor's Report

Honorable John Bel Edwards, Governor  
Honorable John A. Alario, Jr., President, and  
Members of the Senate  
Honorable Taylor F. Barras, Speaker, and  
Members of the House of Representatives  
State of Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Louisiana, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the state's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain pension trust funds, enterprise funds, and component units of government included within the basic financial statements of the state of Louisiana, which represent the following percentages of their related opinion units:

<u>Opinion Unit</u>	<u>Percentage of Total Assets and Deferred Outflows of Resources</u>	<u>Percentage of Expenditures/ Expenses (Including Deductions)</u>	<u>Percentage of Revenues (Including Additions)</u>
Business-Type Activities	15.15%	7.41%	8.68%
Aggregate Discretely Presented Component Units	53.15%	15.90%	25.77%
Aggregate Remaining Funds (includes pension trust funds)	82.48%	53.90%	58.12%

Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the previously mentioned pension trust funds, enterprise funds, and component units, are based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the LSU Foundation, the Tiger Athletic Foundation, the LSU Health Sciences Foundation in Shreveport, and the Stephenson Technologies Corporation, all component units of the Louisiana State University System (major component unit); and the University Facilities, Inc., the University of Louisiana at Monroe Facilities, Inc., the Black and Gold Facilities, Inc., and the NSU Facilities Corporation, all component units of the University of Louisiana System (major component unit), which were audited by other auditors upon whose reports we are relying, were audited in accordance with auditing standards generally accepted in the United States of America but not in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Louisiana, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matters**

As disclosed in note 6 to the financial statements, the total net pension liability for governmental and business-type activities was approximately \$6.4 billion at June 30, 2018, as determined by certain state and statewide pension systems. The related actuarial valuations were performed by the pension systems' actuaries using various assumptions. Because actual experience may differ from the assumptions used, there is a risk that this amount at June 30, 2018, could be under or overstated.

As disclosed in note 6 to the financial statements, the primary government's proportionate share of the Louisiana State Employees' Retirement System's (LASERS) net pension liability was \$5.6 billion at June 30, 2018. The actuarial valuation of the total pension liability is very sensitive to the underlying actuarial assumptions, including a discount rate as of June 30, 2017, of 7.70%. A 1% reduction in the current discount rate would increase the primary government's net pension liability by \$1.4 billion. For future valuations, LASERS currently intends to reduce the current 7.70% discount rate by 0.05% annually, until it reaches 7.50%.

As disclosed in note 6 to the financial statements, the actuarial valuation of the total pension liability for LASERS does not include projections for future ad hoc cost-of-living adjustments (COLA). LASERS determined these COLAs are not substantively automatic and, therefore, future COLAs were not included in the valuation. Statutory provisions should be met and approval of both the Legislature and the Governor is required to grant a COLA. The inclusion of future COLAs in the valuation would increase the net pension liability.

As discussed in notes 10-C and 12-B to the financial statements, the state implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB) – superseding portions of GASB Statement No. 45 and GASB Statement No. 57, for the year ended June 30, 2018. The adoption of this standard requires the state to report its actuarially-determined total OPEB liability, restating the previous year. As a result of the implementation, the net position for governmental activities decreased by \$3.2 billion as of July 1, 2017.

As discussed in note 10-C to the financial statements, the state recorded its liability for the Coastal Protection and Restoration Authority's cost share relating to two project partnership agreements with the United States Army Corps of Engineers to construct and improve the levee systems in the greater New Orleans area. As a result, the net position for governmental activities decreased by \$1.5 billion as of July 1, 2017.

Our opinions are not modified with respect to the matters emphasized above.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that *Management's Discussion and Analysis* and the *Required Supplementary Information Other Than Management's Discussion and Analysis* presented on pages 17 through 24 and 119 through 131, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the state of Louisiana's basic financial statements. The accompanying Introductory Section (pages 1 through 9), the Budgetary Comparison Schedule - Budget to Actual - Bond Security and Redemption Fund (page 133), the Combining and Individual Fund Statements - Nonmajor Funds (pages 136 through 171), and the Statistical Section (pages 173 through 202) listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Statements - Nonmajor Funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the

basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section, the Budgetary Comparison Schedule - Budget to Actual - Bond Security and Redemption Fund, and the Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### *Medicaid Eligibility*

Federal regulations provide for Medicaid eligibility determinations for certain individuals based on a methodology using federal income tax data known as modified adjusted gross income (MAGI). During the fiscal year ended June 30, 2018, the state's Medicaid Program paid \$5.4 billion to managed care organizations to provide Medicaid benefits to approximately 1.2 million recipients who were determined eligible based on MAGI. The Louisiana Department of Health (LDH) did not use federal tax data to verify critical Medicaid and LaCHIP eligibility factors, increasing the risk that applicants could be determined eligible when they are ineligible. As of the issuance of this report, we have been unable to verify the eligibility of these MAGI-determined recipients because federal and state laws prohibit our use of federal or state income tax records for these purposes. Considering rising state health care costs and limited budgets, it is important to ensure that Medicaid dollars are spent appropriately.

Proper and timely eligibility decisions are critical to ensure LDH does not expend state and federal funds for ineligible individuals. In the event the federal government identifies ineligible participants based on the income requirements, the costs could be disallowed requiring the state to return the federal share of those Medicaid costs to the federal government, resulting in a liability to the state.

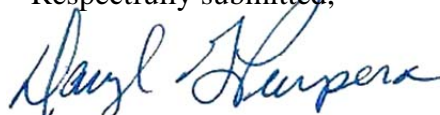
December 28, 2018

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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, a report on our consideration of the state's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters will be issued under separate cover in the *State of Louisiana Single Audit Report*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report, upon its issuance, is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the state's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in blue ink that reads "Daryl G. Purpera". The signature is written in a cursive, flowing style.

Daryl G. Purpera, CPA, CFE  
Legislative Auditor

BF:BQD:EFS:ch

CAFR2018

# MANAGEMENT'S DISCUSSION AND ANALYSIS





## MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) of the financial performance of the State of Louisiana presents a narrative overview and analysis of the financial activities of the State for the year ended June 30, 2018. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Transmittal Letter presented on pages 1-6 and the financial statements of the State, which begin on page 26.

### FINANCIAL HIGHLIGHTS

- The State's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$2.2 billion, a decrease of 64.7% from the prior fiscal year.
- The State experienced a \$4 billion decrease and a \$73.4 million decrease in net position for governmental activities and business-type activities, respectively. The decreases in net position include restatements, which are discussed in further detail in the Government-wide Financial Analysis section of MD&A and in Note 10.
- Actual budgetary basis revenues of General Fund taxes, licenses and fees exceeded actual expenditures resulting in an approximate \$308 million surplus at the end of fiscal year 2018.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the Basic Financial Statements of the State of Louisiana, which are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

This report also contains Required Supplementary Information and Other Information in addition to the Basic Financial Statements.

### Reporting the State as a Whole

#### *Government-wide Financial Statements*

The government-wide financial statements are designed to provide readers with a broad overview of the finances of the State of Louisiana as a whole, and are prepared in a manner similar to a private sector business. The statements provide both short-term and long-term information about the net position of the State which helps in assessing the economic condition of the State at the end of the fiscal year. These reports are prepared using the flow of economic resources measurement focus and the accrual basis of accounting by taking into account all revenues earned and expenses incurred in the fiscal year regardless of when cash is received or paid.

Two financial statements are presented beginning on page 26 to assist the reader in assessing the State's financial position as a whole. First, the Statement of Net Position, presents the State's financial position – called net position – as of the fiscal year-end. Second, the Statement of Activities, details whether net position has improved or deteriorated since the prior year-end.

The government-wide financial statements report three types of activities:

*Governmental Activities* – The activities reported here are primarily supported by taxes and federal grants. Most of the State's activities fall into this category and include administration and regulatory oversight; agriculture and forestry; budget stabilization; capital projects; conservation and environment; corrections; culture, recreation, and tourism; debt service; economic development; education; endowments; health and welfare; military and veterans affairs; other purposes; public safety; transportation and development; unemployment compensation; workforce support and training; and youth programs.

# State of Louisiana

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*Business-type Activities* – These activities normally are intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services. The business-type activities operated by the State include the Unemployment Trust Fund, the Louisiana Community and Technical College System (LCTCS), the Louisiana Agricultural Finance Authority (LAFA), the Clean Water State Revolving Fund, and others.

*Component Units* – Component units are legally separate organizations for which the elected officials of the government are financially accountable or have significant influence in governing board appointments. Among the component units are public colleges and universities, the Louisiana Lottery Corporation, and others. For a list of the component units included in the government-wide statements, see Note 1 (page 43) of the notes to the basic financial statements.

## **Reporting the State’s Most Significant Funds**

### *Fund Financial Statements*

The fund financial statements begin on page 29 and provide more detailed information than the government-wide statements by providing information about the most significant funds of the State – not the State as a whole. The three categories into which the funds of the State can be classified are governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds* account for most of the functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on short-term inflows and outflows of current financial resources and the balances of these resources available at fiscal year-end. Governmental funds are reported using the modified accrual basis of accounting and the current resources measurement focus, which assists in determining whether there are more or fewer financial resources that can be spent in the near future to finance the State’s governmental programs.

*Proprietary funds* encompass enterprise funds and internal service funds. When the State charges customers for the services it provides, whether to outside customers (enterprise funds) or to other state agencies (internal service funds), the services are generally reported in the proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds apply the accrual basis of accounting utilized by private sector businesses. Internal service funds are used to accumulate and allocate costs internally among the various functions of the State. Because the internal service funds mainly benefit governmental rather than business-type functions, they are included in the governmental activities in the government-wide financial statements.

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support State programs. The State is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The fiduciary fund category includes pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43 – 118 of this report.

## **Required Supplementary Information (RSI)**

In addition to the basic financial statements and accompanying notes, this CAFR also presents budgetary comparison schedules for the General Fund, additional information concerning pensions, and funding status on its obligation to provide OPEB benefits to its employees. Required supplementary information can be found on page 119 of this report.

## **Other Information**

The CAFR also includes other information that is not part of the basic financial statements or required by the GASB. This information is included for additional analysis and is comprised of the Fund Combining Statements (pages 136 – 171), the budgetary comparison schedule for the Bond Security and Redemption Fund (page 133), and the Statistical Section.

## THE STATE AS A WHOLE

### Government-wide Financial Analysis

The State's overall financial position and results of operations for the past two years for the primary government are summarized as follows:

#### Condensed Statement of Net Position

(in thousands)

	Governmental Activities		Business-type Activities		Primary Government	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 12,108,283	\$ 12,026,281	\$ 2,470,051	\$ 2,421,931	\$ 14,578,334	\$ 14,448,212
Capital Assets	15,338,215	15,361,760	1,028,510	1,006,953	16,366,725	16,368,713
Total Assets	27,446,498	27,388,041	3,498,561	3,428,884	30,945,059	30,816,925
Total Deferred Outflows of Resources	1,588,404	2,094,340	95,987	112,978	1,684,391	2,207,318
Other Liabilities	4,254,453	5,092,598	85,633	75,839	4,340,086	5,168,437
Long-term debt outstanding	23,857,945	19,751,282	1,446,953	1,366,517	25,304,898	21,117,799
Total Liabilities	28,112,398	24,843,880	1,532,586	1,442,356	29,644,984	26,286,236
Total Deferred Inflows of Resources	688,644	375,101	55,485	19,642	744,129	394,743
Net Investment in Capital Assets	11,730,196	11,641,540	446,322	446,609	12,176,518	12,088,149
Restricted	4,556,099	4,571,712	1,220,926	1,127,101	5,777,025	5,698,813
Unrestricted	(16,052,435)	(11,949,852)	339,229	506,154	(15,713,206)	(11,443,698)
Total Net Position	\$ 233,860	\$ 4,263,400	\$ 2,006,477	\$ 2,079,864	\$ 2,240,337	\$ 6,343,264

As noted earlier, net position over time may serve as a useful indicator of a government's financial health. In the case of Louisiana, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2.2 billion, at the close of the fiscal year. The largest portion of Louisiana's net position, \$12.2 billion, reflects its investment in capital assets (e.g., land, roads, buildings, machinery, and equipment), less any related outstanding debt that was issued to acquire those assets. The State uses these assets to provide services to residents of the State, and consequently are not available for future spending. Although the State's investment in capital assets is reported net of related debt, this debt must be paid from other sources since the capital assets themselves cannot be used to liquidate these liabilities. An additional \$5.8 billion of Louisiana's net position is subject to external restrictions. These restricted amounts are only available for spending as provided for by law and/or contract and grant agreements.

The remaining portion of net position is considered to be unrestricted. Any positive amounts reported for unrestricted net position could be used to meet Louisiana's ongoing obligations to its citizens and creditors. This year, however, Louisiana's net investment in capital assets and restricted assets and deferred outflows of resources less its restricted liabilities and deferred inflows of resources exceeded the State's total net position resulting in the State reporting unrestricted net position of negative \$15.7 billion. The State's negative unrestricted net position is mainly caused by the following:

- A net pension liability and pension-related deferred inflows and outflows for the State's participation in various defined benefit plans of approximately \$5.6 billion.
- The effect of continued issuance of long-term debt to fund annual expenses for capital grants to other entities of approximately \$3.4 billion.
- An estimated liability recorded for \$1.5 billion as a restatement to recognize the State's share of the costs in two partnerships with the Federal Government to construct and improve levee systems in the greater New Orleans area.
- A liability for post-employment benefits other than pensions of \$6.4 billion attributable to continuous under-fundings of annual required contributions and due to the implementation of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB)*, which requires that governments

# State of Louisiana

recognize the unfunded actuarial accrued liability for OPEB Plans in the financial statements. As a result of the implementation of this standard, a restatement was made to the financial statements increasing the total OPEB liability by \$3.2 billion dollars for governmental activities.

- Unfunded reserves for incurred claims payable to outside parties for worker's compensation, disallowed costs, and various lawsuits of approximately \$2.1 billion.

## Condensed Statement of Activities

(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 2,388,464	\$ 2,449,907	\$ 500,849	\$ 487,506	\$ 2,889,313	\$ 2,937,413
Operating Grants & Contributions	13,859,304	14,464,231	190,902	168,135	14,050,206	14,632,366
Capital Grants & Contributions	587,843	607,380	47,847	56,539	635,690	663,919
<b>General Revenues:</b>						
Income Taxes	3,787,659	3,187,322	--	--	3,787,659	3,187,322
Sales & Use Taxes	4,342,563	4,335,828	--	--	4,342,563	4,335,828
Other Taxes	2,587,215	2,518,424	--	--	2,587,215	2,518,424
Other	1,362,308	1,460,521	(663)	595	1,361,645	1,461,116
Total Revenues	<u>28,915,356</u>	<u>29,023,613</u>	<u>738,935</u>	<u>712,775</u>	<u>29,654,291</u>	<u>29,736,388</u>
<b>Expenses</b>						
<b>Governmental Activities:</b>						
General Government	2,887,652	2,527,768	--	--	2,887,652	2,527,768
Culture, Recreation & Tourism	97,685	103,386	--	--	97,685	103,386
Transportation & Development	1,377,898	1,560,415	--	--	1,377,898	1,560,415
Public Safety	949,390	1,872,279	--	--	949,390	1,872,279
Health & Welfare	13,975,446	14,044,785	--	--	13,975,446	14,044,785
Corrections	702,948	713,713	--	--	702,948	713,713
Youth Development	75,263	91,636	--	--	75,263	91,636
Conservation & Environment	554,590	550,652	--	--	554,590	550,652
Education	6,308,850	6,147,844	--	--	6,308,850	6,147,844
Agriculture & Forestry	93,118	89,613	--	--	93,118	89,613
Economic Development	231,981	259,836	--	--	231,981	259,836
Military & Veterans Affairs	170,224	183,731	--	--	170,224	183,731
Workforce Support & Training	247,754	251,137	--	--	247,754	251,137
Interest on Long-term Debt	294,885	289,139	--	--	294,885	289,139
<b>Business-Type Activities:</b>						
Higher Education	--	--	478,936	488,498	478,936	488,498
Lending & Financing Activities	--	--	38,243	24,749	38,243	24,749
Property Assistance	--	--	8,427	9,892	8,427	9,892
Prison Enterprises	--	--	28,911	29,230	28,911	29,230
Regulation & Oversight	--	--	47,182	48,926	47,182	48,926
Unemployment Insurance	--	--	187,023	242,249	187,023	242,249
Total Expenses	<u>27,967,684</u>	<u>28,685,934</u>	<u>788,722</u>	<u>843,544</u>	<u>28,756,406</u>	<u>29,529,478</u>
Net Increase (Decrease) before Transfers	947,672	337,679	(49,787)	(130,769)	897,885	206,910
Transfers In (Out)	<u>(131,586)</u>	<u>(124,701)</u>	<u>131,586</u>	<u>124,701</u>	<u>--</u>	<u>--</u>
Net Increase (Decrease)	<u>816,086</u>	<u>212,978</u>	<u>81,799</u>	<u>(6,068)</u>	<u>897,885</u>	<u>206,910</u>
Net Position - Beginning, as Restated	<u>(582,226)</u>	<u>4,050,422</u>	<u>1,924,678</u>	<u>2,085,932</u>	<u>1,342,452</u>	<u>6,136,354</u>
Net Position - Ending	<u>\$ 233,860</u>	<u>\$ 4,263,400</u>	<u>\$ 2,006,477</u>	<u>\$ 2,079,864</u>	<u>\$ 2,240,337</u>	<u>\$ 6,343,264</u>

Louisiana's overall net position increased by \$897.9 million from the prior fiscal year. The following contributed to the changes in the state's net position:

- Expenses for Public Safety decreased by \$923 million, which was mainly caused by a decrease in disaster relief. Last fiscal year, the State had a large amount of expenses in Public Safety due to the recovery from the major

floods, which occurred in March 2016 and August 2016. The two floods affected different areas of the state and submerged thousands of houses and businesses. The majority of expenditures that were paid for the emergency work that needed to be done for the August 2016 flood occurred in FY 2017. This year, the rush funds for the emergency work was slowly coming to an end and more steady payments for the permanent work was beginning. Since most of the federal dollars received for the disaster relief are expenditure driven, the revenue for disaster relief also declined, but not as drastic as the expenses. In addition, the revenues and expenses for hurricane recovery for both Katrina and Gustav are declining as these hurricanes occurred years ago.

- Individual income tax collections increased by \$296 million from the prior year. In addition, tax refunds that the state owes declined by \$161 million. This is mainly due to the federal tax law changes that were signed into law on December 22, 2017, which overhauled the U.S. tax code. The changes contained a number of payroll provisions that required modification of federal tax withholdings and reduced federal taxes owed for many taxpayers. As a result, Louisiana changed its tax withholding tables, which increased the amount of state taxes withheld. Louisiana allows a deduction for federal taxes paid on its State's individual income tax return and this deduction will be smaller for those taxpayers with a reduced federal tax liability, resulting in more tax revenue for the State.

## THE STATE'S FUNDS

As discussed earlier, funds provide additional detail on the amounts presented in the government-wide financial statements. Governmental fund information provides additional detail on the State's governmental activities while enterprise fund information provides additional detail on the State's business-type activities. An analysis of balances and individual transactions of the State's governmental and enterprise funds is provided below:

### Governmental Funds

Even though governmental funds and the governmental activities report the same operations, changes in fund balance in the governmental fund financial statements may differ significantly from changes in net position in the government-wide financial statements. This is because governmental funds use the current resources measurement focus and modified accrual basis of accounting while governmental activities use the economic resources measurement focus and the accrual basis of accounting. Examples of items reported in governmental activities but not in governmental funds include capital assets and long-term liabilities not expected to be liquidated with current financial resources such as bonds, the net pension liability, and the total obligation for other post-employment benefits (OPEB). Despite these differences in perspective and basis of accounting, the information presented in the governmental funds financial statements largely reinforced the financial results reported in the government-wide financial statements this year.

The fund balance of the General Fund increased by \$796 million. A large part of this fund balance increase is attributable to increased tax collections, previously mentioned. Corporate collections (income and franchise) increased by \$89.2 million, severance tax increased by \$83.5 million, general sales tax collections increased by \$67.8 million, and royalty collections increased by \$17.1 million. Corporate collections were up due to a good corporate earnings environment and the effect of cuts to tax credits, deductions and rebates, passed by the Louisiana legislators about three years ago. Mineral revenue (severance tax and royalty collections) were up mainly because of an increase in the oil price during the 2018 fiscal year.

There were no significant changes in the fund balances of the other major governmental funds. The fund balance for the Louisiana Education Quality Trust Fund increased by \$26 million, due to the increase in the fair value of its investments and the fund balance for the Capital Outlay Escrow Fund decreased by \$7.5 million. The fund balance for the nonmajor governmental funds increased by \$14.6 million driven largely by activity in the Transportation Trust Fund (TTF), which increased its fund balance by \$12.4 million.

### Enterprise Funds

Enterprise funds provide additional detail for the amounts presented as business-type activities in the government-wide financial statements. They use the same measurement focus and basis of accounting as business-type activities. Some of the larger factors that resulted in the change in net position of enterprise funds are as follows:

- The Louisiana Community and Technical Colleges System (LCTCS) experienced an increase in net position of \$33.9 million due mainly to an increase of \$30.6 million in capital assets as a result of capital improvements and enhancements to certain LCTCS facilities authorized by Act 360 of the 2013 Regular Session.

# State of Louisiana

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- Net position for the Unemployment Insurance Trust Fund increased by \$65.1 million due mainly to a decrease in unemployment claims
- Net position for aggregate remaining nonmajor enterprise funds decreased by \$17.2 million. Although, some of the nonmajor funds had increases in net position, these increases were offset by a \$43 million decrease in the net position of the Louisiana Gulf Opportunity Loan (GO Zone) Fund. The GO Zone Fund was set up to collect on loans that were granted to local governments from the State in the aftermath of Hurricanes Katrina and Rita to assist in their recovery. As the loans are collected from the local governments, the receivables in the fund are reduced and funds are transferred to the Bond Security and Redemption Fund to pay the debt service of the bonds issued for these loans.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Most of the State's operating expenditures are reported in the General Fund. These expenditures are funded by a variety of sources including various state taxes, agency self-generated revenues, licenses and fees, federal revenues, transfers of interagency receipts, and other statutorily dedicated funds. Budgeted expenditures are constrained by annual revenue projections forecasted by the Revenue Estimating Conference (REC). Actual expenditures of all other revenues are limited to the lesser of budget or actual collections. Over the course of the year, agencies may request budget adjustments based on actual need.

The fiscal year ended with a surplus of \$308 million, which is the excess of revenues over the expenditures of state government. The excess revenues consisted primarily of revenues for corporate income taxes, franchise taxes, personal income taxes, severance taxes and royalties that were higher than had originally been forecasted for the year. Several factors contributed to the higher collections, including state cuts to tax credits and deductions, a better economy with strong corporate earnings, higher employment within the state, higher oil prices, and the federal tax reform that was passed at the end of calendar year 2017.

The General Fund final budget revenues were \$743 million higher than appropriated in the original budget and the final budget expenditures for the General Fund was \$1.1 billion greater than the budgeted expenditures originally appropriated by the Legislature. A major reason for these increases in budgeted revenues and expenditures was due to adjustments made for increases in Medicaid payments to private providers for the managed care of Medicaid patients. In addition, there were increases in the Executive Department for federal budgeted revenues and expenditures related to the restoration programs due to the 2016 floods.

Actual budgetary basis General Fund expenditures were \$2.5 billion lower than final budgeted amounts. This variance is due in part to forecasts for budgeted expenditures of federal receipts which are largely based on remaining grant balances. Since the entire remaining allocations of grants are rarely spent within one year, budgeted amounts are inflated relative to actuals. For example, the budget was increased by \$634 million in preparation of the federal grants awards resulting from the 2016 floods. Since this was a new award, the grant spending did not actually pick up until the latter half of the year; therefore, the expenditures were not as high in FY 2018 as previously anticipated. Another reason that actual budgeted revenues and expenditures are lower than final budgeted revenue and expenditures include less than projected Medicaid claims.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of the fiscal year, the State had \$16.4 billion invested in a broad range of capital assets. This amount represents a net decrease of \$2.0 million from the prior year.

# State of Louisiana

## Capital Assets

(net of depreciation and amortization in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Land	\$ 2,281,616	\$ 2,265,842	\$ 61,373	\$ 60,201	\$ 2,342,989	\$ 2,326,043
Building & Improvements (Net)	1,550,015	1,577,580	579,264	455,825	2,129,279	2,033,405
Machinery & Equipment (Net)	131,294	109,385	38,568	37,377	169,862	146,762
Infrastructure (Net)	9,934,447	9,894,776	300,961	310,066	10,235,408	10,204,842
Intangible Assets (Net)	20,072	31,953	8,030	9,714	28,102	41,667
Construction in Progress	1,420,771	1,482,224	40,314	133,770	1,461,085	1,615,994
Total	\$ 15,338,215	\$ 15,361,760	\$ 1,028,510	\$ 1,006,953	\$ 16,366,725	\$ 16,368,713

The State's annual capital outlay budget includes appropriations to fund both 1) capital assets and expenditures of the primary government and 2) capital grants to other entities outside of the primary government including colleges, universities and local governments which are not included in the amounts presented above. Project expenditures may be funded through a variety of means including transfers from the General Fund and other funds, federal grants, and deposits from component units and local governments. However, most expenditures are funded with proceeds from the issuance of general obligation bonds. Capital projects appropriated in the annual capital outlay budgets are subject to a process by which projects are ranked for funding priority. In anticipation of future general obligation bond issues, the authority to incur expenditures for the highest priority projects may be granted through "cash lines of credit." This mechanism facilitates the start of projects that will be funded largely from general obligation bonds without available general obligation bonds and provides an indication of outstanding capital commitments.

Infrastructure for governmental activities increased by approximately \$40 million. DOTD manages dozens of state and federal programs to ensure the safety and efficiency of Louisiana's transportation systems. The various programs include the I-49 North Project, which began in 2014. The I-49 North Project is a 36-mile project that constructs a four-lane interstate with a four foot inside shoulder and a ten foot outside shoulder from I-220 in Shreveport, Louisiana to the Arkansas state line. The cost of the I-49 Project North is approximately \$650 million. The project consist of 11 segments, A-K. Segments A-I are open to traffic with segments J-K opening to traffic in FY 2019.

Buildings for BTA's increased by \$123 million while construction-in-progress declined by \$93 million. This is mostly due to construction completed for a series of buildings at LCTCS. One of the larger buildings completed includes a new 80,000 square foot STEM (science, technology, engineering and mathematics) education facility at Bossier Parish Community College (BPCC). The four-story building houses BPCC's Nursing and Allied Health programs and provides additional classrooms, lab spaces and study areas for students. Another building completed is the Allied Health and Science Training Program Building at South Louisiana Community College. The 63,000 square foot building costs \$17.9 million to construct and accommodates programs in nursing and allied health, as well as, providing space for STEM classes.

Refer to Note 5 – "Capital Assets" on page 76 for more details of the changes in capital assets.

## Debt Administration

The State's bonded debt decreased by \$124.7 million, or -1.5%, from the prior year. Presented below is a table comparing outstanding bonds for the current and prior year.

# State of Louisiana

## Outstanding Debt General Obligation and Revenue Bonds (in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 3,606,280	\$ 3,565,590	\$ --	\$ --	\$ 3,606,280	\$ 3,565,590
Revenue bonds and notes	3,559,269	3,726,351	548,975	580,540	4,108,244	4,306,891
Unamortized discounts & premiums	660,832	647,035	44,095	24,608	704,927	671,643
<b>Total</b>	<b>\$ 7,826,381</b>	<b>\$ 7,938,976</b>	<b>\$ 593,070</b>	<b>\$ 605,148</b>	<b>\$ 8,419,451</b>	<b>\$ 8,544,124</b>

The State's bonded debt for its governmental activities was driven largely by the issuance of \$300 million in general obligation bonds and payments of \$259 million. In addition, the state issued various refunding bonds for Gasoline and Fuels Tax in the amount of \$582.5 million and \$14 million for Department of Public Safety through Louisiana Public Finance Authority.

The State's credit rating of AA- remained the same by Standard & Poor's Ratings Services during fiscal year 2018 with a negative outlook. Moody's rating remained at Aa3 with a negative outlook and Fitch Ratings remained at AA- with a stable outlook. Additional details on long-term debt, including a discussion of debt authorization and limitations are included in Note 8, Long-term Obligations (page 92).

### A LOOK FORWARD

(Excerpts are from *The Louisiana Economic Outlook 2019 and 2020* by Loren Scott and Judy Collins)

The State emerged from a 28-month recession in late 2017, but has since been showing signs of growth. Some of the known factors that will affect the State's 2019 net position include:

- The US Congress passed federal tax reform at the end of the 2017 calendar year (the Tax Cut and Jobs Act). This tax reform lowered income tax liability for broad segments of the population. The State's income tax payments are in inverse relationship as federal tax payments are deductible from state taxable income. This should have a favorable outcome on the State's income tax collections.
- The State sales tax rate decreased in FY 2019. The "fifth penny", which was the temporary one-percentage point increase in the state sales tax rate passed by the Legislature in early 2016, expired June 30, 2018. However, the Legislature passed a 0.45% increase in the General and Vehicle Sales Tax rate and expanded the tax base, placing the state general sales tax rate at 4.45%.
- More than \$180 billion in industrial projects have been announced in Louisiana since 2012. The three areas benefitting the most from these industrial announcements are Lake Charles, Baton Rouge, and New Orleans metropolitan statistical areas (MSAs). In these three MSAs, \$83.3 million of those projects are completed or under construction and approximately, \$94.4 billion in projects are at the front-end engineering, design stage.

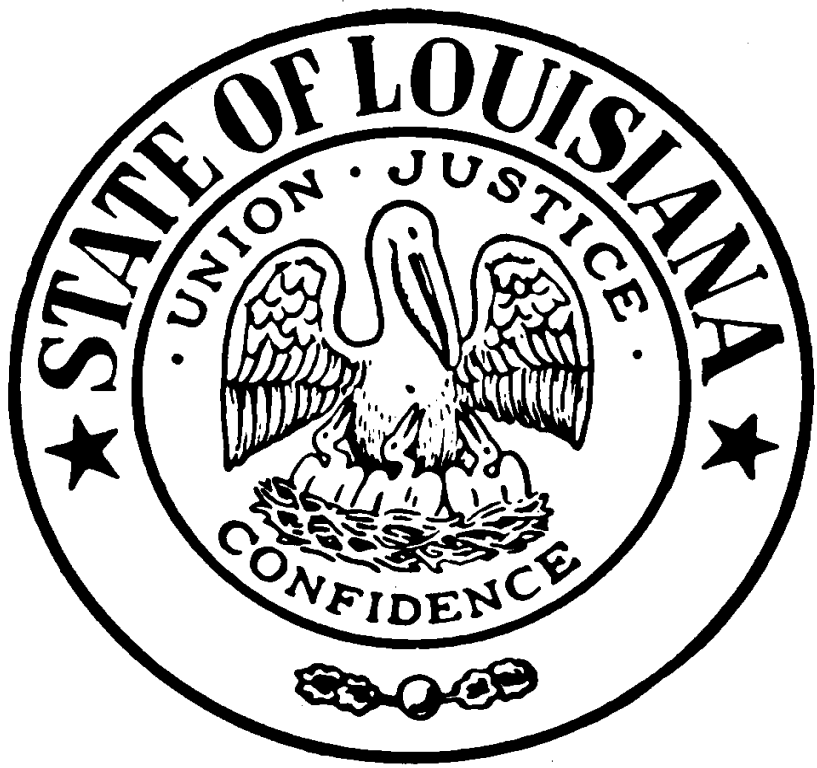
### Requests for Information

This financial report is designed to provide a general overview of the State's finances for interested parties. Questions concerning any of the information provided in this report or requests for additional financial information may be obtained by writing to the Office of Statewide Reporting and Accounting Policy, P.O. Box 94095, Baton Rouge, LA 70804-9095 or by telephoning (225) 342-0708. The component units of the State issue their own audited financial reports. Telephone numbers for these entities can also be obtained from the Office of Statewide Reporting and Accounting Policy. This report is available on our website at <http://www.doa.louisiana.gov/osrap/cafr-2.htm>.



# BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**



# State of Louisiana

## STATEMENT OF NET POSITION

JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL PRIMARY GOVERNMENT	
<b>ASSETS</b>				
CASH & CASH EQUIVALENTS	\$ 2,383,098	\$ 1,594,415	\$ 3,977,513	\$ 1,709,865
INVESTMENTS	3,776,007	88,247	3,864,254	2,528,107
DERIVATIVE INSTRUMENTS	21,123	--	21,123	--
RECEIVABLES (NET)	3,389,608	98,406	3,488,014	4,597,226
AMOUNTS DUE FROM PRIMARY GOVERNMENT	--	--	--	44,663
AMOUNTS DUE FROM COMPONENT UNITS	28,258	--	28,258	--
DUE FROM FEDERAL GOVERNMENT	2,186,365	15,773	2,202,138	81,603
INVENTORIES	79,491	6,604	86,095	14,127
PREPAYMENTS	245,650	729	246,379	30,455
INTERNAL BALANCES	(1,362)	1,362	--	--
NOTES RECEIVABLES	--	658,765	658,765	430,300
OTHER ASSETS	45	5,750	5,795	261,860
CAPITAL ASSETS (NOTE 5)				
LAND	2,281,616	61,373	2,342,989	294,321
BUILDING & IMPROVEMENTS (NET)	1,550,015	579,264	2,129,279	3,965,300
MACHINERY & EQUIPMENT (NET)	131,294	38,568	169,862	366,396
INFRASTRUCTURE (NET)	9,934,447	300,961	10,235,408	1,134,886
INTANGIBLE ASSETS (NET)	20,072	8,030	28,102	13,924
CONSTRUCTION IN PROGRESS	1,420,771	40,314	1,461,085	7,096,769
<b>TOTAL ASSETS</b>	<b>27,446,498</b>	<b>3,498,561</b>	<b>30,945,059</b>	<b>22,569,802</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
DEFERRED AMOUNTS ON DEBT REFUNDING	266,817	--	266,817	66,503
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	212,521	10,891	223,412	88,028
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	1,109,066	85,096	1,194,162	572,007
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,588,404</b>	<b>95,987</b>	<b>1,684,391</b>	<b>726,538</b>
<b>LIABILITIES</b>				
ACCOUNTS PAYABLE	1,861,148	44,758	1,905,906	263,972
ACCRUED INTEREST	74,690	1,998	76,688	13,389
AMOUNTS DUE TO PRIMARY GOVERNMENT	--	--	--	28,258
AMOUNTS DUE TO COMPONENT UNITS	44,663	--	44,663	--
DUE TO FEDERAL GOVERNMENT	598,164	2,782	600,946	26,149
DUE TO LOCAL GOVERNMENTS	950,008	--	950,008	--
UNEARNED REVENUES	301,924	18,784	320,708	3,784,958
TAX REFUNDS PAYABLE	209,489	--	209,489	--
UNCLAIMED PROPERTY LIABILITY	180,132	--	180,132	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	32,740	1,601	34,341	48,975
OTHER LIABILITIES	1,495	15,710	17,205	50,554
CURRENT PORTION OF LONG-TERM LIABILITIES (NOTE 8):				
CONTRACTS PAYABLE	8,707	--	8,707	6,118
COMPENSATED ABSENCES PAYABLE	15,429	1,791	17,220	18,499
CAPITAL LEASE OBLIGATIONS	--	90	90	5,837
NOTES PAYABLE	4,595	--	4,595	7,402
BONDS PAYABLE	426,382	19,458	445,840	278,018
POLLUTION REMEDIATION OBLIGATIONS	11,419	--	11,419	--
ESTIMATED LIABILITY FOR CLAIMS	297,672	--	297,672	40,675
OTHER LONG-TERM LIABILITIES	4,952	13	4,965	73,225
NONCURRENT PORTION OF LONG-TERM LIABILITIES (NOTE 8):				
COMPENSATED ABSENCES PAYABLE	179,546	19,592	199,138	143,352
CAPITAL LEASE OBLIGATIONS	--	2,475	2,475	28,715
NOTES PAYABLE	9,023	1,395	10,418	74,677
BONDS PAYABLE	7,399,999	573,612	7,973,611	2,937,870
TOTAL OPEB LIABILITY	6,083,238	346,807	6,430,045	3,190,672
NET PENSION LIABILITY	5,926,561	481,720	6,408,281	3,295,890
POLLUTION REMEDIATION OBLIGATIONS	13,524	--	13,524	--
ESTIMATED LIABILITY FOR CLAIMS	1,819,973	--	1,819,973	2,671
ESTIMATED LIABILITY FOR CONSTRUCTION CONTRACTS	1,529,122	--	1,529,122	--
OTHER LONG-TERM LIABILITIES	127,803	--	127,803	87,938
<b>TOTAL LIABILITIES</b>	<b>28,112,398</b>	<b>1,532,586</b>	<b>29,644,984</b>	<b>14,407,814</b>

The notes to the financial statement are an integral part of this statement.

# State of Louisiana

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL PRIMARY GOVERNMENT	
DEFERRED INFLOWS OF RESOURCES				
ACCRUED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVES	21,123	--	21,123	--
DEFERRED AMOUNTS ON DEBT REFUNDING	--	6,321	6,321	286
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	--	--	--	4,010
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	342,068	19,738	361,806	171,729
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	325,453	29,426	354,879	287,213
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>688,644</b>	<b>55,485</b>	<b>744,129</b>	<b>463,238</b>
NET POSITION				
NET INVESTMENT IN CAPITAL ASSETS	11,730,196	446,322	12,176,518	11,183,077
RESTRICTED FOR:				
EXPENDABLE:				
ADMINISTRATION & REGULATORY OVERSIGHT	63,919	--	63,919	--
AGRICULTURE & FORESTRY PROGRAMS	605	--	605	--
BUDGET STABILIZATION	321,070	--	321,070	--
CAPITAL PROJECTS	387,186	--	387,186	28,350
CONSERVATION & ENVIRONMENT PROGRAMS:				
ARTIFICIAL REEF DEVELOPMENT	18,607	--	18,607	--
COASTAL PROTECTION & RESTORATION	168,092	--	168,092	--
OILFIELD SITE RESTORATION	24,358	--	24,358	--
WILDLIFE & FISHERIES CONSERVATION	145,032	--	145,032	--
OTHER CONSERVATION & ENVIRONMENT PROGRAMS	5,670	--	5,670	--
CORRECTIONS PROGRAMS	70	--	70	--
CULTURE, RECREATION, & TOURISM PROGRAMS	4,676	--	4,676	--
DEBT SERVICE	238,056	--	238,056	239,262
ECONOMIC DEVELOPMENT PROGRAMS	2,666	--	2,666	--
EDUCATION PROGRAMS:				
MINIMUM FOUNDATION PROGRAM	87,359	--	87,359	--
OTHER EDUCATION PROGRAMS	290,887	--	290,887	--
ENDOWMENTS - EXPENDABLE	--	2,203	2,203	1,130,929
HEALTH & WELFARE PROGRAMS:				
STATE MEDICAID MATCH	15,092	--	15,092	--
OTHER HEALTH & WELFARE PROGRAMS	59,583	--	59,583	--
MILITARY & VETERANS AFFAIRS PROGRAMS	21,339	--	21,339	--
OTHER PURPOSES	--	164,291	164,291	369,838
TRANSPORTATION & DEVELOPMENT PROGRAMS	2,006	--	2,006	--
UNEMPLOYMENT COMPENSATION	47	1,047,141	1,047,188	--
WORKFORCE SUPPORT & TRAINING PROGRAMS	4,724	--	4,724	--
YOUTH PROGRAMS	4,469	--	4,469	--
NONEXPENDABLE:				
CULTURE, RECREATION, & TOURISM PROGRAMS	100	--	100	--
EDUCATION PROGRAMS	2,224,187	--	2,224,187	--
ENDOWMENTS	--	7,291	7,291	894,072
HEALTH & WELFARE PROGRAMS	466,299	--	466,299	--
UNRESTRICTED	(16,052,435)	339,229	(15,713,206)	(5,420,240)
<b>TOTAL NET POSITION</b>	<b>\$ 233,860</b>	<b>\$ 2,006,477</b>	<b>\$ 2,240,337</b>	<b>\$ 8,425,288</b>

# State of Louisiana

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			COMPONENT UNITS
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
<b>PRIMARY GOVERNMENT:</b>								
<b>GOVERNMENTAL ACTIVITIES:</b>								
GENERAL GOVERNMENT	\$ 2,887,652	\$ 1,216,509	\$ 655,008	\$ 215	\$ (1,015,920)		\$ (1,015,920)	
CULTURE, RECREATION & TOURISM	97,685	16,612	13,752	--	(67,321)		(67,321)	
TRANSPORTATION & DEVELOPMENT	1,377,898	174,505	151,986	587,628	(463,779)		(463,779)	
PUBLIC SAFETY	949,390	344,842	510,169	--	(94,379)		(94,379)	
HEALTH & WELFARE	13,975,446	288,857	10,751,086	--	(2,935,503)		(2,935,503)	
CORRECTIONS	702,948	41,150	32,121	--	(629,677)		(629,677)	
YOUTH DEVELOPMENT	75,263	1,008	712	--	(73,543)		(73,543)	
CONSERVATION & ENVIRONMENT	554,590	169,362	213,507	--	(171,721)		(171,721)	
EDUCATION	6,308,850	17,218	1,247,607	--	(5,044,025)		(5,044,025)	
AGRICULTURE & FORESTRY	93,118	21,652	52,737	--	(18,729)		(18,729)	
ECONOMIC DEVELOPMENT	231,981	4,259	14,043	--	(213,679)		(213,679)	
MILITARY & VETERANS AFFAIRS	170,224	15,806	97,420	--	(56,998)		(56,998)	
WORKFORCE SUPPORT & TRAINING	247,754	76,684	119,156	--	(51,914)		(51,914)	
INTEREST ON LONG-TERM DEBT	294,885	--	--	--	(294,885)		(294,885)	
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>27,967,684</b>	<b>2,388,464</b>	<b>13,859,304</b>	<b>587,843</b>	<b>(11,132,073)</b>		<b>(11,132,073)</b>	
<b>BUSINESS-TYPE ACTIVITIES:</b>								
HIGHER EDUCATION	478,936	140,290	179,143	22,895	\$ (136,608)		(136,608)	
LENDING & FINANCING ACTIVITIES	38,243	24,358	10,916	24,952	21,983		21,983	
PROPERTY ASSISTANCE	8,427	8,618	--	--	191		191	
PRISON ENTERPRISES	28,911	27,900	--	--	(1,011)		(1,011)	
REGULATION & OVERSIGHT	47,182	48,398	14	--	1,230		1,230	
UNEMPLOYMENT INSURANCE	187,023	251,285	829	--	65,091		65,091	
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>788,722</b>	<b>500,849</b>	<b>190,902</b>	<b>47,847</b>	<b>(49,124)</b>		<b>(49,124)</b>	
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 28,756,406</b>	<b>\$ 2,889,313</b>	<b>\$ 14,050,206</b>	<b>\$ 635,690</b>	<b>(11,132,073)</b>	<b>(49,124)</b>	<b>(11,181,197)</b>	
<b>TOTAL DISCRETELY PRESENTED COMPONENT UNITS</b>								
	\$ 5,719,874	\$ 2,768,831	\$ 1,176,875	\$ 199,361			\$ (1,574,807)	
<b>GENERAL REVENUES:</b>								
CORPORATE INCOME TAXES					348,577		348,577	
INDIVIDUAL INCOME TAXES					3,439,082		3,439,082	
SALES & USE TAXES					4,342,563		4,342,563	
SEVERANCE TAXES					460,998		460,998	
TOBACCO TAXES					296,860		296,860	
FRANCHISE TAXES					119,403		119,403	
GAS & FUELS TAXES, restricted for transportation					605,962		605,962	
INSURANCE PREMIUM TAXES					893,076		893,076	
ALCOHOL TAXES					76,064		76,064	
OCCUPANCY TAXES					66,329		66,329	
OTHER TAXES					68,523		68,523	
UNCLAIMED PROPERTY					49,979		49,979	
GAMING					887,941		887,941	
USE OF MONEY & PROPERTY					424,388	(663)	423,725	
UNRESTRICTED PAYMENTS FROM PRIMARY GOVERNMENT					--	--	--	1,287,704
OTHER GENERAL REVENUES					--	--	--	1,666,069
ADDITIONS TO PERMANENT ENDOWMENTS					--	--	--	23,082
TRANSFERS					(131,586)	131,586	--	--
<b>TOTAL GENERAL REVENUES, ADDITIONS TO PERMANENT ENDOWMENTS, AND TRANSFERS</b>					<b>11,948,159</b>	<b>130,923</b>	<b>12,079,082</b>	<b>2,976,855</b>
CHANGE IN NET POSITION					816,086	81,799	897,885	1,402,048
NET POSITION - BEGINNING AS RESTATED					(582,226)	1,924,678	1,342,452	7,023,240
<b>NET POSITION - ENDING</b>					<b>\$ 233,860</b>	<b>\$ 2,006,477</b>	<b>\$ 2,240,337</b>	<b>\$ 8,425,288</b>

The notes to the financial statements are an integral part of this statement.

**GOVERNMENTAL FUND  
FINANCIAL STATEMENTS**

# GOVERNMENTAL FUND FINANCIAL STATEMENTS

## Major Funds

### GENERAL FUND

The General Fund, the principal operating fund of the State, was established administratively to provide for the distribution of funds appropriated by the State Legislature for the ordinary expenses of state government. Transactions related to resources that are not accounted for in other funds are accounted for in the General Fund. Revenues are provided from the direct deposit of federal grants and the transfer of state revenues from the Bond Security and Redemption Fund after debt service requirements have been met.

### BOND SECURITY AND REDEMPTION FUND

This fund is used to provide for the collection of all money deposited into the State Treasury except federal funds, donations or other forms of assistance when the terms and conditions of the related agreements require otherwise.

Each fiscal year, an amount is allocated from this fund sufficient to pay all obligations secured by the full faith and credit of the state, due and payable, within the current fiscal year, including principal, interest, premiums, and sinking or reserve funds. Except as otherwise provided by law, money remaining in the fund is credited to the General Fund.

### LOUISIANA EDUCATION QUALITY TRUST FUND

Once requirements of the Bond Security and Redemption Fund have been met, certain funds received from the federal government attributable to mineral production or leases on the outer continental shelf are deposited by the Treasurer in this fund. The funds are held in a trustee capacity and interest earned is used for various educational purposes.

### CAPITAL OUTLAY ESCROW FUND

The Capital Outlay Escrow Fund was created to provide for the capital outlay expenditures of the State as appropriated in the annual capital outlay appropriations act. The fund accounts for a large volume of ongoing and new construction, routine maintenance and repairs, as well as repairs and renovations related to the damage caused by hurricanes. The fund is financed by bond issues, federal funds, self-generated revenues, statutory dedications, and appropriations by the Louisiana Legislature.



# State of Louisiana

## BALANCE SHEET

### GOVERNMENTAL FUNDS

**JUNE 30, 2018**

(EXPRESSED IN THOUSANDS)

	GENERAL FUND	BOND SECURITY & REDEMPTION FUND	CAPITAL OUTLAY ESCROW FUND	LOUISIANA EDUCATION QUALITY TRUST FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS:</b>						
CASH & CASH EQUIVALENTS	\$ 1,825,452	\$ 208,692	\$ 312,461	\$ --	\$ 30,857	\$ 2,377,462
INVESTMENTS	251,399	--	12,564	1,433,274	2,037,049	3,734,286
RECEIVABLES (NET)	449,469	1,796,553	1,816	3	13,856	2,261,697
DUE FROM OTHER FUNDS	1,298,692	161,701	201,258	576	103,111	1,765,338
AMOUNTS DUE FROM COMPONENT UNITS	13,685	14,530	--	--	43	28,258
DUE FROM FEDERAL GOVERNMENT	2,016,204	--	8,218	--	81,518	2,105,940
INVENTORIES	74,933	--	--	--	--	74,933
PREPAYMENTS	241,785	--	--	--	--	241,785
OTHER ASSETS	17	--	--	--	--	17
<b>TOTAL ASSETS</b>	<b>\$ 6,171,636</b>	<b>\$ 2,181,476</b>	<b>\$ 536,317</b>	<b>\$ 1,433,853</b>	<b>\$ 2,266,434</b>	<b>\$ 12,589,716</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
ACCOUNTS PAYABLE	\$ 1,519,690	\$ 117	\$ 212,600	\$ 1,044	\$ 6,323	\$ 1,739,774
TAX REFUNDS PAYABLE	--	209,489	--	--	--	209,489
UNCLAIMED PROPERTY LIABILITY	180,132	--	--	--	--	180,132
DUE TO OTHER FUNDS	280,487	1,182,770	133,999	4,121	134,161	1,735,538
AMOUNTS DUE TO COMPONENT UNITS	41,582	--	--	3,081	--	44,663
DUE TO FEDERAL GOVERNMENT	582,843	--	--	--	--	582,843
DUE TO LOCAL GOVERNMENTS	939,625	7	2,860	--	7,516	950,008
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	32,677	--	63	32,740
UNEARNED REVENUES	270,658	23,540	--	--	--	294,198
ESTIMATED LIABILITY FOR CLAIMS	66,471	--	--	--	--	66,471
OTHER LIABILITIES	1	--	--	--	--	1
<b>TOTAL LIABILITIES</b>	<b>3,881,489</b>	<b>1,415,923</b>	<b>382,136</b>	<b>8,246</b>	<b>148,063</b>	<b>5,835,857</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
UNAVAILABLE REVENUE	--	765,553	--	--	70	765,623
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>--</b>	<b>765,553</b>	<b>--</b>	<b>--</b>	<b>70</b>	<b>765,623</b>
<b>FUND BALANCES:</b>						
NONSPENDABLE	103,596	--	--	1,294,957	1,395,629	2,794,182
RESTRICTED	949,804	--	4,145	130,650	679,563	1,764,162
COMMITTED	1,152,626	--	150,036	--	48,037	1,350,699
ASSIGNED	84,121	--	--	--	--	84,121
UNASSIGNED	--	--	--	--	(4,928)	(4,928)
<b>TOTAL FUND BALANCES</b>	<b>2,290,147</b>	<b>--</b>	<b>154,181</b>	<b>1,425,607</b>	<b>2,118,301</b>	<b>5,988,236</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 6,171,636</b>	<b>\$ 2,181,476</b>	<b>\$ 536,317</b>	<b>\$ 1,433,853</b>	<b>\$ 2,266,434</b>	<b>\$ 12,589,716</b>

The notes to the financial statements are an integral part of this statement.

# State of Louisiana

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

(Expressed in Thousands)

**Total Fund Balances - Governmental Funds** \$ 5,988,236

Amounts reported for governmental activities in the Statement of Net Position are different due to the following:

Capital assets used in governmental activities are not current financial resources and are not reported in the fund financial statements. These assets consist of the following:

Land	\$ 2,281,315	
Buildings and Improvements	2,619,541	
Machinery and Equipment	842,691	
Infrastructure	27,448,824	
Intangible Assets	106,697	
Construction in Progress	1,420,771	
Accumulated Depreciation and Amortization	<u>(19,394,149)</u>	15,325,690

Net position of the internal service funds is reported separately in the proprietary funds, but is included in governmental activities in the government-wide statements. (293,026)

The difference between the net carrying amount of refunded debt and the cost of refunding are deferred and amortized in the statement of net position, however these amounts are not reported at the fund level. 266,817

Some liabilities are not due and payable from current financial resources and are, therefore not reported in the funds. These liabilities consist of the following:

Compensated Absences	(188,307)	
Notes Payable	(311)	
Bonds Payable	(7,826,381)	
Total OPEB Liability	(6,071,078)	
Net Pension Liability	(4,971,061)	
Pollution Remediation Obligations	(24,943)	
Estimated Liabilities for Claims	(2,051,175)	
Estimated Liability for Construction Contracts	(1,529,122)	
Accrued Interest Payable	(74,691)	
Accounts Payable	(97,785)	
Due to Federal Government	(15,322)	
Other Liabilities	<u>(132,697)</u>	(22,982,873)

Some of the State's revenues are not available to pay for the current period's expenditures and are not reported in the funds. 1,929,016

**Net Position of Governmental Activities** \$ 233,860

The notes to the financial statements are an integral part of this statement.

# State of Louisiana

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

### GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	GENERAL FUND	BOND SECURITY & REDEMPTION FUND	CAPITAL OUTLAY ESCROW FUND	LOUISIANA EDUCATION QUALITY TRUST FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>						
INTERGOVERNMENTAL REVENUES	\$ 12,923,707	\$ 449,024	\$ 60,144	\$ --	\$ 705,225	\$ 14,138,100
TAXES	4,350	10,523,611	--	--	170,938	10,698,899
TOBACCO SETTLEMENT	--	62,028	--	--	93,043	155,071
GAMING	--	887,941	--	--	--	887,941
USE OF MONEY & PROPERTY	10,620	429,507	146	--	2,166	442,439
LICENSES, PERMITS & FEES	25,276	1,230,548	6,585	--	86,325	1,348,734
SALES OF COMMODITIES & SERVICES	8,351	859,970	5,034	--	--	873,355
UNCLAIMED PROPERTY	43,086	6,893	--	--	--	49,979
OTHER SETTLEMENTS	290	--	--	--	--	290
GIFTS, DONATIONS, AND CONTRIBUTIONS	67,356	76,707	2,920	--	--	146,983
OTHER	55,220	47,275	5,164	314	42	108,015
<b>TOTAL REVENUES</b>	<b>13,138,256</b>	<b>14,573,504</b>	<b>79,993</b>	<b>314</b>	<b>1,057,739</b>	<b>28,849,806</b>
<b>EXPENDITURES:</b>						
<b>CURRENT:</b>						
GENERAL GOVERNMENT	2,328,811	195	--	--	99	2,329,105
CULTURE, RECREATION & TOURISM	65,595	--	--	--	1,528	67,123
TRANSPORTATION & DEVELOPMENT	412,295	--	--	--	8	412,303
PUBLIC SAFETY	652,535	--	--	--	--	652,535
HEALTH & WELFARE	13,785,451	--	--	--	--	13,785,451
CORRECTIONS	635,117	--	--	--	--	635,117
YOUTH DEVELOPMENT	76,169	--	--	--	--	76,169
CONSERVATION & ENVIRONMENT	269,001	--	--	--	--	269,001
EDUCATION	862,414	--	--	--	165	862,579
AGRICULTURE & FORESTRY	90,978	--	--	--	1	90,979
ECONOMIC DEVELOPMENT	85,255	--	--	--	--	85,255
MILITARY & VETERANS AFFAIRS	123,548	--	--	--	--	123,548
WORKFORCE SUPPORT & TRAINING	171,606	--	--	--	--	171,606
<b>INTERGOVERNMENTAL:</b>						
GENERAL GOVERNMENT	293,526	7	--	--	66,921	360,454
CULTURE, RECREATION & TOURISM	16,421	--	--	--	--	16,421
TRANSPORTATION & DEVELOPMENT	66,199	--	--	--	7,095	73,294
PUBLIC SAFETY	268,577	--	--	--	--	268,577
HEALTH & WELFARE	159,506	--	--	--	--	159,506
CORRECTIONS	50,961	--	--	--	--	50,961
YOUTH DEVELOPMENT	606	--	--	--	--	606
CONSERVATION & ENVIRONMENT	540	--	--	--	--	540
EDUCATION	5,197,126	--	--	21,080	57,855	5,276,061
AGRICULTURE & FORESTRY	1,768	--	--	--	--	1,768
ECONOMIC DEVELOPMENT	137,416	--	--	--	--	137,416
WORKFORCE SUPPORT & TRAINING	37,921	--	--	--	--	37,921
CAPITAL OUTLAY	156,796	--	1,397,762	--	4	1,554,562
<b>DEBT SERVICE:</b>						
PRINCIPAL	67,687	259,400	--	--	94,750	421,837
INTEREST	28,709	158,330	--	--	141,693	328,732
ISSUANCE COSTS & OTHER CHARGES	2,833	892	--	--	4,703	8,428
<b>TOTAL EXPENDITURES</b>	<b>26,045,367</b>	<b>418,824</b>	<b>1,397,762</b>	<b>21,080</b>	<b>374,822</b>	<b>28,257,855</b>
<b>EXCESS(DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES</b>	<b>(12,907,111)</b>	<b>14,154,680</b>	<b>(1,317,769)</b>	<b>(20,766)</b>	<b>682,917</b>	<b>591,951</b>
<b>OTHER FINANCING SOURCES(USES)</b>						
TRANSFERS IN	14,151,008	52,450	961,909	68,825	729,501	15,963,693
TRANSFERS OUT	(447,692)	(14,219,538)	(7,858)	(22,095)	(1,397,870)	(16,095,053)
LONG-TERM DEBT ISSUED	--	--	300,090	--	--	300,090
PREMIUM ON LONG-TERM DEBT ISSUED	--	892	40,775	--	--	41,667
REFUNDING BONDS ISSUED	--	--	14,485	--	582,470	596,955
PREMIUM ON REFUNDING BONDS ISSUED	--	--	788	--	56,499	57,287
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--	(638,969)	(638,969)
SALES OF GENERAL CAPITAL ASSETS	18	1,201	--	--	22	1,241
INSURANCE RECOVERIES	1	10,315	--	--	--	10,316
<b>TOTAL OTHER FINANCING SOURCES(USES)</b>	<b>13,703,335</b>	<b>(14,154,680)</b>	<b>1,310,189</b>	<b>46,730</b>	<b>(668,347)</b>	<b>237,227</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>796,224</b>	<b>--</b>	<b>(7,580)</b>	<b>25,964</b>	<b>14,570</b>	<b>829,178</b>
<b>FUND BALANCES AT BEGINNING OF YEAR AS RESTATED</b>	<b>1,493,923</b>	<b>--</b>	<b>161,761</b>	<b>1,399,643</b>	<b>2,103,731</b>	<b>5,159,058</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 2,290,147</b>	<b>\$ --</b>	<b>\$ 154,181</b>	<b>\$ 1,425,607</b>	<b>\$ 2,118,301</b>	<b>\$ 5,988,236</b>

The notes to the financial statements are an integral part of this statement.

# State of Louisiana

## Reconciliation of the Change in Fund Balances of Governmental Funds to the Statement of Activities

(Expressed in Thousands)

**Net Change in Fund Balances - Total Governmental Funds** \$ 829,178

Amounts reported for governmental activities in the Statement of Activities are different due to the following:

Governmental funds report capital outlays as expenditures; however these outlays are capitalized and allocated over their estimated useful lives and reported as depreciation/amortization expense. The following is the difference between the amount of capital outlay expenditures and depreciation/amortization expense for the period:

	Capital Outlay	\$ 646,214	
	Depreciation/Amortization Expense	<u>(618,392)</u>	27,822

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 26,529

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities over multiple periods.

	Bond Proceeds and Premiums Received	(995,999)	
	Repayment of Bond Principal	421,837	
	Payment to Refunded Bond Escrow Agent	638,969	
	Amortization of Bond Premiums	57,324	
	Amortization of Deferred Refunding Costs	<u>(26,259)</u>	95,872

The net results of current year operations of internal service funds is included in the net income of the proprietary funds, but is presented as part of the primary government for government-wide statements. (49,896)

Some long-term liabilities are not recognized at the fund level because they do not represent a claim on current financial resources. Expenses at the government-wide level are recognized when these liabilities are incurred, while expenditures are recognized at the fund level when cash payments are made. The amounts below represent the difference between the expenses incurred at the government-wide level and the current financial resources expended at the fund level.

	Compensated Absences	3,864	
	Notes Payable	148	
	Accrued Interest	(1,840)	
	Estimated Liabilities for Claims	(69,105)	
	Total OPEB Liability	(57,190)	
	Net Pension Liability	79,170	
	Pollution Remediation Obligations	(6,116)	
	Estimated Liability for Construction Contracts	(69,812)	
	Other Liabilities	4,622	
	Other Payables	<u>2,840</u>	<u>(113,419)</u>

**Change in Net Position of Governmental Activities** \$ 816,086

The notes to the financial statements are an integral part of this statement.

PROPRIETARY FUND  
FINANCIAL STATEMENTS

# PROPRIETARY FUND FINANCIAL STATEMENTS

## Major Funds

### UNEMPLOYMENT TRUST FUND

The Unemployment Trust Fund accounts for the unemployment insurance contributions from employers and for the payment of unemployment benefits to eligible claimants.

### LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM

The Louisiana Community and Technical College System provide strategic management and support for seven community colleges, four technical community colleges, and two technical colleges. LCTCS has forty-nine campuses. The colleges award associates degrees, technical diplomas, and industry-based certificates in programs that are aligned with business and industry and local economies.

# State of Louisiana

## STATEMENT OF NET POSITION

### PROPRIETARY FUNDS

JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	UNEMPLOYMENT TRUST FUND	LOUISIANA COMMUNITY & TECHNICAL COLLEGES SYSTEM	NONMAJOR ENTERPRISE FUNDS	TOTAL	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
CASH & CASH EQUIVALENTS	\$ 993,745	\$ 144,592	\$ 411,070	\$ 1,549,407	\$ 5,635
INVESTMENTS	--	--	17,035	17,035	13,923
RESTRICTED INVESTMENTS	--	--	33	33	25,393
RECEIVABLES (NET)	68,258	19,058	6,947	94,263	44,941
DUE FROM OTHER FUNDS	--	2,832	357	3,189	69
DUE FROM FEDERAL GOVERNMENT	52	15,721	--	15,773	--
INVENTORIES	--	10	6,594	6,604	4,558
PREPAYMENTS	--	558	171	729	3,865
NOTES RECEIVABLE	--	--	42,316	42,316	--
OTHER CURRENT ASSETS	--	39	385	424	--
TOTAL CURRENT ASSETS	1,062,055	182,810	484,908	1,729,773	98,384
<b>NON-CURRENT ASSETS:</b>					
<b>RESTRICTED ASSETS</b>					
CASH	--	40,245	4,763	45,008	--
INVESTMENTS	--	65,991	1,199	67,190	2,406
RECEIVABLES	--	3,748	371	4,119	--
OTHER ASSETS	--	593	--	593	--
INVESTMENTS	--	47	3,942	3,989	--
RECEIVABLES (NET)	--	--	24	24	--
NOTES RECEIVABLE	--	--	616,449	616,449	--
<b>CAPITAL ASSETS (NOTE 5)</b>					
LAND	--	51,498	9,875	61,373	301
BUILDING & IMPROVEMENTS (NET)	--	539,845	39,419	579,264	--
MACHINERY & EQUIPMENT (NET)	--	28,735	9,833	38,568	12,224
INFRASTRUCTURE (NET)	--	--	300,961	300,961	--
INTANGIBLE ASSETS (NET)	--	7,800	230	8,030	--
CONSTRUCTION IN PROGRESS	--	39,882	432	40,314	--
OTHER NONCURRENT ASSETS	--	4,145	588	4,733	29
TOTAL NON-CURRENT ASSETS	--	782,529	988,086	1,770,615	14,960
TOTAL ASSETS	1,062,055	965,339	1,472,994	3,500,388	113,344
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	--	9,823	1,068	10,891	2,105
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	--	72,621	12,475	85,096	35,150
TOTAL DEFERRED OUTFLOWS OF RESOURCES	--	82,444	13,543	95,987	37,255
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES:</b>					
ACCOUNTS PAYABLE	--	37,473	7,285	44,758	23,589
ACCRUED INTEREST	--	--	1,998	1,998	--
DUE TO OTHER FUNDS	47	378	1,402	1,827	31,231
DUE TO FEDERAL GOVERNMENT	2,773	9	--	2,782	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	817	773	11	1,601	--
UNEARNED REVENUES	--	11,274	7,510	18,784	7,726
OTHER CURRENT LIABILITIES	11,277	4,215	218	15,710	1,494
<b>CURRENT PORTION OF LONG-TERM LIABILITIES:</b>					
CONTRACTS PAYABLE	--	--	--	--	8,707
COMPENSATED ABSENCES PAYABLE	--	1,475	316	1,791	487
CAPITAL LEASE OBLIGATIONS	--	90	--	90	--
NOTES PAYABLE	--	--	--	--	4,443
BONDS PAYABLE	--	16,665	2,793	19,458	--
OTHER LONG-TERM LIABILITIES	--	1	12	13	58
TOTAL CURRENT LIABILITIES	14,914	72,353	21,545	108,812	77,735
<b>NONCURRENT LIABILITIES</b>					
<b>NONCURRENT PORTION OF LONG-TERM LIABILITIES:</b>					
COMPENSATED ABSENCES PAYABLE	--	17,963	1,629	19,592	6,182
CAPITAL LEASE OBLIGATIONS	--	2,475	--	2,475	--
NOTES PAYABLE	--	--	1,395	1,395	8,863
BONDS PAYABLE	--	404,578	169,034	573,612	--
TOTAL OPEB LIABILITY	--	304,451	42,356	346,807	134,678
NET PENSION LIABILITY	--	416,491	65,229	481,720	199,601
TOTAL NON-CURRENT LIABILITIES	--	1,145,958	279,643	1,425,601	349,324
TOTAL LIABILITIES	14,914	1,218,311	301,188	1,534,413	427,059
<b>DEFERRED INFLOWS OF RESOURCES</b>					
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	6,321	6,321	--
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	--	17,026	2,712	19,738	9,134
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	--	25,403	4,023	29,426	7,432
TOTAL DEFERRED INFLOWS OF RESOURCES	--	42,429	13,056	55,485	16,566
<b>NET POSITION</b>					
NET INVESTMENT IN CAPITAL ASSETS	--	263,720	182,602	446,322	(781)
RESTRICTED FOR UNEMPLOYMENT COMPENSATION	1,047,141	--	--	1,047,141	--
RESTRICTED FOR ENDOWMENTS - EXPENDABLE	--	2,203	--	2,203	--
RESTRICTED FOR ENDOWMENTS - NONEXPENDABLE	--	7,291	--	7,291	--
RESTRICTED FOR DEBT SERVICE	--	--	--	--	27,799
RESTRICTED FOR OTHER PURPOSES	--	153,929	10,362	164,291	--
UNRESTRICTED	--	(640,100)	979,329	339,229	(320,044)
TOTAL NET POSITION	\$ 1,047,141	\$ (212,957)	\$ 1,172,293	\$ 2,006,477	\$ (293,026)

The notes to the financial statements are an integral part of this statement.

# State of Louisiana

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

### PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	UNEMPLOYMENT TRUST FUND	LOUISIANA COMMUNITY & TECHNICAL COLLEGES SYSTEM	NONMAJOR ENTERPRISE FUNDS	TOTAL	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
<b>OPERATING REVENUES:</b>					
SALES OF COMMODITIES & SERVICES	\$ --	\$ 119,548	\$ 38,233	\$ 157,781	\$ 338,476
ASSESSMENTS	230,420	--	5,196	235,616	--
USE OF MONEY & PROPERTY	20,865	--	15,188	36,053	23,679
LICENSES, PERMITS & FEES	--	--	40,669	40,669	2,863
FEDERAL GRANTS & CONTRACTS	829	49,462	810	51,101	--
OTHER	--	19,625	5,158	24,783	--
TOTAL OPERATING REVENUES	<u>252,114</u>	<u>188,635</u>	<u>105,254</u>	<u>546,003</u>	<u>365,018</u>
<b>OPERATING EXPENSES:</b>					
COST OF SALES & SERVICES	--	306,859	39,827	346,686	40,497
ADMINISTRATIVE	--	122,444	49,260	171,704	371,102
DEPRECIATION	--	27,555	13,549	41,104	2,591
AMORTIZATION	--	2,072	120	2,192	--
UNEMPLOYMENT INSURANCE BENEFITS	187,023	--	--	187,023	--
TOTAL OPERATING EXPENSES	<u>187,023</u>	<u>458,930</u>	<u>102,756</u>	<u>748,709</u>	<u>414,190</u>
OPERATING INCOME (LOSS)	<u>65,091</u>	<u>(270,295)</u>	<u>2,498</u>	<u>(202,706)</u>	<u>(49,172)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
INTERGOVERNMENTAL REVENUES	--	--	14	14	--
INTERGOVERNMENTAL EXPENSES	--	--	(1,097)	(1,097)	--
GAIN ON SALE OF CAPITAL ASSETS	--	--	1,115	1,115	--
LOSS ON SALE OF CAPITAL ASSETS	--	--	(1,661)	(1,661)	(1,150)
FEDERAL GRANTS	--	129,681	10,106	139,787	--
INTEREST EXPENSE	--	(12,822)	(4,928)	(17,750)	(47)
OTHER REVENUES	--	1,117	3,052	4,169	922
OTHER EXPENSES	--	(7,184)	(12,321)	(19,505)	(223)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>--</u>	<u>110,792</u>	<u>(5,720)</u>	<u>105,072</u>	<u>(498)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	65,091	(159,503)	(3,222)	(97,634)	(49,670)
CAPITAL CONTRIBUTIONS	--	22,895	24,952	47,847	--
TRANSFERS IN	--	170,527	13,062	183,589	--
TRANSFERS OUT	--	--	(52,003)	(52,003)	(226)
CHANGE IN NET POSITION	65,091	33,919	(17,211)	81,799	(49,896)
TOTAL NET POSITION - BEGINNING AS RESTATED	<u>982,050</u>	<u>(246,876)</u>	<u>1,189,504</u>	<u>1,924,678</u>	<u>(243,130)</u>
TOTAL NET POSITION - ENDING	<u>\$ 1,047,141</u>	<u>\$ (212,957)</u>	<u>\$ 1,172,293</u>	<u>\$ 2,006,477</u>	<u>\$ (293,026)</u>

The notes to the financial statements are an integral part of this statement.



# State of Louisiana

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	UNEMPLOYMENT TRUST FUND	LOUISIANA COMMUNITY & TECHNICAL COLLEGES SYSTEM	NONMAJOR ENTERPRISE FUNDS	TOTAL	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
RECEIPTS FROM CUSTOMERS	\$ 213,596	\$ 121,219	\$ 95,539	\$ 430,354	\$ 24,368
RECEIPTS FROM INTERFUND SERVICES PROVIDED	--	--	51	51	293,903
RECEIPTS FROM INTERFUND REIMBURSEMENTS	--	--	45	45	--
RECEIPTS OF PRINCIPAL/INTEREST FROM LOAN PROGRAMS	--	--	42,335	42,335	--
OTHER OPERATING RECEIPTS	20,865	64,630	9,019	94,514	--
PAYMENTS TO SUPPLIERS & SERVICE PROVIDERS	(182,530)	(106,231)	(48,465)	(337,226)	(141,442)
PAYMENTS FOR LOANS MADE UNDER LOAN PROGRAMS	--	--	(90,434)	(90,434)	--
PAYMENTS TO EMPLOYEES FOR SERVICES	--	(263,127)	(30,965)	(294,092)	(171,057)
PAYMENTS FOR INTERFUND SERVICES USED	--	--	(4,836)	(4,836)	(19,043)
PAYMENTS FOR SCHOLARSHIPS AND FELLOWSHIPS	--	(57,356)	--	(57,356)	--
OTHER OPERATING PAYMENTS	--	--	(108)	(108)	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	51,931	(240,865)	(27,819)	(216,753)	(13,271)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
PROCEEDS FROM THE ISSUANCE OF NON-CAPITAL DEBT	--	--	30,102	30,102	--
RECEIPTS FROM OPERATING GRANTS	--	133,337	9,837	143,174	--
RECEIPTS FOR PRINCIPAL AND INTEREST DEBT SERVICE	--	--	43,414	43,414	--
RECEIPTS FROM OTHER FUNDS	--	289,705	17,683	307,388	2,891
PAYMENTS FOR PRINCIPAL ON NON-CAPITAL DEBT	--	--	(29,900)	(29,900)	--
PAYMENTS FOR INTEREST ON NON-CAPITAL DEBT	--	--	(56)	(56)	--
PAYMENTS FOR GRANTS AND SUBSIDIES	--	--	(8,779)	(8,779)	--
PAYMENTS TO OTHER FUNDS	--	(154,532)	(56,567)	(211,099)	(223)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	--	268,510	5,734	274,244	2,668
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
PROCEEDS FROM THE ISSUANCE OF CAPITAL DEBT	--	156,430	--	156,430	--
RECEIPTS FROM CAPITAL GRANTS	--	44,242	24,651	68,893	--
PROCEEDS FROM THE SALE OF CAPITAL ASSETS	--	--	1,188	1,188	--
PAYMENTS TO ACQUIRE, CONSTRUCT & IMPROVE CAPITAL ASSETS	--	(44,929)	(5,848)	(50,777)	(30)
PAYMENTS FOR PRINCIPAL ON CAPITAL DEBT	--	(16,890)	(9,590)	(26,480)	--
PAYMENTS FOR INTEREST ON CAPITAL DEBT	--	(170,879)	(5,594)	(176,473)	--
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	--	(32,026)	4,807	(27,219)	(30)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
PURCHASES OF INVESTMENTS	--	(37,694)	(22,826)	(60,520)	(7,905)
PROCEEDS FROM THE SALE OF INVESTMENTS	--	49,159	19,000	68,159	5,808
INTEREST AND DIVIDENDS	--	1,390	359	1,749	886
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	--	12,855	(3,467)	9,388	(1,211)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	51,931	8,474	(20,745)	39,660	(11,844)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR AS RESTATED	941,814	176,363	436,578	1,554,755	17,479
CASH & CASH EQUIVALENTS AT END OF YEAR	\$ 993,745	\$ 184,837	\$ 415,833	\$ 1,594,415	\$ 5,635
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
OPERATING INCOME (LOSS)	\$ 65,091	\$ (270,295)	\$ 2,498	\$ (202,706)	\$ (49,172)
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
DEPRECIATION/AMORTIZATION	--	29,627	13,669	43,296	2,591
NONEMPLOYER CONTRIBUTING ENTITY REVENUE	--	1,276	1	1,277	--
OTHER	--	(2,588)	(1,360)	(3,948)	--
<b>CHANGES IN ASSETS AND LIABILITIES:</b>					
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	(10,732)	(3,856)	(145)	(14,733)	(20,710)
(INCREASE)/DECREASE IN DUE FROM OTHER FUNDS	(40)	764	550	1,274	(69)
(INCREASE)/DECREASE IN PREPAYMENTS	--	333	(55)	278	(1,325)
(INCREASE)/DECREASE IN INVENTORIES	--	(3)	263	260	(3,108)
(INCREASE)/DECREASE IN OTHER ASSETS	--	60	(49,919)	(49,859)	202
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO OPEB	--	(495)	(718)	(1,213)	(235)
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO PENSIONS	--	21,488	5,969	27,457	78,557
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS	167	3,660	278	4,105	(3,431)
INCREASE/(DECREASE) IN COMPENSATED ABSENCES	--	409	61	470	66
INCREASE/(DECREASE) IN DUE TO OTHER FUNDS	(5,150)	(17)	(33)	(5,200)	(2,050)
INCREASE/(DECREASE) IN UNEARNED REVENUES	--	610	4,917	5,527	7,553
INCREASE/(DECREASE) IN TOTAL OPEB LIABILITY	--	(13,389)	(1,578)	(14,967)	(5,923)
INCREASE/(DECREASE) IN NET PENSION LIABILITY	--	(45,296)	(6,446)	(51,742)	(21,661)
INCREASE/(DECREASE) IN OTHER LIABILITIES	2,595	4,139	867	7,601	(1,249)
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO OPEB	--	17,025	2,535	19,560	9,134
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO PENSIONS	--	15,683	827	16,510	(2,441)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 51,931	\$ (240,865)	\$ (27,819)	\$ (216,753)	\$ (13,271)

(Continued)

# State of Louisiana

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

### NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

	2018
LOUISIANA AGRICULTURAL FINANCE AUTHORITY	
GAIN ON DISPOSAL OF CAPITAL ASSETS	159
LOSS ON DISPOSAL OF CAPITAL ASSETS	(78)
LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM	
LOSS ON DISPOSAL OF CAPITAL ASSETS	(650)
CONTRIBUTIONS OF CAPITAL ASSETS	3,343
CAPITAL APPROPRIATION FOR PURCHASE OF CAPITAL ASSETS	12,768
CAPITALIZED INTEREST INCLUDING CAPITALIZED AMORTIZATION	4,111
UNREALIZED LOSS ON INVESTMENTS	(2,181)
LOSS ON BOND REFUNDING	(7,127)
DECREASE IN CAPITAL ACCOUNTS AND RETAINAGE PAYABLE	(4,759)
LOUISIANA TRANSPORTATION AUTHORITY	
CONTRIBUTIONS OF CAPITAL ASSETS	301
PRISON ENTERPRISES	
GAIN ON DISPOSAL OF CAPITAL ASSETS	956
LOSS ON DISPOSAL OF CAPITAL ASSETS	(1,583)

(Concluded)

The notes to the financial statements are an integral part of this statement.

FIDUCIARY FUND  
FINANCIAL STATEMENTS

# FIDUCIARY FUND FINANCIAL STATEMENTS

## FIDUCIARY FUNDS

By definition, these funds account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds, and cannot be used to address activities or obligations of the government. There are four types of fiduciary funds:

### PENSION TRUST FUNDS

*Pension trust funds* account for resources held in trust for members and beneficiaries of the four employee pension plans. Four separate pension trust funds are maintained for state government employees, teachers, and law enforcement officers. The pension funds are as follows:

- Louisiana School Employees' Retirement System
- Louisiana State Employees' Retirement System
- Louisiana State Police Retirement System
- Teachers' Retirement System of Louisiana

### INVESTMENT TRUST FUNDS

*Investment trust funds* account for the portion of the government's investment pools that belong to others. The State Treasury maintains two separate investment trust funds. Investment trust funds are:

- Louisiana Asset Management Pool
- Education Excellence Local Government Investment Trust Fund

### PRIVATE-PURPOSE TRUST FUNDS

*Private-purpose trust funds* report all other trust arrangements benefiting those outside the government. Currently, the following two entities are the only private-purpose trust funds that Louisiana maintains.

- Louisiana Education Tuition and Savings Fund
- Achieving a Better Life Experience in Louisiana Fund

### AGENCY FUNDS

*Agency funds* contain resources held by the government in a temporary, purely custodial capacity and do not involve measurement of results of operations. Among the largest of the agency funds are the Escrow Fund, Insurance Trusts, Payroll Clearing Fund, and the Miscellaneous Agency Funds.

# State of Louisiana

## STATEMENT OF FIDUCIARY NET POSITION

### FIDUCIARY FUNDS

JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	PENSION TRUST FUNDS	INVESTMENT TRUST FUNDS	PRIVATE-PURPOSE TRUST FUNDS *	AGENCY FUNDS
<b>ASSETS</b>				
CASH & CASH EQUIVALENTS	\$ 505,080	\$ 5,644	\$ 34,778	\$ 314,786
<b>RECEIVABLES:</b>				
EMPLOYER CONTRIBUTIONS	262,748	--	--	--
MEMBER CONTRIBUTIONS	74,802	--	--	--
INVESTMENT PROCEEDS	2,330,705	--	--	--
INTEREST & DIVIDENDS	87,473	491	677	--
OTHER	18,969	166	--	59,592
TOTAL RECEIVABLES	2,774,697	657	677	59,592
<b>INVESTMENTS (AT FAIR VALUE):</b>				
SHORT-TERM INVESTMENTS	1,276,131	726,941	--	--
U.S. GOVERNMENT AND AGENCY OBLIGATIONS	1,512,143	661,075	165,585	--
BONDS - DOMESTIC	2,254,261	5,764	46,789	--
BONDS - INTERNATIONAL	1,964,891	--	--	--
EQUITIES - DOMESTIC	10,058,386	--	552,650	--
EQUITIES - INTERNATIONAL	8,366,226	--	31,630	--
ALTERNATIVE INVESTMENTS	9,964,711	--	--	--
COLLATERAL HELD UNDER SECURITIES LENDING PROGRAM	4,970,207	--	--	--
REPURCHASE AGREEMENTS	--	107,313	--	--
OTHER INVESTMENTS	2,547	31,648	--	287,560
<b>INVESTMENTS (AT CONTRACT VALUE):</b>				
SYNTHETIC GUARANTEED INVESTMENT CONTRACT	509,753	--	--	--
TOTAL INVESTMENTS	40,879,256	1,532,741	796,654	287,560
OTHER ASSETS	319	14	--	482
PROPERTY PLANT AND EQUIPMENT (NET)	13,806	37	--	--
TOTAL ASSETS	44,173,158	1,539,093	832,109	662,420
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	1,137	--	--	--
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	2,612	--	--	--
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,749	--	--	--
<b>LIABILITIES</b>				
ACCOUNTS PAYABLE	26,621	233	384	--
RETIREMENT BENEFITS PAYABLE	7,797	--	--	--
INVESTMENT COMMITMENTS PAYABLE	2,948,467	--	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	590,405
OBLIGATIONS UNDER SECURITIES LENDING PROGRAM	4,970,152	--	--	--
TOTAL OPEB LIABILITY	51,989	--	--	--
NET PENSION LIABILITY	17,763	--	--	--
REFUNDS PAYABLE	5,977	--	--	--
OTHER LIABILITIES	1,625	59	--	72,015
TOTAL LIABILITIES	8,030,391	292	384	662,420
<b>DEFERRED INFLOWS OF RESOURCES</b>				
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	3,139	--	--	--
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	540	--	--	--
TOTAL DEFERRED INFLOWS OF RESOURCES	3,679	--	--	--
<b>NET POSITION</b>				
RESTRICTED FOR PENSIONS	36,142,837	--	--	--
HELD IN TRUST FOR INVESTMENT POOL PARTICIPANTS	--	1,538,801	--	--
HELD IN TRUST FOR INDIVIDUALS, PRIVATE ORGANIZATIONS, AND OTHER GOVERNMENTS	--	--	831,725	--
TOTAL NET POSITION	\$ 36,142,837	\$ 1,538,801	\$ 831,725	\$ --

\* For the period ending December 31, 2017.

The notes to the financial statements are an integral part of this statement.

# State of Louisiana

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

### FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	PENSION TRUST FUNDS	INVESTMENT TRUST FUNDS	PRIVATE-PURPOSE TRUST FUNDS *
<b>ADDITIONS</b>			
CONTRIBUTIONS:			
EMPLOYER	\$ 2,062,691	\$ --	\$ --
MEMBER	520,039	--	--
POOL PARTICIPANTS (DEPOSITS)	--	2,240,570	86,761
NON-EMPLOYER	39,550	--	--
TOTAL CONTRIBUTIONS	<u>2,622,280</u>	<u>2,240,570</u>	<u>86,761</u>
INVESTMENT INCOME:			
NET INCREASE (DECREASE) IN FAIR VALUE OF INVESTMENTS	2,722,812	(631)	71,377
INTEREST & DIVIDENDS	589,991	7,914	16,842
ALTERNATIVE INVESTMENT INCOME	209,606	--	--
LESS ALTERNATIVE INVESTMENT EXPENSES	(108,503)	--	--
GAIN ON SALE OF INVESTMENTS	--	7	--
SECURITIES LENDING INCOME	59,165	--	--
LESS SECURITIES LENDING EXPENSES	(42,657)	--	--
OTHER INVESTMENT INCOME	3,644	9,428	--
LESS INVESTMENT EXPENSES OTHER THAN ALTERNATIVE INVESTMENTS AND SECURITIES LENDING	(92,515)	--	--
NET INVESTMENT INCOME	<u>3,341,543</u>	<u>16,718</u>	<u>88,219</u>
OTHER INCOME	<u>30,365</u>	<u>56</u>	<u>--</u>
TOTAL ADDITIONS	<u>5,994,188</u>	<u>2,257,344</u>	<u>174,980</u>
<b>DEDUCTIONS</b>			
RETIREMENT BENEFITS	3,670,700	--	--
REFUNDS OF CONTRIBUTIONS	88,708	--	--
ADMINISTRATIVE EXPENSES	58,168	2,118	--
DEPRECIATION & AMORTIZATION EXPENSES	1,586	--	--
DISTRIBUTIONS TO POOL PARTICIPANTS	--	1,980,951	47,496
OTHER	537	--	--
TOTAL DEDUCTIONS	<u>3,819,699</u>	<u>1,983,069</u>	<u>47,496</u>
CHANGE IN NET POSITION:			
RESTRICTED FOR PENSIONS	2,174,489	--	--
HELD IN TRUST FOR INVESTMENT POOL PARTICIPANTS	--	274,275	--
HELD IN TRUST FOR INDIVIDUALS, PRIVATE ORGANIZATIONS, AND OTHER GOVERNMENTS	--	--	127,484
NET POSITION - BEGINNING OF YEAR AS RESTATED	<u>33,968,348</u>	<u>1,264,526</u>	<u>704,241</u>
NET POSITION - END OF YEAR	<u>\$ 36,142,837</u>	<u>\$ 1,538,801</u>	<u>\$ 831,725</u>

\* For the period ending December 31, 2017.

The notes to the financial statements are an integral part of this statement.

COMPONENT UNIT  
FINANCIAL STATEMENTS

# COMPONENT UNIT FINANCIAL STATEMENTS

## Major Component Units

### COLLEGES AND UNIVERSITIES

The college and university funds are used to account for the transactions relating to public institutions of higher education. The university systems are listed below. Louisiana Community and Technical College System is listed with the enterprise funds.

- Louisiana State University System includes Louisiana State University and A&M College and Louisiana State University Agricultural Center at Baton Rouge, Louisiana State University at Alexandria, Louisiana State University at Eunice, Louisiana State University Medical Center at New Orleans, Louisiana State University Medical Center at Shreveport, Paul M. Hebert Law Center at Baton Rouge, and Pennington Biomedical Research Center at Baton Rouge. Louisiana State University's Board of Supervisors also operates the general medical facilities in the state.
- Southern University System includes Southern University and A&M College and Southern University Agricultural Research and Extension Center at Baton Rouge, Southern University at New Orleans, Southern University at Shreveport, and Southern University Law Center at Baton Rouge.
- University of Louisiana System includes Grambling State University at Grambling, Louisiana Tech University at Ruston, McNeese State University at Lake Charles, Nicholls State University at Thibodaux, Southeastern Louisiana University at Hammond, Northwestern State University at Natchitoches, University of Louisiana at Monroe, University of Louisiana at Lafayette, and University of New Orleans at New Orleans.
- Board of Regents is the policy making board for each of the university systems listed above and each System's Board of Supervisors.

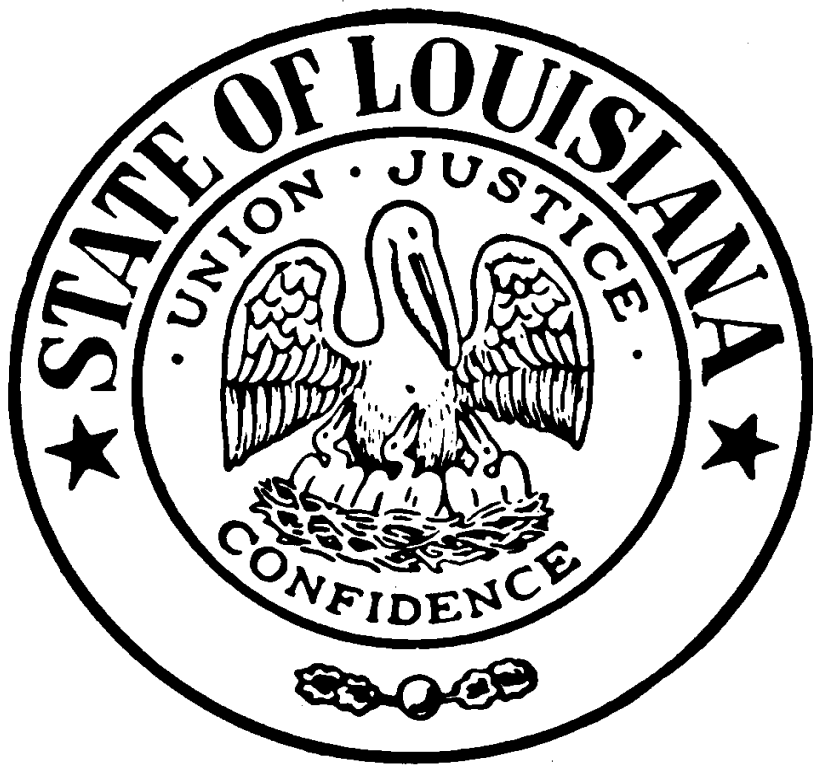
### LOUISIANA STADIUM AND EXPOSITION DISTRICT

The purpose of the district is to plan, finance, construct, develop, maintain, and operate facilities, including an enclosed and covered stadium within the district for various sporting events, exhibitions, and public meetings. The District is responsible for servicing and retiring the principal and interest on all bonds issued.

### LOUISIANA LOTTERY CORPORATION

The Louisiana Lottery Corporation was created to conduct and administer lottery games in the state. Quarterly, the corporation transfers net revenues determined to be surplus to its needs, but not less than 35% of gross revenues each year to the Lottery Proceeds Fund.





# State of Louisiana

## COMBINING STATEMENT OF NET POSITION

### COMPONENT UNITS

JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	LOUISIANA STATE UNIVERSITY SYSTEM	UNIVERSITY OF LOUISIANA SYSTEM	SOUTHERN UNIVERSITY SYSTEM
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
CASH & CASH EQUIVALENTS	\$ 206,010	\$ 273,382	\$ 8,006
RESTRICTED CASH & CASH EQUIVALENTS	60,827	--	--
INVESTMENTS	399,606	35,384	--
RESTRICTED INVESTMENTS	--	--	--
RECEIVABLES (NET)	280,996	85,152	10,916
PLEDGES RECEIVABLE (NET)	22,316	5,639	913
LEASES RECEIVABLE (NET)	62,661	--	--
AMOUNTS DUE FROM PRIMARY GOVERNMENT	10,730	1,917	3,759
DUE FROM FEDERAL GOVERNMENT	39,231	10,279	13,050
INVENTORIES	6,798	5,474	299
PREPAYMENTS	9,627	10,595	4,997
NOTES RECEIVABLE	3,080	3,166	238
OTHER CURRENT ASSETS	21,252	1,231	2,530
TOTAL CURRENT ASSETS	<u>1,123,134</u>	<u>432,219</u>	<u>44,708</u>
<b>NON-CURRENT ASSETS:</b>			
RESTRICTED ASSETS	1,461,686	599,575	28,864
INVESTMENTS	32,118	33	--
NOTES RECEIVABLE (NET)	--	--	--
PLEDGES RECEIVABLE (NET)	14,711	1,351	--
LEASES RECEIVABLE (NET)	3,947,286	--	--
<b>CAPITAL ASSETS</b>			
LAND	88,860	100,000	8,500
BUILDING & IMPROVEMENTS (NET)	1,677,847	1,402,627	241,787
MACHINERY & EQUIPMENT (NET)	232,132	88,362	9,480
INFRASTRUCTURE (NET)	21,748	19,412	7,108
INTANGIBLE ASSETS (NET)	529	7,227	4
CONSTRUCTION IN PROGRESS	34,686	143,588	83,776
OTHER NONCURRENT ASSETS	48,657	2,302	2,223
TOTAL NON-CURRENT ASSETS	<u>7,560,260</u>	<u>2,364,477</u>	<u>381,742</u>
TOTAL ASSETS	<u>8,683,394</u>	<u>2,796,696</u>	<u>426,450</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
DEFERRED AMOUNTS ON DEBT REFUNDING	21,618	3,102	--
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	44,835	28,506	6,311
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	269,639	195,961	31,030
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>336,092</u>	<u>227,569</u>	<u>37,341</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES:</b>			
ACCOUNTS PAYABLE	122,549	70,165	15,185
ACCRUED INTEREST	--	4,129	--
AMOUNTS DUE TO PRIMARY GOVERNMENT	2,691	563	--
DUE TO FEDERAL GOVERNMENT	5,202	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	36,980	10,529	1,458
UNEARNED REVENUES	239,997	45,890	8,133
OTHER CURRENT LIABILITIES	2,711	4,331	2,780
<b>CURRENT PORTION OF LONG-TERM LIABILITIES:</b>			
CONTRACTS PAYABLE	--	766	--
COMPENSATED ABSENCES PAYABLE	8,371	4,410	904
CAPITAL LEASE OBLIGATIONS	3,543	1,589	--
NOTES PAYABLE	2,874	750	1,431
BONDS PAYABLE	27,676	25,870	1,654
ESTIMATED LIABILITY FOR CLAIMS	--	--	188
OTHER LONG-TERM LIABILITIES	67,913	3,785	93
TOTAL CURRENT LIABILITIES	<u>520,507</u>	<u>172,777</u>	<u>31,826</u>
<b>NONCURRENT LIABILITIES:</b>			
<b>NONCURRENT PORTION OF LONG-TERM LIABILITIES:</b>			
COMPENSATED ABSENCES PAYABLE	77,292	45,850	11,437
CAPITAL LEASE OBLIGATIONS	13,425	5,307	--
NOTES PAYABLE	31,906	5,606	36,819
BONDS PAYABLE	552,704	765,948	23,673
ESTIMATED LIABILITY FOR CLAIMS	--	--	34
TOTAL OPEB LIABILITY	1,735,696	1,008,420	184,991
NET PENSION LIABILITY	1,603,418	1,087,229	203,361
OTHER LONG-TERM LIABILITIES	50,472	6,939	3,200
UNEARNED REVENUE	3,406,778	3,007	--
TOTAL NON-CURRENT LIABILITIES	<u>7,471,691</u>	<u>2,928,306</u>	<u>463,515</u>
TOTAL LIABILITIES	<u>7,992,198</u>	<u>3,101,083</u>	<u>495,341</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	--	--	--
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	90,183	56,509	10,099
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	179,675	72,101	13,516
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>269,858</u>	<u>128,610</u>	<u>23,615</u>
<b>NET POSITION</b>			
NET INVESTMENT IN CAPITAL ASSETS	1,446,843	1,051,353	284,789
<b>RESTRICTED FOR:</b>			
CAPITAL PROJECTS	--	6,067	--
DEBT SERVICE	--	7,147	--
NONEXPENDABLE	595,812	279,361	18,899
EXPENDABLE	781,294	311,041	24,694
OTHER PURPOSES	--	--	--
UNRESTRICTED	(2,066,519)	(1,860,397)	(383,547)
TOTAL NET POSITION	<u>\$ 757,430</u>	<u>\$ (205,428)</u>	<u>\$ (55,165)</u>

The notes to the financial statements are an integral part of this statement.

# State of Louisiana

BOARD OF REGENTS	LOUISIANA LOTTERY CORPORATION	LOUISIANA STADIUM & EXPOSITION DISTRICT	NONMAJOR DISCRETE COMPONENT UNITS	TOTAL COMPONENT UNITS
\$ 10,118	\$ 20,470	\$ 95,001	\$ 360,892	\$ 973,879
--	--	--	211,306	272,133
--	3,390	--	299,064	737,444
--	--	--	85,073	85,073
5,033	12,906	1,285	80,051	476,339
--	--	--	--	28,868
--	--	--	753	63,414
7,465	--	10,969	9,823	44,663
13,901	--	--	5,142	81,603
--	--	36	1,520	14,127
--	155	121	4,960	30,455
--	--	--	4,564	11,048
--	14	--	8,615	33,642
<u>36,517</u>	<u>36,935</u>	<u>107,412</u>	<u>1,071,763</u>	<u>2,852,688</u>
--	--	13,552	494,132	2,597,809
--	26,393	--	150,044	208,588
--	--	--	10,528	10,528
--	--	--	--	16,062
--	--	--	--	3,947,286
--	1,542	17,069	78,350	294,321
3,581	2,536	302,444	334,478	3,965,300
2,455	384	4,902	28,681	366,396
--	--	--	1,086,618	1,134,886
--	--	--	6,164	13,924
--	--	18,638	6,816,081	7,096,769
--	5,611	36	6,416	65,245
<u>6,036</u>	<u>36,466</u>	<u>356,641</u>	<u>9,011,492</u>	<u>19,717,114</u>
<u>42,553</u>	<u>73,401</u>	<u>464,053</u>	<u>10,083,255</u>	<u>22,569,802</u>
--	--	28,570	13,213	66,503
685	--	--	7,691	88,028
11,174	--	--	64,203	572,007
<u>11,859</u>	<u>--</u>	<u>28,570</u>	<u>85,107</u>	<u>726,538</u>
590	2,516	15,508	37,459	263,972
--	--	--	9,260	13,389
272	13,318	--	11,414	28,258
13,608	--	--	7,339	26,149
--	--	--	8	48,975
--	--	32,993	46,308	373,321
--	30,287	--	10,445	50,554
--	--	--	5,352	6,118
102	412	492	3,808	18,499
--	--	610	95	5,837
--	--	--	2,347	7,402
--	--	12,340	210,478	278,018
--	--	--	40,487	40,675
--	--	863	571	73,225
<u>14,572</u>	<u>46,533</u>	<u>62,806</u>	<u>385,371</u>	<u>1,234,392</u>
1,159	--	--	7,614	143,352
--	--	9,857	126	28,715
--	--	--	346	74,677
--	--	336,029	1,259,516	2,937,870
--	--	--	2,637	2,671
24,174	--	--	237,391	3,190,672
34,199	--	--	367,683	3,295,890
--	13,655	7,720	5,952	87,938
--	--	--	1,852	3,411,637
<u>59,532</u>	<u>13,655</u>	<u>353,606</u>	<u>1,883,117</u>	<u>13,173,422</u>
<u>74,104</u>	<u>60,188</u>	<u>416,412</u>	<u>2,268,488</u>	<u>14,407,814</u>
--	--	--	286	286
--	--	--	4,010	4,010
1,381	--	--	13,557	171,729
3,921	--	--	18,000	287,213
<u>5,302</u>	<u>--</u>	<u>--</u>	<u>35,853</u>	<u>463,238</u>
6,036	4,463	98,780	8,290,813	11,183,077
--	--	13,552	8,731	28,350
--	--	43,621	188,494	239,262
--	--	--	--	894,072
13,900	--	--	--	1,130,929
--	--	--	369,838	369,838
(44,930)	8,750	(79,742)	(993,855)	(5,420,240)
<u>(24,994)</u>	<u>13,213</u>	<u>76,211</u>	<u>7,864,021</u>	<u>8,425,288</u>

# State of Louisiana

## COMBINING STATEMENT OF ACTIVITIES

### COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2018

(EXPRESSED IN THOUSAND)

	PROGRAM REVENUES				NET (EXPENSE) REVENUE
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	
COMPONENT UNITS:					
LOUISIANA STATE UNIVERSITY SYSTEM	\$ 2,351,190	\$ 928,859	\$ 730,309	\$ 47,135	\$ (644,887)
UNIVERSITY OF LOUISIANA SYSTEM	1,361,020	747,595	149,054	88,831	(375,540)
SOUTHERN UNIVERSITY SYSTEM	236,702	79,731	49,199	49,324	(58,448)
BOARD OF REGENTS	418,406	13,035	37,414	--	(367,957)
LOUISIANA LOTTERY CORPORATION	491,973	490,958	--	--	(1,015)
LOUISIANA STADIUM & EXPOSITION DISTRICT	145,590	61,118	522	3,375	(80,575)
NONMAJOR COMPONENT UNITS	714,993	447,535	210,377	10,696	(46,385)
TOTAL COMPONENT UNITS	\$ 5,719,874	\$ 2,768,831	\$ 1,176,875	\$ 199,361	\$ (1,574,807)

	GENERAL REVENUES				NET POSITION BEGINNING OF YEAR AS RESTATED	NET POSITION END OF YEAR
	PAYMENTS FROM PRIMARY GOVERNMENT	OTHER GENERAL REVENUES	ADDITIONS TO PERMANENT ENDOWMENTS	CHANGE IN NET POSITION		
COMPONENT UNITS:						
LOUISIANA STATE UNIVERSITY SYSTEM	\$ 421,267	\$ 369,948	\$ 19,257	\$ 165,585	\$ 591,845	\$ 757,430
UNIVERSITY OF LOUISIANA SYSTEM	231,673	250,620	3,725	110,478	(315,906)	(205,428)
SOUTHERN UNIVERSITY SYSTEM	46,118	90,199	100	77,969	(133,134)	(55,165)
BOARD OF REGENTS	362,015	--	--	(5,942)	(19,052)	(24,994)
LOUISIANA LOTTERY CORPORATION	--	1,135	--	120	13,093	13,213
LOUISIANA STADIUM & EXPOSITION DISTRICT	69,339	2,917	--	(8,319)	84,530	76,211
NONMAJOR COMPONENT UNITS	157,292	951,250	--	1,062,157	6,801,864	7,864,021
TOTAL COMPONENT UNITS	\$ 1,287,704	\$ 1,666,069	\$ 23,082	\$ 1,402,048	\$ 7,023,240	\$ 8,425,288

The notes to the financial statements are an integral part of this statement.

# NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1	Summary of Significant Accounting Policies
Note 2	Deposits and Investments
Note 3	Accounts Receivable and Accounts Payable
Note 4	Intra-Entity Transactions
Note 5	Capital Assets
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## NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2018

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. REPORTING ENTITY

The State's basic financial statements consist of financial information of the various funds, departments, agencies, activities, and organizational units that comprise the State's legal entity as well as financial information of legally separate entities for which the State is financially accountable (component units). GASB Statement No. 14, *The Financial Reporting Entity*, as amended, provides that a legally separate entity is considered a component unit of the State if at least one of the following criteria is met:

- The State appoints a voting majority of the organization's governing body and is either able to impose its will on the organization or there is a potential financial benefit/burden to the State.
- The entity is fiscally dependent on the State and there is a potential financial benefit/burden to the State.
- The nature and significance of the relationship between the State and the entity is such that exclusion would cause the financial statements of the State to be misleading.

Component unit financial information may either be reported as a part of (blended presentation) or presented separately from (discrete presentation) the financial information of the primary government (the State). Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Aggregated discretely presented component unit financial information is reported in a separate column in the government-wide financial statements to emphasize that these entities are legally separate from the State.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments (established in paragraph 53 of Statement No. 14.) It requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

#### Blended Component Units

A component unit is blended if any one of the following criteria are met:

- The component unit's governing body is substantively the same as the governing body of the primary government and there is a financial benefit or burden relationship between the primary government and the component unit or management of the primary government has operational responsibility for the component unit.
- The component unit provides services exclusively, or almost exclusively, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to the primary government.
- The component unit's outstanding debt is expected to be repaid entirely or almost entirely with resources of the primary government.

The following component units are blended because they provide services exclusively, or almost exclusively, to the primary government:

- Tobacco Settlement Financing Corporation, P.O. Box 44154, Baton Rouge, LA 70804-4154, a special purpose, public corporate entity, was established to access a portion of the State's tobacco settlement revenues in a lump sum by issuing bonds secured by a pledge of 60% of the State's allocation of tobacco settlement revenues. Since the issuance of the bonds in fiscal year 2002, the corporation's duties are limited to paying principal and interest on outstanding bonds and refunding outstanding bonds when economically advantageous.
- Louisiana Correctional Facilities Corporation, P.O. Box 94095, Baton Rouge, LA 70804-9095, a nonprofit corporation, acquires and finances correctional facilities for lease to the State and is authorized to issue revenue bonds for its purposes. The board of directors consists of five members appointed by the Governor.
- Office Facilities Corporation, P.O. Box 94095, Baton Rouge, LA 70804-9095, a nonprofit corporation, finances the acquisition or construction of public facilities for lease to the State through the issuance of revenue bonds. The board of directors consists of five members appointed by the Governor.

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- Louisiana Transportation Authority, P.O. Box 94245, Baton Rouge, LA 70804-9245, is a nonprofit corporation established in 2001 to promote, plan, finance, construct, operate, and maintain specific tollways or transitways constructed within Louisiana. The board of directors consists of nine members, including the Governor, the Department of Transportation and the Department of Economic Development secretaries, President of the Senate and Speaker of the House of Representatives, or their designees.
- Louisiana State Police Retirement System, 9224 Jefferson Highway, Baton Rouge, LA 70809, was established in 1938 for the benefit of commissioned law enforcement officers as well as the secretary and deputy secretary of the Department of Public Safety.

The following component units are blended because their outstanding debt is expected to be repaid entirely or almost entirely with resources of the State.

- Board of Supervisors of the Louisiana Community and Technical College System (LCTCS), 265 S. Foster Drive, Baton Rouge, LA 70806, is the managing and supervising board of seven community colleges, four technical community colleges, and two technical colleges.
- Louisiana Agricultural Finance Authority, P.O. Box 3334, Baton Rouge, LA 70821-3334, was created to alleviate the severe shortage of capital and credit available for investment in agriculture in the State and to promote agriculture and forestry in Louisiana.

## **Discretely Presented Component Units**

As previously mentioned, aggregate discretely presented component units are reported in a separate column to emphasize that they are legally separate from the State. The voting majority of the following discretely presented component units' board members are appointed by the State and State funds are appropriated for operating support to these entities, creating a financial benefit/burden relationship.

- Board of Regents, 1201 North Third Street, Suite 6-200, Baton Rouge, LA 70802, is the policy-making board for the four higher education systems of the State. The following programs are now within the Board of Regents: Louisiana Office of Student Financial Assistance (LOSFA), Louisiana Universities Marine Consortium for Research and Education (LUMCON), and the Louisiana Tuition Trust Authority.
- Board of Supervisors of the Louisiana State University System, 3810 West Lakeshore Drive Rm 107, Baton Rouge, LA 70808, is the managing and supervising board for the Louisiana State University System (LSU), which includes the following campuses:
  - LSU and A&M College at Baton Rouge
  - LSU Agricultural Center at Baton Rouge
  - LSU at Alexandria
  - LSU at Eunice
  - LSU Health Sciences Center at New Orleans
  - LSU Health Sciences Center at Shreveport
  - LSU at Shreveport
  - Paul M. Hebert Law Center at Baton Rouge
  - Pennington Biomedical Research Center at Baton Rouge

The Board of Supervisors of the LSU System also operates the Lallie Kemp Regional Medical Center in Independence, Louisiana.

- Board of Supervisors of the University of Louisiana System, 1201 North Third Street, Suite 7-300, Baton Rouge, LA 70802, is the managing and supervising board for the following regional universities:
  - Grambling State University at Grambling
  - Louisiana Tech University at Ruston
  - McNeese State University at Lake Charles
  - Nicholls State University at Thibodaux
  - Northwestern State University at Natchitoches
  - Southeastern Louisiana University at Hammond
  - University of Louisiana at Lafayette
  - University of Louisiana at Monroe
  - University of New Orleans



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- Board of Supervisors of the Southern University System, P.O. Box 10878, Baton Rouge, LA 70813, is the managing and supervising board of the Southern University System, which includes the following campuses:
  - Southern University and A&M College at Baton Rouge
  - Southern University at New Orleans
  - Southern University at Shreveport
  - Southern University Law Center at Baton Rouge
  - Southern University Agricultural Research and Extension Center at Baton Rouge

Included in the balances and operating results of the university systems is financial activity for major foundations that contribute to the universities.

The voting majority of the following discretely presented component unit's board members are appointed by the State and the State is able to impose its will on the organization by its ability to modify or approve the budget of the entity.

- Greater New Orleans Expressway Commission, P.O. Box 7656, Metairie, LA 70010, was created to construct, operate, and maintain the Greater New Orleans Expressway. The fiscal year end of the commission is October 31.

The voting majority of the following discretely presented component units' board members are appointed by the State and the State is able to impose its will on the organizations by its ability to remove board members at will.

- Louisiana State Board of Cosmetology, 11622 Sunbelt Court, Baton Rouge, LA 70809, regulates and licenses members of the Cosmetology industry to maintain public health and welfare standards set by the State of Louisiana.
- Louisiana Motor Vehicle Commission, 3519 12th Street, Metairie, LA 70002-3427, regulates all areas of the new car industry, including motor vehicle sales finance companies in Louisiana.
- Louisiana State Board of Private Security Examiners, 15703 Old Hammond Hwy., Baton Rouge, LA 70816, regulates the contract security guard industry.
- Louisiana Stadium and Exposition District, 1500 Girod Street, New Orleans, LA 70113, is responsible for financing and operating an enclosed covered stadium, as well as other related facilities and structures for holding sporting events, athletic contests, exhibitions, and other events of public interest.
- Road Home Corporation, doing business as Louisiana Land Trust, 11100 Mead Road, Baton Rouge, LA 70816, was created for the acquisition, disposition, purchase, renovation, leasing, or expansion of housing stock to help Louisiana residents displaced by hurricanes Katrina or Rita to get back into a home or apartment as quickly and fairly as possible.
- Sabine River Authority of Louisiana, 15091 Texas Highway, Many, LA 71449-5718, is charged with the development of Toledo Bend resources within the State.
- Ascension-St. James Airport and Transportation Authority, 6255 Airport Industrial Blvd., Gonzales, LA 70737, was established for the purpose of acquiring, constructing, maintaining and operating Louisiana Regional Airport.
- Levee Districts provide services necessary to ensure adequate drainage control and to protect lands within their respective districts from damage by flood. They include the following:
  - Atchafalaya Basin Levee District, P.O. Box 170, Port Allen, LA 70767
  - Bossier Levee District, P.O. Box 8279, Bossier City, LA 71113
  - Bunches Bend Protection District, 318 Morgan Street, Lake Providence, LA 71254; the district has a December 31 fiscal year end.
  - Caddo Levee District, P.O. Box 78282, Shreveport, LA 71137-8282
  - Fifth Louisiana Levee District, 102 Burnside Drive, Tallulah, LA 71282
  - Grand Isle Independent Levee District, P.O. Box 757, Grand Isle, LA 70358
  - Iberia Parish Levee, Hurricane and Conservation District, 300 Iberia Street, Ste. 410, New Iberia, LA 70560-4543 – Ceased operations as of February 15, 2018
  - Lafitte Area Independent Levee District, 2654 Jean Lafitte Blvd., Lafitte, LA 70067
  - Lafourche Basin Levee District, P.O. Box 670, Vacherie, LA 70090; the district has a December 31 fiscal year end.
  - Natchitoches Levee and Drainage District, P.O. Box 1036, Natchitoches, LA 71458
  - Nineteenth Louisiana Levee District, P.O. Box 267, Colfax, LA 71417

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- North Lafourche Conservation, Levee and Drainage District, P.O. Box 309, Thibodaux, LA 70302. The district has a December 31 fiscal year end.
- Pontchartrain Levee District, P.O. Box 426, Litcher, LA 70071
- Red River, Atchafalaya, and Bayou Boeuf Levee District, 10 Calvert Dr., Alexandria, LA 71303-3195
- Red River Levee and Drainage District, P.O. Box 433, Coushatta, LA 71019
- South Lafourche Levee District, P.O. Box 426, Galliano, LA 70354
- Tensas Basin Levee District, P.O. Box 68, Rayville, LA 71269

The voting majority of the following discretely presented component units' board members are appointed by the State and the State is able to impose its will on the organizations by its ability to modify or approve rate or fee changes affecting the component units' revenue.

- Louisiana Utilities Restoration Corporation, P.O. Box 91154, Baton Rouge, LA 70802-9154, serves to finance utility system restoration costs.
- State Plumbing Board of Louisiana, 11304 Cloverland Avenue, Baton Rouge, LA 70809, regulates the plumbing industry within the State.

The voting majority of the following discretely presented component units' board members are appointed by the State and the State is able to impose its will on the organizations by veto, overruling or modifying decisions of the organizations' governing board.

- Bayou D'Arbonne Lake Watershed District, P.O. Box 696, Farmerville, LA 71241. The district has a December 31 fiscal year end.
- Louisiana International Deep Water Gulf Transfer Terminal Authority, P.O. Box 82152, Baton Rouge, LA 70884.

The voting majority of the following discretely presented component units' board members are appointed by the State and the State is able to impose its will on the organizations by its ability to appoint, hire, or dismiss employees or management of the component unit:

- Louisiana Egg Commission, 5825 Florida Blvd, Suite 4004, Baton Rouge, LA 70806, strives to educate consumers of all ages on the nutritional value of egg and egg products. The Commission also approves and issues licenses to entities engaged in egg production and wholesale.
- Louisiana Lottery Corporation, 555 Laurel Street, Baton Rouge, LA 70801, a nonprofit corporation, conducts and administers the State lottery to ensure the integrity of the lottery and maintain the dignity of the State and the general welfare of its people. The board of directors consists of nine members appointed by the Governor.

Three public employee retirement systems meet the criteria for inclusion as discretely presented component units. Although, the primary government does not appoint a voting majority of the entities' boards, the entities are fiscally dependent and impose a financial burden on the primary government. These entities are fiscally dependent on the primary government because the primary government has the ability to establish and modify the criteria for determining participating employer and employee contributions rates through legislative action. In addition, these entities impose a significant financial burden on the primary government because the primary government is required by Article X, Section 29(B) of the Louisiana Constitution of 1974 to guarantee benefits payable to retirees of these entities:

- Louisiana School Employees' Retirement System, P.O. Box 44516, Baton Rouge, LA 70804-4516, was established in 1947 for the benefit of non-instructional personnel of the Louisiana public school system.
- Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, LA 70804-4213, was established in 1947 to benefit all State employees with certain statutory exclusions.
- Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123, was established in 1936 for the benefit of public school teachers.

Although the State does not appoint a voting majority of the board for the entities listed below, the entities are fiscally dependent on the State since the State approves their budgets. Also, a financial benefit/burden exists between the State and the component units since the State is legally entitled to or can otherwise access the entities' resources.

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- Louisiana Economic Development Corporation, 1051 North Third Street, Baton Rouge, LA 70802, was established to serve as the single review board and administrator of the Department of Economic Development's financial assistance programs, such as loan guarantees and venture capital for small and medium-sized businesses.
- Natchitoches Historic District Development Commission, 781 Front Street, Natchitoches, LA 71457, created for the purpose of the planning and development of the Natchitoches Historic District, a national landmark.

The voting majority of the following discretely presented component unit's board members are appointed by the State and the State is obligated in some manner for the debt of the component unit.

- Greater Baton Rouge Port Commission, P.O. Box 380, Port Allen, LA 70767-0380, regulates commerce and traffic within the port area. The fiscal year end of the port commission is December 31.

The voting majority of the following discretely presented component units' board members are appointed by the State and the State is legally entitled to or can otherwise access the component units' resources.

- Health Education Authority of Louisiana (HEAL), 300 LaSalle Street, Ste. B, New Orleans, LA 70112, was created to provide affordable capital financing, through the issuance of tax-exempt bonds, for projects of public and private institutions and organizations related to patient care, health science education and biomedical research, as well as, organizations providing facilities and/or services deemed appropriate by HEAL to locate and/or operate in a functional geographic relationship with the geographic area.
- The Louisiana Housing Corporation (LHC) is a discretely presented component unit whose board members are appointed by the State and the State has a financial benefit/burden relationship with the corporation. LHC, 2415 Quail Drive, Baton Rouge, LA 70808, is responsible for managing the State's housing programs, most of which focus on providing affordable housing for persons with low and moderate incomes.
- Louisiana Public Facilities Authority, 2237 S. Acadian Thruway, Suite 650, Baton Rouge, LA 70808, is a public trust authorized to issue obligations and provide funds to finance projects and programs in the best interest of the citizens of Louisiana. The authority has a December 31 fiscal year end.
- Louisiana State Board of Private Investigator Examiners, 7414 Perkins Road, Suite 120, Baton Rouge, LA 70808, regulates and licenses persons and businesses providing private investigative services.

Due to the nature and significance of the relationship between the following entities and the State, the financial statements would be misleading if they were excluded.

- Acadiana Area Human Services District, 302 Dulles Drive, Lafayette, LA 70506 was established to direct the operation and management of community-based programs and services relative to mental health, developmental disabilities, and addictive disorder services for the parishes of Acadia, Evangeline, Iberia, Lafayette, St. Landry, St. Martin, and Vermillion parishes.
- Capital Area Human Services District, 4615 Government Street, Building 2, Baton Rouge, LA 70806, was established to direct the operation of community-based programs and services relative to public health, mental health, developmental disabilities, and addictive disorder services for the parishes of Ascension, East Baton Rouge, East Feliciana, Iberville, Pointe Coupee, West Baton Rouge, and West Feliciana.
- Central Louisiana Human Services District, P.O. Box 219, Evergreen, LA 71333, was created with local accountability and management of behavioral health and developmental disabilities services as well as any public health or other services contracted to the district by the Louisiana Department of Health.
- Florida Parishes Human Services Authority, 835 Pride Drive, Ste. B, Hammond, LA 70401, was established to direct the operation and management of mental health, developmental disabilities, and addictive disorders services for the residents of Livingston, St. Helena, St. Tammany, Tangipahoa, and Washington parishes.
- Foundation for Excellence in Louisiana Public Broadcasting, 7733 Perkins Road, Baton Rouge, LA 70810 was established to support the Louisiana Educational Television Authority, the state agency charged with promoting public and educational television in Louisiana. The Foundation provides an endowment to support public television in Louisiana and may serve as a "repository" for funds to be utilized for the promotion, development, enhancement and assistance of public television in Louisiana.

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- Imperial Calcasieu Human Services Authority, One Lakeshore Drive, Suite 2000, Lake Charles, LA 70629, was created with local accountability and management to provide behavioral health and developmental disabilities services to the parishes of Allen, Beauregard, Calcasieu, Cameron, and Jefferson Davis.
- Jefferson Parish Human Services Authority, 3616 S. I-10 Service Road, West, Suite 200 Metairie, LA 70001, was established to provide administration, management, and operation of mental health, developmental disabilities, and addictive disorders services for the residents of Jefferson Parish.
- Louisiana Beef Industry Council, 2251 Drusilla Lane, Suite B, Baton Rouge Louisiana 70809, was established to coordinate the fulfillment of the economic, political and social needs of the Louisiana cattle producers.
- Louisiana Cancer Research Center, 1700 Tulane Avenue, Suite 1000, New Orleans, LA 70112, conducts research and promotes education in the diagnosis, detection, and treatment of cancer.
- Louisiana Citizens Property Insurance Corporation, 1 Galleria Blvd., Suite 720, Metairie, LA 70001, is a nonprofit organization created to provide insurance plans to residential and commercial property applicants who are unable to procure insurance through the voluntary market. Louisiana Citizens Property Insurance has a December 31 fiscal year end.
- Metropolitan Human Services District, 3100 General De Gaulle Drive, New Orleans, LA 70114, was established to direct the operation and management of mental health, developmental disabilities, and addictive disorders services for the residents of Orleans, St. Bernard, and Plaquemines parishes.
- Northeast Delta Human Services Authority, 2513 Ferrand Street, Monroe, LA 71201, was established to direct the operation and management of community-based programs and services relative to mental health, developmental disabilities, and addictive disorder services for the parishes of Caldwell, East Carroll, Franklin, Jackson, Lincoln, Madison, Morehouse, Ouachita, Richland, Tensas, Union, and West Carroll.
- Northwest Louisiana Human Services District, 1310 North Hearne Avenue, Shreveport LA 71107, was established to direct the operation and management of mental health, developmental disabilities, and addictive disorders services for the parishes of Bienville, Bossier, Caddo, Claiborne, DeSoto, Natchitoches, Sabine, Red River, and Webster.
- South Central Louisiana Human Services Authority, 521 Legion Avenue, Houma, LA 70364, was established to direct the operation and management of community-based programs and services relative to mental health, developmental disabilities, and substance abuse services for the residents of Assumption, Lafourche, St. Charles, St. James, St. John the Baptist, St. Mary, and Terrebonne parishes.
- Southeast Louisiana Flood Protection Authority-East, 6001 Stars and Stripes Blvd., Suite 225, New Orleans, LA 70126, and Southeast Louisiana Flood Protection Authority-West, 7001 River Road, Marrero, LA 70072, were created to provide regional coordination of flood protection. These two authorities are reported together as the Southeast Louisiana Flood Protection Authority-East and West (SLFPA-East and West). Entities under SLFPA-East and West for fiscal year 2018 include the Board of Commissioners-SLFPA-East, Board of Commissioners-SLFPA-West, Algiers Levee District, East Jefferson Levee District, Lake Borgne Basin Levee District, Orleans Levee District, and West Jefferson Levee District.
- Relay Administration Board, P.O. Box 91154, Baton Rouge, LA 70821-9154, is charged with oversight of telephone relay services for the State, insuring equal access to telecommunications services for all hearing and speech impaired citizens. The board has a December 31 fiscal year end.

## **Related Organizations**

Related organizations are those entities for which a primary government's accountability does not extend beyond appointing a voting majority of the board. The State is not financially accountable for the following related organizations, and they are not reported in the accompanying basic financial statements.

- Ambulance Service District Commission
- Amite River Basin Drainage Water and Conservation District
- Associated Branch Pilots of the Port of Lake Charles
- Associated Branch Pilots of the Port of New Orleans
- Baton Rouge North Economic Development District
- Bayou Desiard Restoration Commission

- Bayou Lafourche Fresh Water District
- Black River Lake Recreation and Water Conservation District
- Capital Area Groundwater Conservation District
- Castor Creek Reservoir District
- Crescent River Port Pilots' Association
- Foundation for Louisiana
- Fourteenth and Sixteenth Wards Neighborhood Development District
- Gentilly Taxing District
- Glen Oaks Crime Prevention and Improvement District
- Greater Ouachita Port Commission
- John K. Kelly Grand Bayou Reservoir District
- Kenner Naval Museum Commission
- Lake Vista Crime Prevention District
- Louisiana Naval War Memorial Commission
- Louisiana Used Motor Vehicle Commission
- New Orleans and Baton Rouge Steamship Pilots' Association
- New Orleans Regional Business Park
- North Lafayette Redevelopment Authority
- Parish Hospital Service District – East Baton Rouge Parish & West Feliciana Parish
- Parish Hospital Service District – Rapides Parish
- Patient's Compensation Fund Oversight Board
- Poverty Point Reservoir District
- River Region Cancer Screening and Early Detection District
- Seventh Ward Neighborhood Development District
- South Tangipahoa Parish Port Commission
- Southwest Acadiana Parishes Public Housing Rehabilitation District
- Tangipahoa Parish Juvenile Justice District
- Terrebonne Levee and Conservation District
- Twelfth and Thirteenth Wards Neighborhood Development District
- Washington Parish Reservoir District

## **Joint Ventures**

A joint venture is a legal entity or other organization that results from a contractual arrangement and is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (1) an ongoing financial interest or (2) an ongoing financial responsibility. The purposes of a joint venture are to pool resources and share the costs, risks, and rewards of providing goods or services to venture participants directly, or for the benefit of the general public or specific service recipients.

The Sabine River Authority of Louisiana, 15091 Texas Highway, Many, LA 71449-5718, participates equally with the Sabine River Authority of Texas in the Sabine River Compact Administration (Compact) and through the Sabine River Authority, with the Sabine River Authority of Texas, 450 Spur 135, Burkeville, TX 75932, in the Toledo Bend Joint Operation (Joint Operation). Separate financial statements are prepared for the operations of both the Compact and the Joint Operation and may be obtained by contacting the entities at the addresses above. The Sabine River Authority of Louisiana's share of the joint ventures is reported as a discrete component unit in the accompanying basic financial statements. The Compact was created under authority granted by an act of the Congress of the United States to provide equitable apportionment of the waters of the Sabine River and its tributaries. A five-member board composed of two members appointed by the governors of each state and one non-voting, ex-officio member appointed by the President of the United States administer the Compact. The Joint Operation was established by joint resolution of the Sabine River Authorities of Texas and Louisiana for the construction and operation of the Toledo Bend Dam and Reservoir project administered by a board composed of three members appointed by the Texas Authority and three members appointed by the Louisiana Authority. Costs of the Compact not paid by the federal government are to be paid equally by the two States, which share equally in the costs of the Joint Operation. Each State owns an undivided one-half share of all lands acquired for the project, and each State owns and is entitled to 50% of the water produced and 50% of the power generated by the Joint Operation and may sell, use, or otherwise dispose of its share without consent and permission of the other Authority.

# State of Louisiana

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## Jointly Governed Organizations

A jointly governed organization is one governed by representatives from each of the governments creating it and one in which the participants do not retain an ongoing financial interest or financial burden; therefore, they are not reported in the accompanying basic financial statements. These organizations include the Gulf States Marine Fisheries Commission, Southern Rail Commission, Interstate Commission for Adult Offender Supervision, Interstate Insurance Product Regulation Compact and Commission, Interstate Commission for Juveniles, Interstate Commission on Educational Opportunity for Military Children, Physical Therapy Compact Commission, and Interstate Commission of Nurse Licensure Compact Administrators.

### **B. BASIS OF PRESENTATION, MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The basic financial statements include the government-wide financial statements, fund financial statements, and notes to the basic financial statements. The government-wide financial statements consist of a governmental activities column and a business-type activities column. Together these two columns comprise the financial information of the primary government. As previously mentioned, aggregate discretely presented component unit information is presented separately to emphasize that these entities are legally separate from the primary government. Fund financial statements are presented to provide additional detail supporting the information presented in the government-wide financial statements. The fund financial statements consist of financial statements for governmental funds, proprietary funds (enterprise and internal service funds), and fiduciary funds, even though the latter are excluded in the government-wide financial statements.

#### *Government-wide Financial Statements*

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the State's enterprise funds. The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, similar to a private company. This measurement focus and basis of accounting assists users in assessing the mid- and long-term effect of decisions on the State's financial position and financial condition.

The government-wide financial statements consist of a statement of net position and a statement of activities. The statement of net position presents all economic resources, such as State-owned capital assets that facilitate the delivery of government services, as well as claims on economic resources in the future, such as long-term debt and liabilities for pensions.

The statement of activities details the changes in net position from the prior year. Revenues are recognized when earned and expenses are recognized when liabilities are incurred, regardless of the timing of the related cash flows. The statement of activities reports revenues and expenses in a format that allows the user to focus on the extent to which each function is able to generate program revenues, such as charges for services and grants, to cover expenses. In other words, the statement of activities provides information to users on how self-sustaining each governmental function is and the extent to which each function must rely on general revenues such as taxes to cover expenses.

#### *Fund Financial Statements*

The fund financial statements provide information about the State's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, which are each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major funds are those governmental and enterprise funds with revenues, expenditures/expenses, assets plus deferred outflows of resources, or liabilities plus deferred inflows of resources that are at least 10 percent of the total for their fund type (governmental or enterprise) and at least five percent of the corresponding element total for all governmental and enterprise funds combined.

The governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. This measurement focus and basis of accounting assists users in assessing the short-term effect of decisions on the State's financial position and financial condition.

The governmental fund financial statements consist of a balance sheet and a statement of revenues, expenditures, and changes in fund balances. The balance only includes current financial resources and claims on those resources. Therefore, the economic resources and claims on those resources presented on the government-wide statement of net position are absent from the governmental fund balance sheet. On the statement of revenues, expenditures, and changes in fund balances, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period, generally considered 45 days after the end of the fiscal year, except for federal grants, which generally are considered available for 12 months after the end of the fiscal year. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The governmental fund balance sheet includes a reconciliation of the government-wide statements to the governmental fund financial statements. This reconciliation is necessary to bring the financial statements from the current financial resources measurement focus and modified accrual basis of accounting to the economic resources measurement focus and full accrual basis of accounting. Major items included in the reconciliation are capital assets, inventories and prepayments, long-term debt, accrued interest, net position of internal service funds, and deferred inflows/outflows of resources, which are shown on the government-wide but not the governmental fund statements.

The proprietary fund statements include a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows. The proprietary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting, similar to private companies. The proprietary fund financial statements have a column for each major enterprise fund, one that combines all the nonmajor enterprise funds, and one column that reports all internal service funds.

The fiduciary fund statements include a statement of net position and a statement of changes in net position, with one column for each of the four types of fiduciary funds. The statements are prepared using the economic resources measurement focus and the accrual basis of accounting, except for agency fund statements which use the accrual basis but do not have a measurement focus, as they report only assets and liabilities.

## Governmental Funds

Governmental funds are used to account for activities primarily supported by taxes, grants and similar revenues. The major governmental funds of the State are the General Fund, the Bond Security and Redemption Fund, Capital Outlay Escrow Fund, and the Louisiana Education Quality Trust Fund.

**General Fund** - The General Fund is the principal operating fund of the State, and was established administratively to provide for the distribution of funds appropriated by the state legislature for the ordinary expenses of state government. Transactions related to resources that are not accounted for in other funds are recorded in the General Fund. Revenues include the direct deposit of federal grants and the transfer of state revenues from the Bond Security and Redemption Fund after debt requirements and obligations to other funds are met.

**Bond Security and Redemption Fund** - This fund is used to provide for the collection of all money deposited into the State Treasury except federal funds, donations, or other forms of assistance when the terms and conditions of the related agreements require otherwise. Each fiscal year, an amount is allocated from this fund sufficient to pay all obligations secured by the full faith and credit of the State that are due and payable within the current fiscal year, including debt principal, interest, premiums, and sinking or reserve funds. Except as otherwise provided by law, money remaining in the fund is credited to the General Fund at year-end.

**Louisiana Education Quality Trust Fund** - Once requirements of the Bond Security and Redemption Fund have been met, certain funds received from the federal government attributable to mineral production or leases on the outer continental shelf are deposited by the State Treasurer into this fund. The fund consists of nonspendable invested trust principal and an expendable portion to be used for various educational purposes.

**Capital Outlay Escrow Fund** - This fund provides for the capital outlay expenditures of state government, state institutions, and other public entities as appropriated by the legislature. Sources of funding include federal revenues, transfers from the General Fund and Transportation Trust Fund, interest earnings, and contributions from other sources.

## Proprietary Funds

Proprietary funds are used to account for activities that receive significant support from fees and user charges. The State has two types of proprietary funds:

- *Internal service funds* account for the provision of services, primarily given by one department to another, on a cost reimbursement basis. The activities accounted for in internal service funds include copy and mail services, aircraft services, telecommunications, and financing and acquiring public facilities for lease to the State.
- *Enterprise funds* account for the activities for which fees are charged to external users for goods or services.

The State's major enterprise funds are the Unemployment Trust Fund and the Louisiana Community and Technical College System.

# State of Louisiana

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**Unemployment Trust Fund** - This fund accounts primarily for the unemployment tax payments from employers to be used for the payment of unemployment benefits to eligible claimants.

**Board of Supervisors of the Louisiana Community and Technical College System** - This entity provides strategic management and support for Louisiana's 13 comprehensive community and technical colleges.

## Fiduciary Funds

Fiduciary funds are used to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds, and cannot be used to address activities or obligations of the government. These funds are presented in the fund financial statements, but are not incorporated into the government-wide statements. Fiduciary Funds are not subject to the major/nonmajor fund classification. There are four types of fiduciary funds:

- *Pension trust funds* account for resources held in trust for members and beneficiaries of employee pension plans.
- *Investment trust funds* account for the portion of the government's investment pools that belong to others.
- *Private-purpose trust funds* report all other trust arrangements benefiting those outside the government.
- *Agency funds* contain resources held by the government in a temporary, purely custodial capacity for others (excluding agencies of the State) and do not involve measurement of results of operations.

## C. ASSETS, LIABILITIES, DEFERRED INFLOWS, DEFERRED OUTFLOWS, AND NET POSITION OR FUND BALANCES

### Cash and Investments

The State Treasurer pools those cash resources for which he is responsible and invests them accordingly. For purposes of the financial statements, including the Statement of Cash Flows, the State considers all highly liquid investments (including restricted investments) to be cash equivalents. The investments held by the proprietary funds may be classified as current or noncurrent depending on their maturity. Investments with a maturity date of 12 months or less may be classified as current.

Investments are reported at fair value, with some exceptions, in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which was implemented for the fiscal year ended June 30, 2016. GASB 72 requires governments to use valuation techniques in assessing fair value and establishes a hierarchy of three levels used to categorize the inputs that are used to measure fair value. All cash and investment earnings are recorded in the General Fund unless statutorily dedicated to specific funds. The fair value hierarchy and valuation techniques for all investments reported at fair value as well as cash and investment limitations are disclosed in Note 2 (Deposits and Investments).

The investments of the pension trust funds are reported at fair value, with exceptions, in accordance with GASB 72. Short-term investments are reported at market value when published prices are available, or at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at the current exchange rate. Investments that have no readily ascertainable fair value such as private equity and emerging market funds are reported as net asset value in accordance with GASB 72.

### Internal Balances

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All internal balances are eliminated in the total primary government column.

### Inventories and Prepaid Items

Inventories consisting predominately of materials and supplies held for consumption, merchandise and livestock held for resale, and expendable medical supplies are valued primarily using the average cost method. The consumption method is used for financial reporting. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

### Restricted Assets

Restricted assets represent primarily cash, investments, and receivables held separately and restricted according to applicable bond indenture agreements.



## Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements at historical cost. Infrastructure is reported retroactively to 1960. Capital assets are recorded as expenditures generally in the Capital Outlay Escrow Fund at the fund level and capitalized at the government-wide level; capital assets of enterprise and internal service funds are reported in the respective funds. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the assets are not capitalized. For reporting purposes, the State has defined capital assets as follows:

- Land is an inexhaustible asset with no capitalization threshold and an unlimited useful life; therefore, it is not depreciated.
- Movable property consists of assets that are not fixed or stationary in nature with an initial, individual cost of at least \$5,000. The straight-line method of depreciation is used, which divides the historical cost by the estimated useful life of the asset, generally 5 to 10 years.
- Buildings are permanent structures erected above ground, while improvements are major repairs, renovations, or additions that increase the future service potential of the asset. Leasehold improvements are improvements made by the lessee to leased property. The capitalization threshold for buildings and improvements is \$100,000. They are depreciated principally using the straight-line method with an estimated useful life typically of 40 years for structures and improvements and 20 years for depreciable land improvements. Leasehold improvements are depreciated using the straight-line method with an estimated useful life depending on the term of the lease. Construction-in-progress is not depreciated.
- Infrastructure assets are roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Infrastructure has a capitalization threshold of \$3,000,000 and is depreciated using the straight-line method with an estimated useful life of 40 years.
- Purchased computer software has a capitalization threshold of \$1,000,000 and is depreciated using the straight-line method over an estimated useful life of 3 years.
- Internally generated software has a capitalization threshold of \$1,000,000 and is depreciated using the straight-line method over an estimated useful life determined by its value. Internally generated software valued at \$10,000,000 or less is depreciated over 7 years and internally generated software valued over \$10,000,000 is depreciated over 10 years.
- Historical treasures and works of art are items held for public exhibition, educational purposes, or research in enhancement of public service instead of financial gain, and therefore are not capitalized or depreciated.
- Donated capital assets are valued at acquisition value at the time of donation.

Hospitals and medical units within Louisiana State University Health Sciences Center are subject to federal cost reporting requirements and use capitalization and depreciation policies of the Centers for Medicare and Medicaid Services (CMS) to ensure compliance with federal regulations. These capitalization policies include a threshold of \$5,000 for all assets, depreciable lives greater than 40 years on some assets, and recognition of a half year of depreciation in the year of acquisition and final year of useful life.

## Compensated Absences

Classified and unclassified state employees earn annual leave and sick leave at various rates depending on the number of years of service. The amount of annual and sick leave that may be accrued by each employee is unlimited. An employee is compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. For employees under the supervision of the Board of Elementary and Secondary Education or other boards of control of publicly supported educational institutions, Louisiana Revised Statute (LRS) 17:425 provides for payment of up to 25 days of unused sick leave at the time of retirement, or death if prior to retirement.

Upon a member's retirement, annual leave balances in excess of 300 hours and the number of hours of unused sick leave are converted into years or fractions of years and added to the number of years of service earned by the retiree. Unused annual and sick leave is applied to the number of years of service only for computing the rate of pay due to the retiree and does not count toward the number of years necessary for retirement. Act 343 of 1993 allows members retiring after August 15, 1993, to elect to receive an actuarially determined lump-sum payment for unused leave that would have been converted for retirement credit.

# State of Louisiana

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An employee who is required to work overtime may, at the option of the appointing authority, be credited with compensatory leave for the hours required to work. Certain employees earn this leave at time and one-half, whereas others earn on an hour-for-hour basis. Generally, employees in positions at or below a certain pay level may be paid upon separation or transfer, based on the employee's final regular rate of pay. Compensatory leave for all other employees is canceled upon separation or transfers from the department in which it was earned.

## Revenues and Expenses

The government-wide statement of activities distinguishes between revenues that are generated by each function (program revenues) and those that are a result of the State's general revenue-collecting authority (general revenues). Program revenues include amounts charged to users of state services as well as operating and capital grants that are restricted to specific functions and programs. Operating grants include operating-specific and discretionary (either operating or capital) grants, while capital grants include only capital-specific grants. General revenues include taxes, gaming, and investment revenues.

Proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues result from the fees charged to users of the fund's principal operation, such as the provision of goods or services. All other revenues are considered nonoperating revenues, even if the resources received were used to fund the fund's principal operation. Operating expenses arise from the provision of the fund's principal operation. All other expenses are classified as nonoperating expenses.

## Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and are not recognized as an outflow of resources (expense or expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The State has the following items that are reported as deferred inflows or outflows of resources: the accumulated increase/decrease in the fair value of hedging derivatives, fines and penalties received in advance of meeting time requirements, deferred amounts on debt refunding, deferred inflows/outflows of resources related to postemployment benefits, deferred inflows/outflows of resources related to pensions, and unavailable revenue. Unavailable revenue arises only under a modified accrual basis of accounting, so it is reported only in the governmental funds balance sheet.

## Fund Balance Classifications and Net Position

Fund balances are reported under the following fund balance classifications:

- Nonspendable – includes amounts that cannot be spent because they are not in spendable form (e.g., inventories) or are legally or contractually required to be maintained intact (e.g., corpus of a permanent fund).
- Restricted – includes amounts that have constraints placed on the use of the resources either by an external party or by imposition of law through constitutional provisions or enabling legislation.
- Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the State Legislature, the State's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the state legislature removes or changes the specified use by taking the same type of action employed to commit those amounts such as the passage of a new law.
- Assigned – includes amounts that are constrained by the state's intent to be used for specific purposes, but are neither restricted nor committed. Through acts of the State Legislature, the Joint Legislative Committee on the Budget and the Office of Planning and Budget, under the authority of the Commissioner of Administration, have been delegated the authority to assign amounts to be used for specific purposes.
- Unassigned – includes amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund.

The State has a general policy to first use restricted resources for expenditures incurred for which both restricted and unrestricted (committed, assigned, and unassigned) resources are available. When expenditures are incurred for which only unrestricted resources are available, the general policy of the State is to use committed resources first, followed by assigned, and then unassigned.

Net position is equal to assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources. Net position is segregated into three categories on the government-wide statement of net position: net investment in capital assets; restricted; and unrestricted. Net investment in capital assets consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other debt attributable to the acquisition, construction, or improvement of such assets. Restricted net position represents the portion of net position that consists of restricted assets reduced by liabilities and deferred inflows related to those assets. The State first uses restricted assets for expenses incurred when both restricted and unrestricted net position are available for use.

## **D. BUDGETS AND BUDGETARY ACCOUNTING**

LRS 39:33 requires that on or before November 15, the head of each spending agency submit to the Governor, the Joint Legislative Committee on the Budget, and the Legislative Fiscal Office an estimate of the financial requirements and receipts of the budget unit for the upcoming fiscal year. The Governor is required to prepare an executive budget and transmit a copy to each member of the Legislature on the first day of the regular session (LRS 39:37). The budget is enacted into law by the Legislature and sent to the Governor for signature. Article VII, Section 10 of the Louisiana Constitution of 1974 prohibits the passage of an unbalanced budget. The Governor may veto any line item appropriation, subject to legislative override.

LRS 39:73 authorizes the transfer of funds between programs within a budget unit. The Commissioner of Administration may approve such a transfer when in aggregate the transfers are not more than 1% of the total appropriation to the budget unit and sufficient evidence is presented. The Commissioner, with the approval of the Joint Legislative Committee on the Budget, may approve the transfer of funds between programs within the budget unit when in aggregate the transfers do not exceed 25% of the total appropriation to the budget unit and sufficient evidence is presented. These and other requests for transfers are to be submitted by the budget unit to the Legislative Fiscal Office.

According to LRS 39:111, the Governor is required to submit to the Legislature, no later than the eighth day of the regular session, a proposed five-year capital outlay program. The Legislature enacts into law a bill incorporating the first year of the five-year capital outlay program. The Legislature adopts a concurrent resolution for the remaining four years of the five-year capital outlay program, itemizing the capital projects and the amount and source of funding for each of the subsequent four years.

According to LRS 39:77, in no event shall any budget unit commit to an expenditure in excess of the unencumbered balance of the allotment to which the resulting expenditure would be charged, without prior approval of the Interim Emergency Board and two-thirds of the Legislature. The Revenue Estimating Conference has been established to provide an official estimate of anticipated state revenues for each fiscal year. Appropriations by the Legislature from the state General Fund and dedicated funds for any fiscal year shall not exceed the official forecast in effect at the time the appropriations are made. The Governor may direct the Commissioner of Administration to reduce or disapprove warrants in order to prevent a budgetary deficit.

In accordance with LRS 39:82(A), agencies are allowed 45 days for closing out prior year activities. This statute limits the use of appropriation balances after the June 30 close to true liabilities, delineates those items eligible for roll forward treatment, and establishes a 45-day period to request such carry-forwards. After that time, all appropriations lapse except permanent capital outlay appropriations that remain active until the projects are complete. Additionally, upon approval by the Commissioner of Administration, any federal funds and any state funds appropriated during a fiscal year specifically for matching federal grants may be carried forward into the upcoming year's appropriation. Re-established appropriations for enterprise and internal service funds are allowed to retain any surplus resulting from prior year operations. These and all monies from self-generated revenues are available for expenditure in the amounts appropriated. The Commissioner of Administration may approve increases from self-generated revenues, not exceeding in aggregate 5% of appropriated self-generated revenues. Only with the approval of the Division of Administration and the Joint Legislative Committee on the Budget will any larger increase in self-generated revenue over the amount appropriated be available to agencies for expenditure.

Annual operating appropriations of the State are adopted on a non-GAAP basis by individual budget unit, rather than by fund. As previously mentioned, expenditure levels are constrained based on budgetary basis revenue forecasts by the State's Revenue Estimating Conference. Budgetary basis revenues are cash collections during the fiscal year and collections attributable to the fiscal year within 45 days after the end of the fiscal year. The budgetary basis differs from GAAP most significantly in regards to accounting for non-exchange transactions such as federal grants and derived tax revenues.

Governments are required to present the original, final, and actual budgetary basis of the General Fund and each individual major special revenue fund that has a legally adopted annual budget. The accompanying Required Supplementary Information includes notes and a schedule making this comparison for the General Fund. For fiscal year 2018, there are no major special revenue funds. Legally adopted budgets are not adopted for any fund. However, since most revenues that finance General Fund expenditures as well as the State's general obligation debt service payments are accounted for in the Bond Security & Redemption Fund, a budgetary comparison schedule will be prepared and included as Supplementary Information.

# State of Louisiana

## E. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## NOTE 2: DEPOSITS AND INVESTMENTS

### A. DEPOSITS

Bank accounts, nonnegotiable certificates of deposit and money market deposit accounts, are included as deposits. In accordance with LRS 49:321, state depositing authorities shall require as security for deposit of state funds authorized bonds or other interest-bearing notes; authorized promissory notes, warrants, or certificates of indebtedness unmaturing or payable on demand. Fair value, excluding interest, of such securities held by the depositing authority shall be equal to 100% of the amount on deposit to the credit of the depositing authority except that portion appropriately insured. Designated depositories may be granted a period not to exceed five days from the date of any deposit to post the necessary security.

The following chart presents bank deposit balances for the primary government and fiduciary funds as of June 30, 2018. Deposits are listed in terms of whether they are exposed to custodial credit risk, which is the risk that the state's deposits may not be returned in the event of a bank failure. Deposits are exposed to custodial credit risk if they are either: a) uninsured and uncollateralized, b) uninsured and collateralized with securities held by the pledging financial institution, or c) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the State.

#### Deposits Exposed to Custodial Credit Risk (Expressed in Thousands)

	<u>Uninsured and Uncollateralized</u>	<u>Uninsured and Collateralized with Securities Held by Institution</u>	<u>Uninsured and Collateralized with Securities Held by Pledging Institution's Trust Dept. or Agent but not in State's Name</u>	<u>Total Bank Balances – All Deposits</u>
Primary Gov't & Fiduciary:				
Cash	\$ 78,419	\$ 15,294	\$ 60,265	\$ 1,039,904
Certificates of Deposit	290	189	1,133	192,439
Other	367	--	111	16,166
Total Bank Balances	<u>\$ 79,076</u>	<u>\$ 15,483</u>	<u>\$ 61,509</u>	<u>\$ 1,248,509</u>

### B. INVESTMENTS - VALUATION

LRS 49:327 authorizes the State Treasurer to invest available monies in direct Treasury obligations, government agency obligations, corporate bonds, perfected repurchase agreements, and reverse repurchase agreements, time certificates of deposit in specified banks, savings accounts or shares of certain savings and loan associations and savings banks, or in share accounts and share certificate accounts of certain credit unions. Such securities shall not have weighted-average maturities in excess of five years from the purchase date, except monies invested from special funds (those not considered general funds) which shall not exceed 10 years from the date of purchase. Repurchase Agreements must be collateralized by the pledge of securities at 102%. Funds not on deposit in the State Treasury are authorized to be invested in time certificates of deposit of specified banks, in savings accounts or shares of specified savings and loan associations and savings banks, or in share accounts and share certificate accounts of specified credit unions. Funds determined to be available for investment for less than 30 days are authorized to be invested in direct United States Treasury obligations that mature in not more than 29 days after the date of purchase. These funds are also required to be fully insured or collateralized.

Because of limited maturity dates, availability of securities, and yield, perfected repurchase agreements are entered into for short-term management purposes. LRS 49:341 - 343 grants defined public entities the authority to invest bond proceeds and monies held in any fund established in connection with bonds in any direct obligation of, or obligation guaranteed by, the United States and in tax-exempt bonds until proceeds are required to be expended for the purpose of the issue.

LRS 39:99 directs the State Treasurer to offer each local school board the opportunity to enter into contract with the State to have its share of tobacco settlement monies invested and managed on its behalf by the State Treasurer. The State Treasurer maintains these monies in a pooled investment known as the Louisiana Education Excellence Fund, an external investment pool that is not registered with the SEC as an investment company. The pool invests in Treasury obligations, corporate bonds, and other securities as prescribed by LRS 17:3803. The securities are valued at fair market value, which are updated at least weekly and as often as daily. The State Treasurer neither guarantees nor obtains any legally binding guarantee to support the values of the shares in the pool. Participant's share of investments sold and redeemed in the pool is determined on a dollar basis and the earnings of the fund are credited back to the participants on a pro rata basis. As of June 30, 2018 the par value of the securities within the Louisiana Education Excellence Trust Fund is \$25,518,736 and the fair market value is \$25,329,289.

LRS 11:263 directs Louisiana's pension systems to invest in accordance with the prudent man rule. As used in this statute, the rule means that the systems ". . . act with the care, skill, prudence, and diligence under the circumstances prevailing that a prudent institutional investor acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims." Notwithstanding the prudent man rule, no governing authority of any system shall invest more than 55% of the total portfolio in equities. Pension systems are required to give weight to certain factors including, but not limited to the experience of the professionals who will manage each investment, the jurisdiction of the laws that govern each investment, and the risk of fluctuations in currency that may accompany each investment when making investment decisions. In addition, pension systems are further required to submit quarterly reports, as specified in the statute, to the House and Senate committees on retirement.

In February 2015, GASB issued Statement No. 72 (GASB 72), *Fair Value Measurement and Application*, designed to enhance the comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. GASB 72 amended the definitions of fair value and investments, provided guidance for determining a fair value measurement for assets and liabilities required to be reported at fair value, provided guidance for applying fair value to investments required to be reported at fair value, and provided for disclosures in addition to those already required by GASB Statements No. 3, 31, 40, and 53 for all investments measured at fair value.

GASB 72 redefined investments as securities or other assets that governments hold primarily for the purpose of income or profit having a present service capacity based solely on its ability to generate cash or to be sold to generate cash. According to GASB 72, the investment designation must be made when the asset is acquired and would remain over the life of the asset, even if the use of the asset changes over time. GASB 72 further redefined fair value as the exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. By expanding how governments define investments, GASB 72 expands the scope of fair value reporting to include investments that were not previously reported at fair value.

In addition to expanding the definitions of fair value and investments, the standard provides requirements for the valuation and disclosure of assets and liabilities reported at fair value. Governments are to use valuation techniques that are appropriate and for which sufficient data is available to measure assets and liabilities at fair value. Valuation techniques should be applied consistently from one accounting period to the next and should maximize the use of relevant observable inputs and minimize the use of unobservable inputs. To help financial statement users better understand the quality of the inputs used in determining fair value, GASB 72 establishes a three-tier fair value hierarchy that prioritizes the inputs based on relative reliability. Level 1 inputs are quoted prices in active markets for identical assets or liabilities, Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for assets or liabilities, and Level 3 inputs are inputs that are unobservable and only used when relevant Level 1 or 2 inputs are unobservable such as nonbinding quotes on interest rate swaps that cannot be corroborated by observable market data.

GASB 72 requires disclosure of the fair value level and valuation technique for each type of asset or liability measured at fair value. GASB 72 requires that these disclosures be organized by type of asset or liability as opposed to reporting entity segment. Also, for investments in certain entities that calculate the use of net asset value per share or its equivalent as a measure of fair value, GASB 72 requires additional disclosures on any unfunded commitments and redemption terms.

The following chart presents the investments of the primary government and fiduciary funds at June 30, 2018. As required by GASB 72, investments reported at fair value, exceptions noted below, are disclosed by fair value hierarchy level.

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## All Investments (Expressed in Thousands)

	<b>Quoted Prices in Active Markets for Identical Assets</b>	<b>Other Observable Inputs</b>	<b>Significant Unobservable Inputs</b>
<b>Total Value</b>	<b>(Level 1 Inputs)</b>	<b>(Level 2 Inputs)</b>	<b>(Level 3 Inputs)</b>
<b>Investments by Fair Value Level</b>			
Negotiable Certificates of Deposit	\$252	\$252	
U.S. Government Securities	3,798,764	784,683	\$3,014,081
U.S. Agency Obligations	1,628,364	265,082	1,363,282
Commercial Paper	726,941		666,941
Short Term Investments	1,274,555	434,882	189,866
Mortgages (Mortgage Backed Securities & Collateralized Mortgage Obligations)	106,170		649,807
External Investment Pools	7,916	363	106,170
Mutual Funds	1,736,900	1,454,325	7,553
Municipal Bonds	490,126	2,114	282,575
Corporate Bonds	2,245,133	105,022	488,012
Other Bonds	2,117,831	222,419	2,024,164
Equity Securities (Common & Preferred Stock)	16,465,184	15,369,788	1,797,128
Real Estate	754,616	27,353	210,111
Private Equity	4,785,376	24,649	885,285
Alternative Investments	748,329	6,957	4,760,727
Collateral Held Under Securities Lending	1,545,233		630,268
		1,545,233	111,104
<b>Total Investments by Fair Value Level</b>	<b>\$38,431,690</b>	<b>\$18,697,889</b>	<b>\$12,325,384</b>
<b>Investments Measured at Net Asset Value</b>			
Emerging Market Funds	\$2,063,425		
Private Equity Funds	1,659,526		
Absolute Return Funds	777,849		
Risk Parity	784,834		
Real Estate	322,879		
Dimensional Funds	361,418		
Strategic Property Funds	472,886		
Core Property Funds	296,979		
<b>Total Investments at Net Asset Value</b>	<b>\$6,739,796</b>		
<b>Investments Measured at Fair Value</b>			
Cash in Investment Portfolios	\$251,158		
Collateral Held Under Securities Lending	3,427,982		
<b>Total Investments at Fair Value</b>	<b>\$3,679,140</b>		
<b>Derivatives by Fair Value Level</b>			
Pay Fixed Interest Rate Swaps	\$21,123		\$21,123
Financial Futures	(16,993)	(\$16,993)	
Forward Foreign Exchange Contracts	(14,438)	360	(14,798)
Short Fixed Income and Written Options Swaps	(408,033)	(220)	(407,813)
	(99)		(99)
<b>Total Derivatives by Fair Value Level</b>	<b>(\$418,440)</b>	<b>(\$16,853)</b>	<b>(\$401,587)</b>
<b>TOTAL INVESTMENTS AT FAIR VALUE</b>	<b>\$48,432,186</b>	<b>\$18,681,036</b>	<b>\$11,923,797</b>
			<b>\$7,408,417</b>

# State of Louisiana

## All Investments (Expressed in Thousands)

	<b>Quoted Prices in Active Markets for Identical Assets</b>	<b>Other Observable Inputs</b>	<b>Significant Unobservable Inputs</b>
<b><u>Total Value</u></b>	<b><u>(Level 1 Inputs)</u></b>	<b><u>(Level 2 Inputs)</u></b>	<b><u>(Level 3 Inputs)</u></b>
<b><u>Investments Measured at Amortized Cost</u></b>			
Negotiable Certificates of Deposit	\$1,242		
Repurchase Agreements	107,313		
Money Market Mutual Funds	576,000		
U.S. Government Obligations	12,597		
U.S. Agency Obligations	1,383		
SEC Rule 2a7-Like External Investment Pools	70,739		
<b>Total Investments at Amortized Cost</b>	<b>\$769,274</b>		
<b><u>Investments Measured at Cost</u></b>			
Synthetic Guaranteed Investment Contracts		\$509,753	
<b>Total Investments Measured at Cost</b>		<b>\$509,753</b>	
<b>TOTAL ALL INVESTMENTS</b>	<b>\$49,711,213</b>	<b>\$18,681,036</b>	<b>\$11,923,797</b>
		<b>\$7,408,417</b>	

### Primary Government

The State Treasury uses two vendors as custodians of securities, J.P. Morgan Chase and Bank of New York Mellon. Both custodians use Interactive Data as their primary securities data provider. In addition, they use Barclays, Pricing Direct, Reuters and Intercontinental Exchange as sources of pricing for securities not priced by Interactive Data.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Level 1 investments for the primary government include Mutual Funds, U.S. Government Securities, U.S. Agency Obligations, Municipal Bonds, Corporate Bonds, Common Stock, External Investment Pools and Negotiable Certificates of Deposit.

Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using quoted prices in active markets for similar investments, matrix pricing techniques, cost pricing techniques, and market pricing techniques. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 2 investments for the primary government include Common & Preferred Stock, U.S. Government Securities & Agency Obligations, Municipal Bonds, Corporate Bonds, Other Bonds, Mutual Funds, External Investment Pools and Pay Fixed Interest Rate Swaps.

The Pay Fixed Interest Rate Swaps classified in Level 2 of the fair value hierarchy are valued using a nonperformance risk free valuation, mark-to-market, adjusted by a risk adjusted valuation that utilizes the relevant entity specific discounting curve. The risk adjusted valuation, which can also be referred to as the Income Approach, uses the discounted cash flow method to discount the amounts of market expected future cash flows to a single present value, using a rate of return that takes into account the relative risk of cash flows and time value of money.

Equity securities classified as Level 3 of the fair value hierarchy are valued using historical prices. Level 3 investments for the primary government include Common and Preferred Stock.

The primary government also has investments in U.S. Government Securities, U.S. Agency Obligations, Money Market Funds, Negotiable Certificates of Deposit, and SEC 2a7 Rule External Investment Pools measured as amortized cost. These investments are measured in accordance with the exception as provided in GASB 72.

# State of Louisiana

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## **Retirement Systems and Other Fiduciary Funds**

Debt and equity securities classified in Level 1 of the fair value hierarchy include U.S. Government Securities, U.S. Agency Obligations, Corporate Bonds, Mutual Funds, Other Bonds, Equity Securities, Private Equity, Alternative Investments, Real Estate, and Other Short Term Investments held by the Louisiana State Employee's Retirement System (LASERS), the Louisiana School Employee's Retirement System (LSERS), Teachers Retirement System of Louisiana (TRSLA), the State's other Investment & Private Purpose Trust Funds. Level 1 investments are valued using quoted prices in active markets for those securities.

Debt and equity securities classified in Level 2 & 3 of the fair value hierarchy include Commercial Paper, Short Term Investments, U.S. Government & Agency Obligations, Municipal Bonds, Mutual Funds, Corporate & Other Bonds, Mortgages, Equity Securities, Real Estate, Private Equity, Alternative Investments, and Collateral Held Under Securities Lending Program. Level 2 investments are valued using matrix pricing techniques while Level 3 investments are valued using matrix pricing techniques as well as unobservable inputs that are not directly corroborated with market data.

The chart includes investment derivatives held by LASERS, LSERS, and TRSLA. These investments are classified as Level 1 or 2 in the fair value hierarchy. Level 1 investment derivatives are valued using prices quoted in active markets for those derivatives while level 2 derivatives use a market approach that considers benchmark interest rates and foreign exchange rates.

LASERS, LSERS, and TRSLA also had investments measured at Net Asset Value. As required by GASB 72, additional disclosures for these investments can be found in each of the retirement system's separately issued annual financial report.

- LASERS [https://www.la.la.gov/PublicReports.nsf/CDC22E0A3D05F60E8625832F005B5430/\\$FILE/0001AAF1.pdf](https://www.la.la.gov/PublicReports.nsf/CDC22E0A3D05F60E8625832F005B5430/$FILE/0001AAF1.pdf)
- TRSL [https://www.la.la.gov/PublicReports.nsf/56D27F0779698E068625832000553704/\\$FILE/0001A959.pdf](https://www.la.la.gov/PublicReports.nsf/56D27F0779698E068625832000553704/$FILE/0001A959.pdf)
- LSERS [https://www.la.la.gov/PublicReports.nsf/730C8D91A597C44A86258316005CCB8C/\\$FILE/0001A79D.pdf](https://www.la.la.gov/PublicReports.nsf/730C8D91A597C44A86258316005CCB8C/$FILE/0001A79D.pdf)

## **C. INVESTMENTS - CUSTODIAL CREDIT RISK**

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction the State will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty, or by the counterparty's trust department or agent but not in the name of the State. The following chart presents the custodial credit risk of the investments held by the primary government and fiduciary funds at June 30, 2018.



# State of Louisiana

## Investments Exposed to Custodial Credit Risk (Expressed in Thousands)

	<u>Uninsured, Unregistered, and Held by Counterparty</u>	<u>Uninsured, Unregistered, and Held by Counterparty's Trust Dept. or Agent but not in the State's Name</u>
Primary Government:		
Negotiable Certificates of Deposit	\$252	
U.S. Government Securities		
U.S. Agency Obligations		
Equity Securities		\$277
Municipal Bonds		
Corporate Bonds		1,739
Other Bonds		
Mortgages		
Mutual Funds		1,738
Alternative Investments		
Total Primary Government	\$252	\$3,754
Fiduciary Funds:		
Negotiable Certificates of Deposit		
Repurchase Agreements		
U.S. Government Securities		\$5
U.S. Agency Obligations		
Equity Securities		
Municipal Bonds		
Corporate Bonds		
Other Bonds		
Mortgages		
Real Estate		
Mutual Funds		
Private Equity		
Alternative Investments		
Security Lending		3,484,000
Total Fiduciary Funds		\$3,484,005
<b>TOTAL INVESTMENTS</b>	<b>\$252</b>	<b>\$3,487,759</b>

### D. INVESTMENTS - INTEREST RATE RISK

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. Also, investments can be highly sensitive to changes in interest rates due to their terms or characteristics.

#### Primary Government

The State Treasury limits the interest rate risk of the General Fund by limiting maturities of its investments to five years or less. The interest rate risk of certain special funds within the State Treasury is limited by restricting maturities of their investments to ten years or less. The interest rate risk of the Louisiana Education Quality Trust Fund (LEQTF), Millennium Trust Fund, and the Medicaid Trust Fund portfolios are limited by managing their maturity and duration through policy. Further, these portfolios' weighted average durations are limited by policy to 15 years or less for LEQTF, and 10 years or less for the Millennium Trust Fund and the Medicaid Trust Fund to minimize interest rate risk.

As of June 30, 2018 the State Treasury has \$484,000 in investments that might substantially alter their characteristics due to sensitivity to changes in interest rate. The State Treasury also held \$770,964,680 in securities whose coupon rates were subject to change daily.

# State of Louisiana

The table below displays the aggregate total of the primary governments debt investments by type and maturities (amounts expressed in thousands) as of June 30, 2018.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Government Securities	\$2,339,743	\$1,158,491	\$1,181,252	--	--
U.S. Agency Obligations	898,720	78,601	561,062	\$239,106	\$19,951
Negotiable Certificates of Deposit	252	252	--	--	--
Corporate Bonds	733,734	43,084	376,358	228,665	85,627
Municipal Bonds	486,030	7,321	159,028	213,622	106,059
Other Bonds	24,636	10,000	14,636	--	--
Mutual Funds	904,936	836,841	67,743	308	44
External Investment Pools	363	363	--	--	--
<b>Total</b>	<b>\$5,388,414</b>	<b>\$2,134,953</b>	<b>\$2,360,079</b>	<b>\$681,701</b>	<b>\$211,681</b>

## Retirement Systems and Other Fiduciary Funds

Teachers Retirement System of Louisiana (TRSLA) and Louisiana State Police Retirement System (LSPRS) expect their fixed income managers to approximate the portfolio's duration to established benchmarks for fixed income investments. The Louisiana School Employee's Retirement System (LSERS) investment policy indicates that its fixed income securities portfolio is limited to 25% for domestic and 15% for international debt securities. Louisiana State Employee's Retirement System (LASERS) has no formal interest rate risk policy, but LASERS expects its fixed income managers to approximate the portfolio's duration to within two years of its respective benchmarks for fixed income investments.

At June 30, 2018, the Louisiana School Employees' Retirement System (LSERS) held \$602,876,899 in total debt investments; the Louisiana State Employees' Retirement System (LASERS) held \$3,103,211,430 in total debt investments; the Teachers' Retirement System of Louisiana (TRSLA) held \$4,726,505,334 in total debt investments; and the Louisiana State Police Retirement System (LSPRS) held \$38,436,365 in total debt investments. LSPRS also held \$114,477,514 in bonds with no maturity.

The table below displays the aggregate total of the state retirement systems and other fiduciary funds debt investments by type and maturities (amounts expressed in thousands) as of June 30, 2018.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Government Securities	\$1,416,323	187,584	394,215	244,944	589,580
U.S. Agency Obligations	729,644	443,528	168,436	4,653	113,027
Mortgage Backed Securities and Collateralized Mortgage Obligations	169,104	15	10,591	5,892	152,606
Corporate Bonds	1,408,091	61,083	579,942	557,676	209,390
Foreign Bonds	1,930,476	151,880	526,650	563,235	688,711
Short-term Investments	1,199,198	1,199,198	--	--	--
Repurchase Agreements	107,313	107,313	--	--	--
Municipal Bonds	4,097	--	2,364	513	1,220
Other Bonds	767,040	5,400	548,761	119,442	93,437
Commercial Paper	726,941	726,941	--	--	--
Mutual Funds	131,078	131,074	4	--	--
Alternative Investments	1,655,015	1,653,995	--	1,020	--
<b>Total</b>	<b>\$10,244,320</b>	<b>\$4,668,011</b>	<b>\$2,230,963</b>	<b>\$1,497,375</b>	<b>\$1,847,971</b>

## E. INVESTMENTS - CREDIT RISK & CONCENTRATION OF CREDIT RISK

The credit risk of investments is the risk that the issuer or other counterparty will not meet its obligations. This credit risk is measured by the credit quality ratings of investments in debt securities as described by nationally recognized statistical rating organizations (rating agencies) such as Standard & Poor's (S&P) and Moody's. The concentration of credit risk is the risk of loss that may occur due to the amount of investments in a single issuer (not including investments issued or guaranteed by the U.S. government, investments in mutual funds, or external investment pools).

### Primary Government

State statutes and investment policies limit the State Treasury investments to government securities with explicit guarantees by the U.S. government, agency securities with implicit U.S. government guarantees, and other fixed income securities with investment grade ratings by Moody's and S&P. The State Treasury has no limit on the amount it may invest in any one issuer.

Originally, Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac) securities held by the State carried an implicit guarantee of the US Government, but are now backed by a capital pledge of the US government. Of the State Treasury's total investments, 2.8% are issues of the Federal National Mortgage Association (Fannie Mae), 4.4% are issues of the Federal Home Loan Bank, 4.9% are issues of the Federal Farm Credit Bank, and 1.2% are issues of Federal Home Loan Mortgage Corporation (Freddie Mac).

The accompanying table illustrates the primary government's investments exposure to credit risk as of June 30, 2018 (expressed in thousands):

<u>Rating</u>	<u>Fair Value</u>
AAA	\$503,760
AA+	1,827
AA	881,586
AA-	2,823
A+	1,921
A	330,348
A-	781
BBB+	257
BBB	228,954
BBB-	29
BB	13,585
B	15,726
Not Rated	1,547,291
Total	<u>\$3,528,888</u>

### Retirement Systems and Other Fiduciary Funds

The investment policies of the state's retirement systems and other fiduciary funds prescribe the level of credit risk to which their investments in debt securities are exposed. The Louisiana State Police Retirement System (LSPRS) has the following investments that represent 5% or more of LSPRS's total investments at June 30, 2018: (1) T. Rowe Price Large Cap Growth Fund; (2) Templeton Investments Counsel, Inc. International Value; (3) Loomis Sayles Fixed Income Fund; (4) State Street S&P 500 Flagship Fund; and (5) Wellington CTF International Quality Growth Fund. None of the other retirement systems or trusts had investments in any one issuer (other than those issued or guaranteed by the U.S. government) that represented more than 5% of its total investments.

The following table details the total fair market value of investments in debt securities exposed to credit risk at June 30, 2018 for each of the state's retirement systems and other fiduciary funds:

# State of Louisiana

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Fair Value (U.S. dollars) (in thousands)	
Rating	Fair Value
AAA	\$1,899,880
AA+	411,795
AA	107,655
AA-	358,824
A+	347,705
A	339,738
A-	414,836
A-1	972,413
A-1+	61,916
BBB+	270,169
BBB	300,200
BBB-	224,694
BB+	260,462
BB	280,310
BB-	174,130
B+	142,485
B	165,007
B-	128,059
CCC+	77,536
CCC	27,860
CCC-	12,080
CC	6,816
C	383
D	7,108
Not Rated	2,965,404
Total	<u>\$9,957,465</u>

## F. FOREIGN CURRENCY RISK

### Primary Government

The State Treasury limits the foreign currency risk of the State's investments by prohibiting investing in instruments denominated in foreign currencies. Also, the State has no deposits held by the State Treasury denominated in foreign currencies.

### Retirement Systems and Other Trusts

Louisiana School Employees' Retirement System's (LSERS) investment policy targets 28% of its portfolio to be invested in foreign marketable securities and 10% in global fixed income. At June 30, 2018, LSERS held foreign marketable securities with a fair value of \$103,738,624. The Louisiana State Employees' Retirement System (LASERS) held foreign marketable securities with a fair value of \$3,210,672,640 at June 30, 2018 and the Teachers' Retirement System of Louisiana (TRSLA) held \$3,819,584,929. The Louisiana State Police Retirement System (LSPRS) investment policy allows no more than 22.50% of their portfolio to be international equities, with a target of 12.50%; however at June 30, 2018 the system held no international equities. The following table illustrates the total exposure to foreign currency risk at June 30, 2018 of \$7,133,996,193 by currency denomination and investment type:

# State of Louisiana

Currency	Fair Value (U.S. dollars) (in thousands)	
	Bonds	Stocks & Other
Argentina peso	\$14,617	\$3,512
Australian dollar	48,708	223,062
Brazil real	88,678	35,333
British pound sterling	96,745	726,061
Canadian dollar	19,784	311,223
Chilean peso	6,660	7,085
Chinese yuan renminbi	--	1,031
Columbian peso	45,125	1,056
Czech koruna	3,282	5,193
Danish krone	20,322	77,933
Dominican Republic peso	2,081	--
Egyptian pound	--	3,741
European euro	140,404	2,387,650
Ghanaian Cedi	1,423	(267)
Hong Kong dollar	--	364,955
Hungarian forint	4,143	8,779
Indian rupee	--	21,452
Indonesian rupiah	94,050	8,258
Israeli shekel	--	9,894
Japanese yen	32,862	992,039
Kazakhstan Tenge	389	--
Malaysian ringgit	45,812	16,248
Mexican new peso	169,553	3,508
New Taiwan dollar	--	42,730
New Zealand dollar	210	21,202
Nigerian naira	144	3,110
Norwegian krone	422	55,735
Peruvian sol	8,926	(1,205)
Philippines peso	1,029	4,117
Polish zloty	31,989	9,211
Qatari riyal	--	584
Romanian leu	5,652	629
Russian ruble	49,692	297
Saudi Arabian riyal	--	(1,436)
Singapore dollar	--	80,190
South African rand	78,415	22,620
South Korean won	196	102,272
Swedish krona	31,460	145,576
Swiss franc	1,318	305,891
Thailand baht	12,618	18,040
Turkish lira	32,703	14,591
Uruguayan peso	9,415	--
UAE dirham	--	3,269
Total	<u>\$1,098,827</u>	<u>\$6,035,169</u>

## G. SECURITIES LENDING

### State Treasury and Other Trusts

In accordance with its authority under LRS 49:321.1, the State has entered into a securities lending agreement that functions as a reverse repurchase/repurchase arrangement, with Morgan Stanley acting as principal. Under the arrangement, Morgan Stanley purchases (or borrows) on an overnight basis that portion of the State's pool of U.S. Treasury and Agency securities which the State from time to time makes available for such purposes, with a simultaneous agreement to resell or repurchase such securities at the termination of the transaction. The reverse repurchase and repurchase transactions are executed pursuant to the terms of a paired repurchase agreement among the State and Morgan Stanley, with the Bank of New York acting as an independent third party custodian. The State receives U.S. Government Sponsored Entity, or "agency" collateral in addition to other eligible security collateral in return for the securities that it reverses to Morgan Stanley under the terms of the reverse repurchase transaction on a fixed-spread basis.

# State of Louisiana

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Four separate funds were included in the securities lending agreement for the fiscal year ending June 30, 2018. At June 30, 2018, the collateral exceeded the value of the securities on loan by \$94,094,651 for the general fund, \$8,601,876 for the Louisiana Education Quality Trust Fund (LEQTF), \$10,230,965 for the Millennium Trust Fund (the Millennium Trust), and \$1,729,567 for other pooled state funds.

At June 30, 2018, the value of securities on loan was \$2,638,732,996 for the Treasurer's pooled general fund investments; \$370,806,000 for LEQTF; \$371,802,500 for the Millennium Trust Fund; and \$80,101,000 for other pooled investments.

In each transaction, Morgan Stanley delivers collateral from its account at the Bank of New York to the State's custodial account at the Bank of New York. The Bank of New York monitors the movement of the collateral to ensure it is sufficient (equal to at least 102% of the value of the securities borrowed) and in compliance with the terms of the reverse repurchase/repurchase agreement. The market value principal of the repurchase transaction can be modified on any given day for purchased, sold or matured securities. Morgan Stanley then receives any excess collateral, or delivers additional collateral, against the new principal market value of the State's investment securities on loan through the repurchase transaction. During the term of any particular transaction, the State's right to receive or sell the collateral is determined pursuant to the terms of the repurchase agreement, which provides for such rights upon borrower default, and in accordance with other applicable state and federal laws. The State has experienced no losses on securities lending transactions and loss indemnification is provided in the contract with Morgan Stanley.

The State's security lending agreements also include U.S. Government and Government Sponsored Entity securities held within the State's trust fund, the Louisiana Education Tuition & Savings Fund. As of the funds year end, December 31, 2017, the fair market value of the securities on loan within the trust fund was \$168,135,665. The trust fund had limited credit risk exposure because the value of the collateral securities pledged exceeded the value of the securities on loan by \$3,362,713.

As of June 30, 2018, the State had limited credit risk exposure because the market value of the U.S. Government and Government Sponsored Entity, and other eligible securities pledged as collateral to the State exceeded the value of securities the State had out on loan by \$114,657,059. The value of the securities on loan was \$3,461,442,496 and the total market value of the securities held as collateral was \$3,576,099,554. The value of the collateral securities was 103.31% of the value of loaned securities. The Risk to the State is further mitigated because loss indemnification is provided to the State in the securities lending contract with Morgan Stanley.

## **Retirement Systems**

The Louisiana State Police Retirement System (LSPRS), the Teachers' Retirement System of Louisiana (TRSLA), the Louisiana School Employees' Retirement System (LSERS), and the Louisiana State Employees' Retirement System (LASERS) are authorized by their respective boards of trustees to operate securities lending programs. These programs are designed to produce supplemental income on investments with little or no additional risk. All securities are available for loan to pre-approved securities dealers. Securities dealers must meet specific criteria to be approved. The TRSLA lends securities for cash collateral or other securities/investment collateral. The LSPRS lends securities for cash, cash collateral or other securities/investment collateral. The LASERS and LSERS lend securities for cash, and other securities. Additionally, LSERS may lend its securities for irrevocable letters of credit and LASERS may lend securities for other securities/investments collateral. Collateral held under the programs, which may be reinvested by the systems under the terms of the agreement with the broker/dealer, is recorded as an asset with a corresponding liability; otherwise, the collateral is not recorded on the statement of net position. None of the retirement systems may pledge or sell collateral securities received unless the borrower defaults.

The TRSLA lends domestic securities for cash collateral of 100%, domestic securities for other securities collateral at 102%, and international securities for cash collateral or other securities collateral of 105%. The LSPRS, LSERS and LASERS lend U.S. securities for collateral valued at 102% of the market value of the securities. Non-U.S. securities are loaned for collateral valued at 105% of the market value of the securities for LSERS and LASERS. In instances where LSPRS, TRSLA and LSERS loans are for term, the reinvestment of the cash is matched to the maturity of the loan. The majority of LASERS loans are terminable at will. Therefore, their duration will not generally match the duration of the investments made with cash collateral.

At June 30, 2018, neither LSPRS, LASERS, TRSLA, nor LSERS had any credit risk exposure to borrowers at year end because the amount the plan owes the borrowers exceeds the amount the borrowers owe the plan. Securities loans of all four systems may be terminated on demand by either party within a period specified in the related agreement. There were neither significant violations of legal or contractual provisions, nor borrower or lending agent default losses known to the securities lending agents of LSPRS, LSERS or TRSLA. The LASERS and LSERS have indemnification agreements with their securities lending agents in case of borrower default. Securities on loan at June 30, 2018 totaled \$1,747,154,081 for LASERS, \$3,109,614,857 for TRSLA, \$107,161,786 for LSERS, and \$49,081,895 for LSPRS.

## H. DERIVATIVES

### Governmental Activities

As of June 30, 2018, the State is a party to 6 pay-fixed, receive-variable interest rate swaps. These instruments are reported on the government-wide statement of net position at fair value. The fair values take into consideration the prevailing interest rate environment, the nonperformance risk of the client counterparty, and the specific terms and conditions of each swap. All fair values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swaps taking into account nonperformance risk by tracking the relevant credit risk of the State of Louisiana (State) as well as the counterparty on a given reporting date and determining which risk would be appropriate to discount the expected cash flows. These payments are then discounted using the State's relevant interest rate curve for liabilities or the counterparty's relevant yield for assets.

As of June 30, 2018, the State determined that all remaining pay-fixed interest rate swaps qualify for hedge accounting under GASB Statement No. 53. Accordingly, changes in fair market value are offset by corresponding deferred outflows/inflows of resources on the government-wide statement of net position. The tables below summarize the derivatives activity for the year and the key terms and objectives of the derivative instruments outstanding at June 30, 2018:

Summary of Derivative Instruments Governmental Activities (in thousands)				
	Changes in Fair Value		Fair Value at June 30	
	Classification	Amount	Classification	Amount
<b>Hedging Derivative Instruments</b>				
<u>Cash Flow Hedges</u>				
Pay-Fixed Interest Rate Swaps	Deferred Inflow of Resources	\$39,964	Derivative Instrument Asset	\$21,123

# State of Louisiana

## Terms and Objectives of Hedging Derivative Instruments (in thousands)

Type	Notional	Objective	Effective Date	Maturity Date	Terms	Counterparty Credit Rating (Moody's/S&P)
Pay-Fixed, Receive Variable Interest Rate Swap	\$46,500	Hedge changes in cash flows on Gas and Fuels 2017 Series D-1 Bonds	05/01/09	05/01/43	Pay 3.694%; Receive 70% of USD-LIBOR	Aa3/A+
Pay-Fixed, Receive Variable Interest Rate Swap	\$14,125	Hedge changes in cash flows on Gas and Fuels 2017 Series A Bonds	05/01/09	05/01/41	Pay 3.699%; Receive 70% of USD-LIBOR	Aa3/A+
Pay-Fixed, Receive Variable Interest Rate Swap	\$56,500	Hedge changes in cash flows on Gas and Fuels 2017 Series D-1 Bonds	05/01/09	05/01/41	Pay 3.692%; Receive 70% of USD-LIBOR	Baa2/BBB+
Pay-Fixed, Receive Variable Interest Rate Swap	\$186,000	Hedge changes in cash flows on Gas and Fuels 2017 Series A Bonds	05/01/09	05/01/43	Pay 3.692%; Receive 70% of USD-LIBOR	Baa2/BBB+
Pay-Fixed, Receive Variable Interest Rate Swap	\$93,000	Hedge changes in cash flows on Gas and Fuels 2017 Series D-2 Bonds	04/01/12	05/01/43	Pay 3.9235%; Receive 70% of USD-LIBOR	Aa2/AA-
Pay-Fixed, Receive Variable Interest Rate Swap	\$28,250	Hedge changes in cash flows on Gas and Fuels 2017 Series D-2 Bonds	04/01/12	05/01/41	Pay 3.9315%; Receive 70% of USD-LIBOR	Aa2/AA-

**Credit Risk:** Credit risk is the risk that the counterparty will default on its obligation to make net settlement payments in accordance with the contract. The State is exposed to credit risk to the extent that the contracted receive-variable rates exceed the contracted pay-fixed rate. During the year, receive-variable rates never exceeded the pay-fixed rate. Consequently, the State had no exposure to credit risk during the year.

**Interest Rate Risk:** The State's participation in pay-fixed, receive-variable interest rate swaps exposes the State to interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of a government's financial instruments or a government's cash flows. Fluctuations in interest rates affect the net settlement payments between the counterparties and the fair value of the swaps. Currently, the variable rate of interest the State receives under the swap agreements (70% of 1-month USD-LIBOR) is lower than the fixed rates the State pays (3.692% - 3.9315%). A decline in USD-LIBOR relative to the pay-fixed rates will adversely affect the State. On the other hand, an increase in USD-LIBOR relative to the pay-fixed rates will favorably affect the State.

**Basis Risk:** Basis risk is the risk that arises when variable rates or prices of a hedging derivative instrument and a hedged item are based on different reference rates. The variable rate the State received under the swap agreements and the variable rate paid to bondholders are both based on 1-month USD-LIBOR. Therefore, the State is not exposed to basis risk.

**Termination Risk:** The State or the swap providers may terminate the swap agreements if the other party fails to perform under the terms of the contract. As long as the State continues to perform its obligations on the swap contracts, there is no termination risk arising from the provider actions during the next fiscal period. However, the State is exposed to termination should the State decide to take action regarding the outstanding bonds which would trigger an event of termination on the existing swaps. Also, if at the time of the termination the swap has a negative fair value, the State would be liable to the swap providers for a payment equal to the swap's fair value.



# State of Louisiana

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*Rollover Risk:* Rollover risk is the risk that a hedging derivative instrument associated with a hedgeable item does not extend to the maturity of that hedgeable item. Because the interest rate swaps are coterminous with the hedged debt, the State is not exposed to rollover risk.

*Market access Risk:* Market-access risk is the risk that the State will not be able to enter credit markets or that credit will become more costly, resulting in the objective of derivative instrument not being achieved. The likelihood that the State will not be able to enter credit markets in the future is remote.

*Foreign Currency Risk:* Foreign currency risk is the risk that changes in exchange rates will adversely affect cash flows or fair market values. The interest rate swaps do not expose the State to foreign currency risk.

*Nonperformance Risk:* Nonperformance risk is the risk to each party of a contract that the counterparty will not live up to its contractual obligations.

## **Fiduciary Funds**

LASERS, TRSL, and LSERS held investments in various derivative financial instruments including interest-only strips, principal-only strips, collateralized mortgage obligations, options, forward foreign exchange contracts, futures contracts, and synthetic guaranteed investment contracts (SGIC).

TRSL invests in interest-only strips and principal-only strips which are mortgage-backed securities that involve the separation of the interest and principal components of a security.

TRSL and LASERS invest in collateralized mortgage obligations which are collateralized by mortgages, mortgage pass-through securities, or stripped mortgage-backed securities and can be highly sensitive to interest rate fluctuations. Additionally, TRSL, LSERS, and LASERS invest in forward foreign exchange contracts which are contractual agreements between two parties to pay or receive specific amounts of foreign currency at a future date in exchange for another currency for an agreed upon exchange rate. The systems also invests in futures contracts which are agreements for delayed delivery of securities, currency, commodities, or money market instruments in which the seller agrees to make delivery at a specified future date of a specified instrument, at a specific price or yield. TRSL and LASERS further invests in options on futures allowing the holder and writer of the option the right to exchange futures positions. LASERS also maintains a fully benefit-responsive synthetic guaranteed investment contract option for members of the Optional Retirement Plan and the Self-Directed Plan. The investment objective of the SGIC is to protect members from loss of their original investment and to provide a competitive interest rate. As of June 30, 2018, the contract value of the SGIC contract was \$509.8 million and the fair value of the LASERS Stable Value Fund was \$498.4 million. This resulted in the fair value of the fund being less than the value protected by the wrap contract by \$11.4 million. The counterparty rating for the wrap contract is AA. The wrap represents an unconditional guarantee of compliance/repayment of principal and interest in accordance with the underlying agreement.

The table below provides summary data for the State's outstanding derivative instruments within the fiduciary funds as of June 30, 2018.

# State of Louisiana

## Summary of Investment Derivative Instruments Fiduciary Funds (in thousands)

	Notional	Changes in Fair Value		Fair Value at June 30	
		Classification	Amount	Classification	Amount
Futures Based Overlay Program	\$456,215	Net Appreciation/(Depreciation) in Fair Value of Investments	(\$15,203)	Pending Trades Payable	(\$16,974)
Short Fixed Income & Written Options	\$0	Net Appreciation/(Depreciation) in Fair Value of Investments	(\$145,323)	Pending Trades Payable	(\$408,033)
Forward Foreign Exchange Contracts	\$2,164,385	Net Appreciation/(Depreciation) in Fair Value of Investments	(\$19,705)	Investments	(\$14,438)
Futures Int'l Equity	(\$4,434)	Net Appreciation/(Depreciation) in Fair Value of Investments	(\$8)	International Equity	(\$6)
Futures Fixed Income	\$1,020	Net Appreciation/(Depreciation) in Fair Value of Investments	(\$13)	Domestic Bonds	(\$13)
Swaps Domestic	\$1,647	Net Appreciation/(Depreciation) in Fair Value of Investments	(\$2,333)	Domestic Bonds	(\$2,376)
Swaps International	\$3,324	Net Appreciation/(Depreciation) in Fair Value of Investments	\$2,277	International Bonds	\$2,277

### Risk Disclosures

*Credit Risk:* As of June 30, 2018 TRSL's credit risk had not increased with the use of the overlay strategy because the futures based overlay program uses exchange traded futures contracts.

*Foreign Currency Risk:* As of June 30, 2018 LSER's, LASER's, and TRSL's foreign exchange currency contracts were exposed to foreign currency risk.

The following table illustrates LASER's total exposure to foreign currency risk at June 30, 2018 of (\$47,641,132) by currency denomination:

# State of Louisiana

<b>Currency</b>	<b>Fair Value (U.S Dollars)</b>
	<b>Value</b>
Argentinian Peso	\$2,443,588
Brazilian Real	(2,849,818)
British Pound	(4,976,975)
Canadian Dollar	4,457,491
Chilean Peso	4,011,304
Columbian Peso	(2,992,337)
Czech Koruna	5,186,599
Danish Krone	2,255,485
Euro	(43,180,278)
Ghanaian Cedi	(394,286)
Indonesian Rupiah	(2,752,974)
Japanese Yen	733,391
Mexican Peso	(1,022,809)
New Taiwan Dollar	(4,187)
New Zealand Dollar	(7,793,285)
Nigerian Naira	(57,548)
Peruvian Sol	(1,482,981)
Polish Zloty	1,909,616
Romanian Leu	628,099
Saudi Arabian Riyal	(1,435,874)
Singapore Dollar	1,613,495
South African Rand	718,122
Swedish Krona	(406,439)
Thailand Baht	(1,469,266)
Turkish Lira	(779,265)
Total	<u><u>(\$47,641,132)</u></u>

At June 30, 2018 TRSL's foreign currency risk has been reduced by use of the futures based overlay program. The use of the overlay program reduced the variance of TRSL's actual return to the benchmark return.

# State of Louisiana

## NOTE 3: ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

Balances of receivables and payables have been aggregated for presentation in the accompanying financial statements. The following schedules provide additional detail concerning balances of receivables and payables by category and fund type.

### A. RECEIVABLES

Receivable balances at June 30, 2018, are as follows (expressed in thousands):

	Governmental Funds					
	General Fund	Bond Security & Redemption Fund	Capital Outlay Escrow Fund	Louisiana Education Quality Trust Fund	Nonmajor Governmental Funds	Total Governmental Funds
Applicants & Grantees	\$ 178,029	\$ --	\$ --	\$ --	\$ --	178,029
Corporate Income Tax	--	217,933	--	--	--	217,933
Individual Income Tax	--	505,471	--	--	--	505,471
Sales & Use Tax	--	475,831	--	--	2,059	477,890
Severance Tax	175	84,189	--	--	--	84,364
Tobacco Tax	--	23,872	--	--	--	23,872
Franchise Tax	--	7,101	--	--	--	7,101
Gas & Fuels Tax	--	42,481	--	--	70	42,551
Insurance Premium Tax	--	190,847	--	--	--	190,847
Alcohol Tax	--	6,128	--	--	--	6,128
Occupancy Tax	727	10,558	--	--	--	11,285
Other Taxes	--	6,365	--	--	4,034	10,399
Gaming	--	16,133	--	--	--	16,133
Mineral Settlements, Royalties, Bonuses & Rent	355	20,284	5	--	14	20,658
Interest & Dividends	299	2,316	--	--	100	2,715
Licenses, Permits & Fees	58	59,254	--	--	7,526	66,838
Sale of Commodities & Services	207	9,758	119	--	--	10,084
Unclaimed Property	350	53	--	--	--	403
Gifts, Donations, & Contributions	2	6,827	487	--	--	7,316
Other	269,267	111,152	1,205	3	53	381,680
<b>Receivables (Net)</b>	<b>\$ 449,469</b>	<b>\$ 1,796,553</b>	<b>\$ 1,816</b>	<b>\$ 3</b>	<b>\$ 13,856</b>	<b>\$ 2,261,697</b>
<b>Amounts not expected to be collected within one year</b>	<b>\$ --</b>	<b>\$ 628,902</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 628,902</b>

	Proprietary Funds				Governmental Activities
	Business-Type Activities - Enterprise Funds				
	Unemployment Trust Fund	Louisiana Community & Technical Colleges System	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Employer Contribution (Gross)	\$ 82,445	\$ --	\$ --	\$ 82,445	\$ --
Tuition and Fees (Gross)	--	24,112	73	24,185	--
Other (Gross)	53,373	5,806	7,036	66,215	44,959
Total Receivables	135,818	29,918	7,109	172,845	44,959
Allowance for Uncollectibles	(67,560)	(10,860)	(162)	(78,582)	(18)
<b>Receivables (Net)</b>	<b>68,258</b>	<b>19,058</b>	<b>6,947</b>	<b>94,263</b>	<b>44,941</b>

# State of Louisiana

## B. ACCOUNTS PAYABLE AND ACCRUALS

Accounts payable and accruals at June 30, 2018, are as follows (expressed in thousands):

	<b>Governmental Funds</b>					
	<b>General Fund</b>	<b>Bond Security &amp; Redemption Fund</b>	<b>Capital Outlay Escrow Fund</b>	<b>Louisiana Education Quality Trust Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
Salaries, Wages & Related Benefits	\$ 111,814	\$ --	\$ --	\$ --	\$ --	\$ 111,814
Travel & Training	1,483	--	3	--	--	1,486
Operating Services	50,109	--	5,698	--	65	55,872
Professional Services	109,876	117	53	--	32	110,078
Supplies	23,959	--	--	--	1	23,960
Grants & Public Assistance	85,525	--	--	--	--	85,525
Capital Outlay	35,391	--	206,305	--	--	241,696
Other Charges	1,101,533	--	541	1,044	6,225	1,109,343
<b>Total Accounts Payable</b>	<b>\$ 1,519,690</b>	<b>\$ 117</b>	<b>\$ 212,600</b>	<b>\$ 1,044</b>	<b>\$ 6,323</b>	<b>\$ 1,739,774</b>

	<b>Proprietary Funds</b>				
	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Unemployment Trust Fund</b>	<b>Louisiana Community &amp; Technical Colleges System</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
Salaries, Wages & Related Benefits	\$ --	\$ 21,941	\$ 1,322	\$ 23,263	\$ 3,568
Travel & Training	--	181	13	194	20
Operating Services	--	2,977	1,124	4,101	3,555
Professional Services	--	1,519	356	1,875	5,872
Supplies	--	1,478	2,523	4,001	269
Grants & Public Assistance	--	5,551	761	6,312	--
Capital Outlay	--	3,295	110	3,405	2,248
Other Charges	--	531	1,076	1,607	8,057
<b>Total Accounts Payable</b>	<b>\$ --</b>	<b>\$ 37,473</b>	<b>\$ 7,285</b>	<b>\$ 44,758</b>	<b>\$ 23,589</b>

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## NOTE 4: INTRA-ENTITY TRANSACTIONS

### INTERFUND ACCOUNTS AND TRANSFERS

#### A. RECEIVABLES AND PAYABLES

A summary of interfund receivables and payables at June 30, 2018, is shown below (expressed in thousands):

	Primary Government	
	Due from Other Funds	Due to Other Funds
<b>GOVERNMENTAL FUNDS:</b>		
General Fund	\$ 1,298,692	\$ 280,487
Bond Security & Redemption Fund	161,701	1,182,770
Capital Outlay Escrow Fund	201,258	133,999
Louisiana Education Quality Trust Fund	576	4,121
Nonmajor Governmental Funds	103,111	134,161
Total Governmental Funds	<u>1,765,338</u>	<u>1,735,538</u>
<b>PROPRIETARY FUNDS:</b>		
Unemployment Trust Fund	--	47
Louisiana Community & Technical Colleges System	2,832	378
Nonmajor Enterprise Funds	357	1,402
Internal Service Funds	69	31,231
Total Proprietary Funds	<u>3,258</u>	<u>33,058</u>
<b>GRAND TOTALS</b>	<u>\$ 1,768,596</u>	<u>\$ 1,768,596</u>

#### B. TRANSFERS IN AND OUT

A summary of transfers in and out at June 30, 2018, is shown below (expressed in thousands):

	Primary Government	
	Transfers In	Transfers Out
<b>GOVERNMENTAL FUNDS:</b>		
General Fund	\$ 14,151,008	\$ 447,692
Bond Security & Redemption Fund	52,450	14,219,538
Capital Outlay Escrow Fund	961,909	7,858
Louisiana Education Quality Trust Fund	68,825	22,095
Nonmajor Governmental Funds	729,501	1,397,870
Total Governmental Funds	<u>15,963,693</u>	<u>16,095,053</u>
<b>PROPRIETARY FUNDS:</b>		
Louisiana Community & Technical Colleges System	170,527	--
Nonmajor Enterprise Funds	13,062	52,003
Internal Service Funds	--	226
Total Proprietary Funds	<u>183,589</u>	<u>52,229</u>
<b>GRAND TOTALS</b>	<u>\$ 16,147,282</u>	<u>\$ 16,147,282</u>

#### C. PURPOSE OF INTERFUND BALANCES AND TRANSFERS

Per the Louisiana Constitution of 1974, most state revenues are deposited into the Bond Security and Redemption Fund (BSRF). The BSRF is used to provide for the collection of all money deposited into the State Treasury except federal funds, donations, or other forms of assistance when terms and conditions of the related agreement require otherwise. This process is unique to Louisiana to ensure that all obligations secured by the full faith and credit of the State that are due and payable are met. Each month an amount is allocated from this fund to pay the obligations of the State, including debt principal, interest, premiums, and sinking or reserve funds. All monies remaining in the fund are transferred to the General Fund and various other funds. The BSRF does not retain a fund balance. As a result, there are a large number of transfers from BSRF to the General Fund and to other funds.

# State of Louisiana

As a result of the appropriations process, the General Fund receives a large number of transfers which are used to provide for the operations of the State. As mentioned in the previous paragraph, most revenues first pass through BSRF and are distributed to various funds. Transfers from BSRF to the General Fund include the receipt of general revenues (taxes, licenses, and fees) and agency self-generated fees. In addition, the General Fund receives transfers from various other governmental funds as provided for in the annual appropriations act.

## SIGNIFICANT TRANSACTIONS BETWEEN THE PRIMARY GOVERNMENT AND MAJOR DISCRETELY PRESENTED COMPONENT UNITS

### A. PRIMARY GOVERNMENT SUPPORT PROVIDED TO MAJOR DISCRETELY PRESENTED COMPONENT UNITS

The Legislature appropriates resources of the primary government to support the operations of various entities through the annual appropriations acts. The State also provides support to various entities through capital grants and contributions for projects authorized in annual capital outlay acts. For the fiscal year ended June 30, 2018, state appropriations to support the operations of major discretely presented component units and capital grants and contributions provided by the State for major discretely presented components units were as follows (in thousands):

Major Component Unit:	Support Provided by Primary Government		
	Operating Appropriations	Capital Grants	Total Support
Louisiana State University System	\$ 413,848	\$ 28,508	\$ 442,356
University of Louisiana System	231,508	19,561	251,069
Southern University System	46,118	7,494	53,612
Board of Regents	363,444	--	363,444
Louisiana Stadium & Exposition District	16,281	--	16,281
Total	\$ 1,071,199	\$ 55,563	\$ 1,126,762

### B. LOUISIANA LOTTERY CORPORATION

The Louisiana Lottery Corporation (the Corporation) was created in accordance with LRS 47:9000-9081 and 14:90(C) to support elementary and secondary education in Louisiana. The Corporation is required to pay to the State an amount not less than 35% of the Corporation's gross revenues. The amount of gross revenues less costs that is determined to be surplus to the needs of the Corporation must also be paid to the State. In fiscal year 2018, the State received \$171,955,980 from the Corporation.

### C. PUBLIC HOSPITAL LEASES

Act 3 of the 1997 Regular Session charged the LSU System with the responsibility of operating 10 public hospitals. These hospitals are the primary source of health care services for the indigent population of the State and account for over one million in-patient and out-patient visits each year. In addition, these hospitals are utilized by the LSU Health Sciences Center as teaching hospitals wherein the medical and dental faculty and medical education students provide the necessary medical care to patients. In fiscal years 2013 and 2014, public-private partnerships were executed to remove operational responsibility for these hospitals from the LSU System.

In consideration for allowing the private partners to operate the hospitals, the LSU System will receive lease payments over the life of the agreements. Act 420 of the 2013 Regular Session mandated that all collections of lease payments be deposited with the State Treasury. During fiscal year 2018, LSU deposited \$90,337,803 in hospital lease payments with the State Treasury.

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## NOTE 5: CAPITAL ASSETS

(in thousands)

Governmental Activities:	Capital Assets			Capital Assets
	July 1, 2017	Additions	Deletions	June 30, 2018
Capital assets not being depreciated:				
Land *	\$ 2,264,259	\$ 20,372	\$ 3,015	\$ 2,281,616
Construction in progress *	1,408,874	553,703	541,806	1,420,771
Total capital assets not being depreciated *	<u>3,673,133</u>	<u>574,075</u>	<u>544,821</u>	<u>3,702,387</u>
Other capital assets historical cost:				
Buildings and improvements *	2,592,079	35,024	7,561	2,619,542
Machinery and equipment *	840,788	79,886	47,304	873,370
Infrastructure *	26,972,090	509,283	32,550	27,448,823
Intangible Assets *	106,643	54	--	106,697
Total other capital assets historical cost *	<u>30,511,600</u>	<u>624,247</u>	<u>87,415</u>	<u>31,048,432</u>
Less accumulated depreciation and amortization:				
Buildings and improvements *	1,008,751	68,337	7,561	1,069,527
Machinery and equipment *	731,908	60,233	50,065	742,076
Infrastructure *	17,064,166	482,760	32,550	17,514,376
Intangible Assets *	76,972	9,653	--	86,625
Total accumulated depreciation & amortization *	<u>18,881,797</u>	<u>620,983</u>	<u>90,176</u>	<u>19,412,604</u>
Other capital assets, net of depreciation & amortization *	<u>11,629,803</u>	<u>3,264</u>	<u>(2,761)</u>	<u>11,635,828</u>
Governmental activities capital assets, net *	<u>\$ 15,302,936</u>	<u>\$ 577,339</u>	<u>\$ 542,060</u>	<u>\$ 15,338,215</u>
<b>Business-type Activities:</b>				
Capital assets not being depreciated:				
Land *	\$ 61,167	\$ 249	\$ 43	\$ 61,373
Construction in progress *	114,058	53,335	127,079	40,314
Total capital assets not being depreciated *	<u>175,225</u>	<u>53,584</u>	<u>127,122</u>	<u>101,687</u>
Other capital assets historical cost:				
Buildings and improvements *	684,410	126,010	--	810,420
Machinery and equipment *	170,305	14,046	8,588	175,763
Infrastructure	375,520	302	--	375,822
Intangible Assets *	20,638	576	8	21,206
Total other capital assets historical cost *	<u>1,250,873</u>	<u>140,934</u>	<u>8,596</u>	<u>1,383,211</u>
Less accumulated depreciation and amortization:				
Buildings and improvements *	210,950	20,206	--	231,156
Machinery and equipment *	132,290	11,491	6,586	137,195
Infrastructure	65,454	9,407	--	74,861
Intangible Assets	10,984	2,192	--	13,176
Total accumulated depreciation & amortization *	<u>419,678</u>	<u>43,296</u>	<u>6,586</u>	<u>456,388</u>
Other capital assets, net of depreciation & amortization *	<u>831,195</u>	<u>97,638</u>	<u>2,010</u>	<u>926,823</u>
Business-type activities capital assets, net *	<u>\$ 1,006,420</u>	<u>\$ 151,222</u>	<u>\$ 129,132</u>	<u>\$ 1,028,510</u>

\* Restated beginning balances



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Depreciation and amortization expense was charged to functions as follows (expressed in thousands):

Governmental activities:	
General Government	\$ 28,141
Agriculture & Forestry	1,596
Economic Development	311
Military & Veterans Affairs	26,562
Workforce Support & Training	1,599
Culture, Recreation & Tourism	9,488
Transportation & Development	492,079
Corrections	10,512
Public Safety	21,015
Youth Development	1,814
Health & Welfare	3,759
Conservation & Environment	19,223
Education	4,884
Total governmental activities depreciation and amortization expense	\$ <u>620,983</u>

## NOTE 6: EMPLOYEE BENEFITS – PENSIONS

The State of Louisiana is a participating employer in seven defined benefit plans, each administered by separate public employee retirement systems. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by these public employee retirement systems to the State Legislature.

### Plan Descriptions

Louisiana State Employees' Retirement System (LASERS) administers a cost-sharing defined benefit pension plan to provide retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as defined in LRS 11:411-413. The age and years of creditable service required in order for a member to receive retirement benefits are established by 11:441 and vary depending on the member's hire date, employer and job classification. Eligibility and the computation of retirement benefits are provided for in LRS 11:444.

Louisiana State Police Retirement System (LSPRS) administers a single employer defined benefit pension plan to provide retirement, disability, and survivor benefits to commissioned law enforcement officers of the Office of State Police and the Superintendent of State Police and their beneficiaries as defined in LRS 11:1305. Eligibility for retirement benefits and the computation of retirement benefits are provided for in LRS 11:1307 and 11:1345.4–1345.5.

As of June 30, 2017, the most recent measurement date, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits, and deferred retirement plan participants	1,155
Terminated vested members not yet receiving benefits	182
Current active employees (vested and non-vested)	1,071
	<u>2,408</u>

Teachers' Retirement System of Louisiana (TRSL) is the administrator of a cost-sharing defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in LRS 11:701. Eligibility for retirement benefits is provided for in LRS 11:735, 11:761, 11:768 and 11:802. Calculation of retirement benefits are provided for in LRS 11:735, 11:768 and 11:803.

Louisiana School Employees' Retirement System (LSERS) is the administrator of a cost-sharing defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to school employees as defined in LRS 11:1002. Eligibility for retirement benefits and the computation of retirement benefits are provided for in LRS 11:1141 and 11:1144.

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District Attorneys' Retirement System (DARS) administers a cost-sharing defined benefit pension plan. Pursuant to LRS 11:1582, the plan provides retirement, disability, and survivor benefits to district attorneys, assistant district attorneys, and employees of the Louisiana District Attorneys' Association. Eligibility for retirement benefits and the computation of retirement benefits are provided for in LRS 11:1581 and 11:1632-1633.

Louisiana Clerks' of Court Retirement and Relief Fund (LCCRRF) administers a cost-sharing defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to clerks of court, their deputies and other employees as defined in LRS 11:1503. Eligibility for retirement benefits and the computation of retirement benefits are provided for in LRS 11:1521.

Registrar of Voters Employees' Retirement System (ROVERS) is the administrator of a cost-sharing defined benefit pension plan. In accordance to LRS 11:2032, the plan provides regular retirement, disability, and survivor benefits to registrars of voters in each parish, their deputies, their permanent employees, and eligible beneficiaries. Eligibility for retirement benefits and the computation of retirement benefits are provided for in LRS 11:2071–2072 and 11:2165.3-4.

A brief summary of eligibility and benefits of the plans are provided in the following table:

	<b>LASERS</b>	<b>LSERS</b>	<b>TRSL</b>	<b>LSPRS</b>	<b>DARS</b>	<b>LCCRRF</b>	<b>ROVERS</b>
<b>Final average salary</b>	Highest 36 or 60 months <sup>1</sup>	Highest 36 or 60 months <sup>1</sup>	Highest 36 or 60 months <sup>1</sup>	Highest 36 or 60 months <sup>1</sup>	Highest 36 or 60 months <sup>1</sup>	Highest 36 or 60 months <sup>1</sup>	Highest 36 or 60 months <sup>1</sup>
<b>Years of service required and/or age eligible for benefits</b>	30 years any age 25 years age 55 20 years any age <sup>7</sup> 5-10 years age 60 <sup>3&amp;11</sup>	30 years any age <sup>10</sup> 25 years age 55 20 years any age <sup>7</sup> 5 years age 60 <sup>11</sup>	30 years any age <sup>10</sup> 25 years age 55 20 years any age <sup>7</sup> 5 years age 60 <sup>11</sup>	25 years any age 20 years any age <sup>7</sup> 12 years age 55 <sup>2</sup> 10 years age 50 <sup>13</sup>	30 years any age 24 years age 55 <sup>5</sup> 10 years age 60 <sup>5</sup> 10 years age 62 <sup>12</sup> 18 years age 60 <sup>12</sup> 23 years age 55 <sup>12</sup>	12 years age 55 12 years age 60 <sup>2</sup>	30 years any age <sup>8,9</sup> 20 years age 55 <sup>8,9</sup> 10 years age 60 <sup>8,9</sup>
<b>Benefit percent per years of service</b>	2.5% to 3.5% <sup>6</sup>	2.5% to 3.33% <sup>4</sup>	2% to 3% <sup>4</sup>	3.33%	3% to 3.5% <sup>5</sup>	3% to 3.33% <sup>4</sup>	3% to 3.33% <sup>4</sup>

<sup>1</sup> Employees hired after a certain date use the revised benefit calculation based on the highest 60 months of service

<sup>2</sup> For those hired after 12/31/10

<sup>3</sup> Five to ten years of creditable service at age 60 depending upon the plan or when hired

<sup>4</sup> Benefit percent varies depending upon the plan or when hired

<sup>5</sup> Joined plan after 7/1/90

<sup>6</sup> Members in regular plan 2.5%, hazardous duty plan 3.33%, and judges 3.5%

<sup>7</sup> With actuarial reduced benefits

<sup>8</sup> For those hired prior to 1/1/2013

<sup>9</sup> Hired after 12/31/12; age eligibility is 30 years at 55, 20 years at 60, & 10 yrs. at age 62

<sup>10</sup> For school food service workers hired on or before 6/30/15, eligibility is 30 yrs. at age 55

<sup>11</sup> Hired on or after 7/1/15, age eligibility is 5 years at age 62

<sup>12</sup> For those hired before 7/1/90

<sup>13</sup> For those hired before 12/31/10

## Cost of Living Adjustments

The pension plans in which the State participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis. COLAs may be granted to the state systems, (LASERS, LSPRS, TRSL and LSERS) if approved with a two-thirds vote of both houses of the Legislature, provided the plan meets certain statutory criteria related to funded status and interest earnings.

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Pursuant to LRS 11:242(B), the power of the Board of Trustees of the statewide systems (DARS, LCCRRF, and ROVERS) to grant a COLA is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting the COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. Subject to funded status and interest earnings (and the Consumer Price Index for All Urban Consumers must have increased more than 3% since the last increase for LCCRRF), the Board of Trustees of DARS, LCCRRF, and ROVERS is authorized to grant retired members and surviving beneficiaries of members who have been retired not less than one year for DARS and LCCRRF and at least two years for ROVERS a COLA of 3% (2.5% for LCCRRF) of their original benefit (not to exceed \$60 per month for DARS and \$40 per month for LCCRRF) in accordance with LRS 11:1638, 11:1549, and 11:2073, respectively. In addition to any other COLA, the Board of Trustees of all systems may provide a supplemental COLA to all retirees and beneficiaries who are sixty-five years of age or over of two percent of the benefit being received, in accordance with LRS 11:246(B). In accordance with LRS 11:241, in lieu of other cost of living increases, the Board may grant an increase to retirees in the form of "X times (A + B)" where "A" is equal to the number of years of service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30<sup>th</sup> of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. The effects of the benefit changes made as a result of the COLAs is included in the measurement of the total pension liability as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

## Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. In addition, TRSL, DARS, LCCRRF and ROVERS receive a percentage of ad valorem taxes collected by parishes. These entities are not participating employers in the pension systems and are considered to be nonemployer contributing entities.

Contributions of employees, employers, and non-employer contributing entities effective for the year ended June 30, 2018 for the defined benefit pension plans in which the primary government is a participating employer were as follows (in thousands):

<u>Defined Benefit Pension Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Amount from Nonemployer Contributing Entities*</u>	<u>Amount of State Contributions</u>
LASERS	7.5% - 13.0%	37.8%	--	577,042
LSPRS	8.5% - 9.5%	47.4%	--	47,922
TRSL	5.0% - 9.1%	25.4% - 26.6%	39,550	50,920
LSERS	7.5% - 8.0%	27.6%	--	256
DARS	8.0%	As appropriated	8,534	0
LCCRRF	8.25%	19.0%	10,650	1,497
ROVERS	7.0%	17.0%	2,819	1,757

\* This represents the collective amount of nonemployer contributions by pension system.

## Net Pension Liability

The State's net pension liability at June 30, 2018 is comprised of the entire net pension liability relating to the State's single-employer plan (LSPRS) and the State's proportional share of the net pension liability relating to each of the cost-sharing plans in which the State is a participating employer (LASERS, TRSL, LSERS, DARS, LCCRRF, and ROVERS). The State's net pension liability for each plan was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's proportionate share of the net pension liability for each of the cost-sharing plans in which it participates was based on the State's required contributions in proportion to total required contributions for all employers. As of June 30, 2017, the most recent measurement date, the State's proportion for each cost-sharing plan and the change in proportion from the prior measurement date were as follows (in thousands):

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	<u>LASERS</u>	<u>TRSL</u>	<u>LSERS</u>	<u>DARS</u>	<u>LCCRRF</u>	<u>ROVERS</u>
Proportion (amount) of net pension liability	\$5,639,645	\$445,342	\$1,918	\$12,448	\$12,964	\$16,090
Proportion (%) of net pension liability	80.12%	4.34%	0.30%	46.15%	8.57%	73.30%
Increase/(Decrease) from prior measurement date	.40%	0.18%	0.03%	(.22%)	0.04%	(0.85%)

Since the measurement date of the net pension liability was June 30, 2017, the net pension liability is based upon fiduciary net position for each of the plans as of June 30, 2017. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the State's net pension liability is available in the separately issued plan financial reports for fiscal year 2017. These reports are available as follows:

- LASERS - [https://www.la.la.gov/PublicReports.nsf/97BC27808ED6DC3A862581B50079961B/\\$FILE/000165FE.pdf](https://www.la.la.gov/PublicReports.nsf/97BC27808ED6DC3A862581B50079961B/$FILE/000165FE.pdf)
- LSPRS – [https://www.la.la.gov/PublicReports.nsf/0694B494A934EAB3862581B500799767/\\$FILE/00016601.pdf](https://www.la.la.gov/PublicReports.nsf/0694B494A934EAB3862581B500799767/$FILE/00016601.pdf)
- TRSL - [https://www.la.la.gov/PublicReports.nsf/717ED2BF728CEC07862581B600541E5F/\\$FILE/00016608.pdf](https://www.la.la.gov/PublicReports.nsf/717ED2BF728CEC07862581B600541E5F/$FILE/00016608.pdf)
- LSERS - [https://www.la.la.gov/PublicReports.nsf/FEC4B06753453691862581AF005A730B/\\$FILE/0001656A.pdf](https://www.la.la.gov/PublicReports.nsf/FEC4B06753453691862581AF005A730B/$FILE/0001656A.pdf)
- DARS - [https://www.la.la.gov/PublicReports.nsf/51548016585541E78625821200536660/\\$FILE/0001718E.pdf](https://www.la.la.gov/PublicReports.nsf/51548016585541E78625821200536660/$FILE/0001718E.pdf)
- LCCRRF - [https://www.la.la.gov/PublicReports.nsf/AF631C741F40DBCA862581FC00630F55/\\$FILE/00016E2D.pdf](https://www.la.la.gov/PublicReports.nsf/AF631C741F40DBCA862581FC00630F55/$FILE/00016E2D.pdf)
- ROVERS - [https://www.la.la.gov/PublicReports.nsf/9C34BAE3060396888625821200536714/\\$FILE/0001718D.pdf](https://www.la.la.gov/PublicReports.nsf/9C34BAE3060396888625821200536714/$FILE/0001718D.pdf)

The following table presents the changes in the State's net pension liability for the year ended June 30, 2018 (in thousands):

	<u>LASERS</u>	<u>LSPRS</u>	<u>TRSL</u>	<u>LSERS</u>	<u>DARS</u>	<u>LCCRRF</u>	<u>ROVERS</u>	<u>Total</u>
<b>Total pension liability:</b>								
Service cost	\$ 175,848	\$ 22,006	\$ 20,269	\$ 147	\$ 5,594	\$ 1,219	\$ 2,281	\$ 227,364
Interest	1,126,376	70,440	96,566	529	12,671	4,266	5,599	1,316,447
Changes in State's proportionate share	31,215	--	21,257	204	(43)	66	(241)	52,458
Differences between expected and actual experience	(111,456)	6,703	(9,696)	(66)	(829)	339	(2,667)	(117,672)
Changes in assumptions	33,420	214	5,870	60	5,215		1,932	46,711
Benefit payments	(1,021,123)	(43,543)	(91,713)	(549)	(8,949)	(3,360)	(4,545)	(1,173,782)
<b>Net change in total pension liability</b>	<b>234,280</b>	<b>55,820</b>	<b>42,553</b>	<b>325</b>	<b>13,659</b>	<b>2,530</b>	<b>2,359</b>	<b>351,526</b>
<b>Total pension liability - beginning</b>	<b>14,668,409</b>	<b>1,006,626</b>	<b>1,240,857</b>	<b>6,883</b>	<b>185,940</b>	<b>59,816</b>	<b>79,508</b>	<b>17,248,039</b>
<b>Total pension liability - ending</b>	<b>\$ 14,902,689</b>	<b>\$ 1,062,446</b>	<b>\$ 1,283,410</b>	<b>\$ 7,208</b>	<b>\$ 199,599</b>	<b>\$ 62,346</b>	<b>\$ 81,867</b>	<b>\$ 17,599,565</b>
<b>Plan fiduciary net position :</b>								
Contributions - employer	\$ 541,290	\$ 48,556	\$ 48,752	\$ 236	\$ 2,245	\$ 1,469	\$ 2,019	\$ 644,567
Contributions - employee	120,128	7,184	14,272	65	--	583	647	142,879
Contributions - nonemployer contributing entities	--	--	1,684	--	3,793	917	2,073	8,467
Net investment income	1,218,334	98,946	113,475	717	13,028	5,807	7,331	1,457,638
Benefit payments	(1,021,123)	(43,543)	(91,713)	(549)	(8,949)	(3,360)	(4,545)	(1,173,782)
Other	(3,595)	1,006	(661)	(5)	(28)	(64)	(216)	(3,563)
<b>Net change in fiduciary net position</b>	<b>855,034</b>	<b>112,149</b>	<b>85,809</b>	<b>464</b>	<b>10,089</b>	<b>5,352</b>	<b>7,309</b>	<b>1,076,206</b>
<b>Plan fiduciary net position - beginning</b>	<b>8,408,010</b>	<b>670,423</b>	<b>752,259</b>	<b>4,826</b>	<b>177,062</b>	<b>44,030</b>	<b>58,468</b>	<b>10,115,078</b>
<b>Plan fiduciary net position - ending</b>	<b>\$ 9,263,044</b>	<b>\$ 782,572</b>	<b>\$ 838,068</b>	<b>\$ 5,290</b>	<b>\$ 187,151</b>	<b>\$ 49,382</b>	<b>\$ 65,777</b>	<b>\$ 11,191,284</b>
<b>State's net pension liability</b>	<b>\$ 5,639,645</b>	<b>\$ 279,874</b>	<b>\$ 445,342</b>	<b>\$ 1,918</b>	<b>\$ 12,448</b>	<b>\$ 12,964</b>	<b>\$ 16,090</b>	<b>\$ 6,408,281</b>

## Actuarial Assumptions

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for each of the defined benefit plans in which the primary government is a participating employer:

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	<u>LASERS</u>	<u>LSPRS</u>	<u>TRSL</u>	<u>LSERS</u>	<u>DARS</u>	<u>LCCRRF</u>	<u>ROVERS</u>
Date of the experience study on which significant assumptions are based	2009 - 2013	2008 - 2012	2008 - 2012	2008 - 2012	7/1/09 - 6/30/14	7/1/09 - 6/30/14	7/1/09 - 6/30/14
Projected salary increases	2.8% - 14.3%	4% - 16.5%	3.5% - 10.0%	3.075% - 5.375%	5.5%	5.0%	6.0%
Inflation rate	2.75%	2.50%	2.5%	2.625%	2.5%	2.50%	2.50%
Projected benefit changes including COLAs	None	None	None	None	None	None	None
Source of mortality assumptions	(1) & (2)	(3) & (4)	(5) & (2)	(8) & (6)	(9) & (10)	(7)(10) & (11)	(7)(10) & (11)

- (1) RP-2000 Combined Healthy Table with mortality improvements projected through 2015 using Scale AA  
(2) RP-2000 Disability Table with no projection of mortality improvement for disabled annuitants  
(3) RP-2000 Sex Distinct Mortality Table with mortality improvements projected to 2025  
(4) RP-2000 Disabled Lives Mortality Tables for Males and Females  
(5) RP-2000 Mortality Table with mortality improvement projected through 2025 using Scale AA  
(6) RP-2000 Combined Healthy Sex Distinct Mortality Tables  
(7) RP-2000 Employee Table set back 4 years for males and 3 years for females  
(8) RP-2000 Disabled Lives Mortality Tables for Males and Females  
(9) RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables projected to 2032 (Female Table set back 1 year)  
(10) RP-2000 Disabled Lives Mortality Tables set back 5 years for males and 3 years for females  
(11) RP-2000 Healthy Annuitant Table set forward 1 year for males and projected to 2030 for males and females

## Discount Rate

The discount rate used to measure the State's total pension liability for each plan and the significant assumptions used in the determination of the discount rate for each plan are included below:

	<u>LASERS</u>	<u>LSPRS</u>	<u>TRSL</u>	<u>LSERS</u>	<u>DARS</u>	<u>LCCRRF</u>	<u>ROVERS</u>
Discount Rate	7.70%	7.0%	7.70%	7.125%	6.75%	7.00%	6.75%
Change in Discount Rate from Prior Valuation	(.05%)	--	(.05%)	--	(.25%)	--	(.25%)
*Plan Cash Flow Assumption	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Rates Incorporated in the Discount Rate:							
Long-term Rate of Return	7.70%	7.0%	7.70%	7.125%	6.75%	7.00%	6.75%
Period Applied	All periods	All periods	All periods	All periods	All periods	All periods	All periods
Municipal Bond Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (in thousands):

Net Pension Liability	\$5,639,645	\$279,874	\$445,342	\$1,918	\$12,448	\$12,964	\$16,090
Net Pension Liability Assuming a Decrease of 1% in the Discount Rate	\$7,079,935	\$407,914	\$573,833	\$2,629	\$35,572	\$19,839	\$24,594
Net Pension Liability/ (Asset) Assuming an Increase of 1% in the Discount Rate	\$4,415,057	\$173,109	\$336,038	\$1,307	\$(7,202)	\$7,125	\$8,772

\*Plan Cash Flow Assumption:

- 1) Plan member contributions will be made at the current contributions rates and sponsor contributions will be made at the actuarially determined rates.

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The discount rates used to measure the total pension liabilities for the defined benefit pension plans administered by each system is equal to the long-term expected rate of return (disclosed in the table above) on pension plan investments that are expected to be used to finance the payment of benefits. For LASERS, TRSL, DARS, LCCRRF and ROVERS the long-term expected rate of return for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. For LSPRS the rate was developed from a combination of the plan's investment consultant's capital market assumptions and those from other consultants participating in the Horizon Actuarial Consultants "Survey of Capital Market Assumptions" considering a) the long-term economic forecast for inflation is projected to be 2.5% and b) investment management expenses adjust the gross rate by 25 basis points and are considered an offset in the development of the discount rate." For LSERS the rate was determined using a triangulation method which integrated the Capital Asset Pricing Model (CAPM), a treasury yield curve approach, and an equity building block model. Risk return and correlations were projected on a forward-looking basis in equilibrium in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of arithmetic/geometric real rates of return for each major asset class are summarized for each plan in the following table:

Asset Class	LASERS**		LSPRS**		TRSL*	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Cash	--	-.24%	2.50%	-.30%		
Domestic Equity	25%	4.31%	40.0%	5.10%	27.0%	4.28%
Developed International Equity	32%	5.35%	12.5%	7.0%	19.0%	4.96%
Fixed Income						
Domestic Fixed Income	8%	1.73%	17.0%	1.7%	13.0%	1.98%
International Fixed Income	6%	2.49%	3.0%	1.2%	5.5%	2.75%
Equity Investments	--	--	--	--	--	--
Emerging Market Equity Investments	--	--	7.5%	6.4%	--	--
Alternative Investments	22%	7.41%	17.5%	5.53%	35.5%	7.07%
Global Tactical Asset Allocation	7%	2.84%				
Real Assets	--	--	--	--	--	--
Total	100%		100%		100%	

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Asset Class	LSERS*		DARS*		LCCRRF**		ROVERS*	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Cash	--	--	.48%	.50%	--	--	--	--
Domestic Equity	20.0%	6.44%	--	--	28.0%	5.19%	40.0%	3.00%
Developed International Equity	21.0%	7.16%	--	--	20.5%	5.25%	15.0%	1.28%
Fixed Income	30.0%	2.84%	28.95%	6.84%	20.0%	2.125%	--	--
Domestic Fixed Income	--	--	--	--	--	--	20.0%	.50%
International Fixed Income	--	--	--	--	--	--	10.0%	.35%
Equity Investments	--	--	61.72%	11.31%	--	--	--	--
Emerging Market Equity Investments	10.0%	9.42%	--	--	6.5%	7.25%	--	--
Alternative Investments	13.0%	6.82%	8.85%	10.50%	15.0%	4.33%	5.0%	.31%
Real Assets	6.0%	7.49%	--	--	10.0%	4.5%	10.0%	.45%
Total	<u>100%</u>		<u>100%</u>		<u>100%</u>		<u>100%</u>	

\* Arithmetic real rates of return

\*\* Geometric real rates of return

## Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2018 the State recognized \$651,081 (in thousands) in pension expense related to all defined benefit plans in which it participates. TRSL, DARS, LCCRRF and ROVERS recognized revenues in the amount of \$8,467 (in thousands) in ad valorem taxes collected from non-employee contributing entities. At June 30, 2018 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience in the measurement of the total pension liability	\$53,811	\$124,768
Changes in assumptions or other inputs	\$34,851	\$2,019
Net difference between projected and actual earnings on pension plan investments	\$190,339	19,446
Changes in proportion and differences between State contributions and proportionate share of contributions (cost-sharing plans only)	\$235,767	\$208,646
Employer contributions to the pension plans subsequent to the measurement date of the net pension liability	\$679,394	--
Total	<u>\$1,194,162</u>	<u>\$354,879</u>

The \$679,394 (in thousands) of deferred outflows of resources resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows (in thousands):

Year ended June 30:	<u>Net Amount Recognized in Pension Expense</u>
2019	\$(6,034)
2020	\$211,637
2021	\$87,559
2022	\$(133,553)
2023	\$(22)
Thereafter	\$302

## NOTE 6A: EMPLOYEE BENEFITS - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

### A. STATE OF LOUISIANA POST-RETIREMENT BENEFIT PLAN

#### Plan Description

The Office of Group Benefits (OGB) administers the State of Louisiana Post-Retirement Benefit Plan — a multiple-employer defined benefit other post-employment benefit plan. There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75.

The plan provides medical, prescription drug and life insurance benefits to retirees, disabled retirees, and their eligible beneficiaries through premium subsidies. Current employees who participate in an OGB health plan while active are eligible for plan benefits if they are enrolled in the OGB health plan immediately before the date of retirement and retire under one of the state retirement systems (LASERS, LSPRS, TRSL, or LSERS) or they retire from a participating employer that meets the qualifications in the Louisiana Administrative Code 32:3.303.

Louisiana Revised Statute 42:801-883 assigns the authority to establish and amend the benefit provisions of the plan to the state legislature. LRS 42:802, 42:821, and 42:851 provides the authority under which the obligations of the plan members, employers, and other contributing entities that contribute to the plan are established or may be amended.



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A summary of members participating in the plan at June 30, 2018 is as follows:

	<u>Plan Membership</u>
Retirees and beneficiaries currently receiving benefit payments	45,536
Active plan members	46,205
Total	<u>91,741</u>

OGB offers retirees four self-insured healthcare plans and one fully insured plan. Retired employees who have Medicare Part A and Part B coverage also have access to four fully insured Medicare Advantage plans, which include three Vantage HMO plans and one Peoples Health HMO.

Employer contributions are based on plan premiums and the employer contribution percentage. This percentage is based on the date of participation in an OGB plan (before or after January 1, 2002) and employee years of service at retirement. Employees who begin participation or rejoin the plan before January 1, 2002 pay approximately 25% of the cost of coverage (except single retirees under age 65 who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer is based on the following schedule:

<u>OGB Participation</u>	<u>Employer Contribution Percentage</u>	<u>Retiree Contribution Percentage</u>
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retirees and spouses of retirees subject to maximum values. Employers pay approximately 50% of monthly premiums for individual retirees. The retiree is responsible for 100% of the premium for dependents.

The plan does not issue a stand-alone financial report.

## Funding Policy

The plan is funded on a "pay-as-you-go basis" under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

## Total OPEB Liability

The total OPEB liability of the OGB Plan of \$8,638,989,403 was measured as of July 1, 2017, and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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Inflation	2.80 percent
Salary increases	Consistent with the pension valuation assumptions.
Discount rate	3.13 percent based on the June 30, 2017 S&P 20-year municipal bond index rate
Healthcare cost trend rates	<p><b>Post-Medicare:</b> 5.5 percent for 2018 - 2020, thereafter decreasing 0.25 percent per year through 2024, to an ultimate rate of 4.5 percent for 2024 and later years</p> <p><b>Pre-Medicare:</b> 7% grading down by .25% each year, beginning in 2020-2021, to an ultimate rate of 4.5% in 2029</p>
Retirees' share of benefit-related costs	Expected per capita costs based on medical and prescription drug claims for retired participants for the period January 1, 2016 through December 31, 2017. Claims experience was trended to the valuation date.
Actuarial cost method	Entry Age Normal, level percentage of pay
Estimated Remaining Service Lives	4.48

For healthy lives the RP-2014 Combined Healthy Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2017 was used. For existing disabled lives, the RP-2014 Disabled Retiree Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2017 was used.

The actuarial assumptions used by the pension plans covering the same participants were used for the retirement, termination, disability, and salary scale assumptions.

## Changes in the Total OPEB Liability of OGB Benefit Plan:

TOTAL OPEB LIABILITY	Primary Government	Component Units
<b>Balance at 6/30/17, restated</b>	\$ 6,626,454,373	\$ 2,392,451,145
<b>Changes for the year:</b>		
Service cost	\$ 179,829,873	\$ 64,926,756
Interest	181,639,942	65,580,273
Differences in expected and actual benefit payments	(2,363,465)	2,866,612
Differences between expected and actual experience	--	--
Changes in assumptions or other inputs	(431,802,792)	(155,900,429)
Benefit payments	(206,439,069)	(78,253,816)
<b>Net changes</b>	<u>(279,135,511)</u>	<u>(100,780,604)</u>
<b>Balance at 6/30/18</b>	\$ <u>6,347,318,862</u>	\$ <u>2,291,670,541</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.71 percent in 2016 to 3.13 percent in 2017.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the OGB Plan, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current discount rate:

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Total OPEB Liability OGB Plan	1% Decrease	Discount Rate (3.13%)	1% Increase
Primary Government	\$7,453,028,961	\$6,347,318,862	\$5,475,032,197
Component Units	\$2,690,882,132	\$2,291,670,541	\$1,976,735,417

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the OGB Plan, as well as what the total OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower (6 percent decreasing to 3.5 percent) or 1-percentage-point higher (8 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

Total OPEB Liability OGB Plan	1% Decrease	Healthcare Cost Trend Rates (7% decreasing to 4.5%)	1% Increase
Primary Government	\$5,470,744,302	\$6,347,318,862	\$7,470,411,478
Component Units	\$1,975,187,292	\$2,291,670,541	\$2,697,158,011

## B. LSU HEALTH PLAN

### Plan Description

The Louisiana State University System (LSU System), a discretely presented component unit of the State, offers its eligible employees, retirees, and their beneficiaries the opportunity to participate in one of two OPEB plans affording healthcare and life insurance. One offering is the State of Louisiana Post-Retirement Benefit Plan, which has already been discussed in this note, and the other is the LSU Health Plan (the Plan). The Plan is also offered to members of the State House of Representatives and the State Senate, its officers and staff, and the Legislative Budgetary Control Council which are primary government entities. Therefore, some participants of the Plan are currently employees of the primary government. Participation by primary government employees is limited and not material. Since participation in the Plan is only available to the primary government and its component units, the plan is identified as a single-employer defined benefit healthcare plan. There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75.

Benefit provisions are established or may be amended under the authority of LRS 42:851.

A summary of members participating in the plan at June 30, 2018 is as follows:

Retirees and beneficiaries currently receiving benefit payments	3,138
Active plan members	7,196
Total	10,334

Employer contributions are based on plan premiums and the employer contribution percentage. This percentage is based on the date of participation in an OGB plan (before or after January 1, 2002) and employee years of service at retirement. Employees who begin participation or rejoin the plan before January 1, 2002 pay approximately 25% of the cost of coverage (except single retirees under age 65 who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer is based on the following schedule:

<u>Health Plan Participation</u>	<u>Employer Contribution Percentage</u>	<u>Retiree Contribution Percentage</u>
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

The Plan does not issue a stand-alone financial report.

# State of Louisiana

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## Funding Policy

The plan is financed on a pay-as-you-go basis under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due. The pay-as-you-go expense is the net expected cost of providing retiree benefits. This expense includes all expected claims and related expenses and is offset by retiree contributions.

## Total OPEB Liability

The total OPEB liability of the LSU Plan of \$975,667,502 was measured as of June 30, 2018, and was determined by an actuarial valuation as of January 1, 2018. Update procedures were used to roll forward the total pension liability to the measurement date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.8 percent
Salary increases	2.0 percent, average, including inflation
Discount rate	3.9 percent
The discount rate was based on Bond Buyer 20-Bond GO Index.	
Healthcare cost trend rates	<b>Post-Medicare:</b> 5.5 percent for 2018, thereafter decreasing 0.5 percent per year through 2020, to an ultimate rate of 4.5 percent for 2020 and later years <b>Pre-Medicare:</b> 6.5 percent for 2018, thereafter decreasing 0.5 percent per year through 2022, to an ultimate rate of 4.5 percent for 2022 and later years
Mortality Rates	<b>Non-Disabled Lives:</b> RP-2014 trended back to 2006 using scale MP-14 and projected generationally using scale MP_17, applied on a gender-specific basis <b>Disabled Lives:</b> RP-2014 Disabled Retiree Generational Table trended back to 2006 and scaled forward using scale MP-18, applied on a gender specific basis
Actuarial cost method	Entry Age Normal, level percentage of pay
Estimated Remaining Service Lives	6.7

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period January 1, 2016 – December 31, 2017.

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## Changes in the Total OPEB Liability of the LSU Plan:

	<b>Primary Government</b>	<b>Component Units</b>
<b>Balance at 6/30/17, restated</b>	\$ 84,553,805	\$ 924,767,450
<b>Changes for the year:</b>		
Service cost	\$ 2,921,730	\$ 18,585,439
Interest	3,475,837	36,403,454
Changes of benefit terms	(1,886,135)	(18,075,141)
Differences between expected and actual experience	--	--
Changes in assumptions or other inputs	(5,392,291)	(53,121,346)
Benefit payments	(946,348)	(15,618,952)
<b>Net changes</b>	(1,827,207)	(31,826,546)
<b>Balance at 6/30/18</b>	\$ 82,726,598	\$ 892,940,904

Changes of assumptions and other inputs primarily reflect a change in the discount rate from 3.58 percent in 2017 to 3.90 percent in 2018.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the LSU Plan, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

<b>Total OPEB Liability LSU Plan</b>	<b>1% Decrease</b>	<b>Discount Rate (3.9%)</b>	<b>1% Increase</b>
Primary Government	\$100,403,215	\$82,726,598	\$69,159,822
Component Units	\$1,083,740,179	\$892,940,904	\$746,502,761

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the LSU Plan, as well as what the total OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

<b>Total OPEB Liability LSU Plan</b>	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates (6.5% decreasing to 4.5%)</b>	<b>1% Increase</b>
Primary Government	\$69,461,418	\$82,726,598	\$99,601,529
Component Units	\$749,758,162	\$892,940,904	\$1,075,086,870

## C. OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2018 the State recognized total OPEB expense of \$268,264,260 and \$125,332,338 for the primary government and component units, respectively. Deferred outflows of resources for employer benefit payments made subsequent to the measurement date in the OGB plan for \$283,428,259 will be recognized as a reduction of total OPEB liability during the year ending June 30, 2019. At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

# State of Louisiana

	<u>Primary Government</u>	<u>Component Units</u>
<b>Deferred Outflows of Resources</b>		
Differences between benefit payments allocated by the proportionate share and actual benefit payments	\$19,964,130	\$8,048,401
Employer OPEB benefit payments made subsequent to the measurement date of the total OPEB liability	<u>203,448,046</u>	<u>79,980,213</u>
Total	<u>\$223,412,176</u>	<u>\$88,028,614</u>
<b>Deferred Inflows of Resources</b>		
Differences between benefit payments allocated by the proportionate share and actual benefit payments	\$ (21,800,036)	\$ (5,435,009)
Changes of assumptions or other inputs	<u>(340,005,656)</u>	<u>(166,293,463)</u>
Total	<u>\$(361,805,692)</u>	<u>\$(171,728,472)</u>

Amounts reported by the State as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	<u>Net Amount Recognized in OPEB Expense</u>	
	<u>Primary Government</u>	<u>Component Units</u>
2019	\$(97,716,986)	\$(42,088,433)
2020	\$(97,716,986)	\$(42,088,433)
2021	\$(97,716,986)	\$(42,088,433)
2022	\$(47,322,689)	\$(24,325,585)
2023	\$ (804,875)	\$ (7,929,109)
Thereafter	\$ (563,040)	\$ (5,160,078)

## NOTE 7: LEASES

### A. LEASE AGREEMENTS

The State of Louisiana has entered into numerous operating and capital lease agreements for equipment, land, and buildings. Most leases contain non-appropriation exculpatory clauses that allow lease cancellation if the Louisiana Legislature does not make an appropriation for their continuation during any future fiscal period. Because legislative appropriation is reasonably assured, all leases contracted by the state are included in the schedules below.

### B. OPERATING LEASES

Operating lease payments are recorded as expenses in the accompanying financial statements. Operating lease expenses for the primary government totaled (expressed in thousands) \$57,689 for the fiscal year ended June 30, 2018. Commitments of the primary government under operating lease agreements for equipment, land, and buildings provide for future annual rental payments as follows (expressed in thousands):

Fiscal Year	Buildings/ Office Space	Equipment	Land	Total
2019	\$ 43,575	\$ 3,674	\$ 84	\$ 47,333
2020	25,601	2,143	81	27,825
2021	20,684	2,133	79	22,896
2022	17,161	1,804	43	19,008
2023	14,097	1,658	1	15,756
2024-2028	47,240	8,163	5	55,408
2029-2033	36,937	8,278	2	45,217
2034-2038	33,560	7,466	2	41,028
2039-2043	33,561	7,515	2	41,078
Total	<u>\$ 272,416</u>	<u>\$ 42,834</u>	<u>\$ 299</u>	<u>\$ 315,549</u>

### C. CAPITAL LEASES AND INSTALLMENT PURCHASE AGREEMENTS

Capital lease obligations are payable from resources of the governmental and proprietary funds. The following is a schedule of future minimum payments remaining under contracts in existence at June 30, 2018 (expressed in thousands):

Fiscal Year	Governmental Activities	Business-Type Activities
2019	\$ --	\$ 192
2020	--	281
2021	--	285
2022	--	284
2023	--	281
2024-2028	--	1,402
2029-2033	--	559
Subtotal	--	3,284
Less interest and executory costs	--	719
Present value of minimum lease Payments	<u>\$ --</u>	<u>\$ 2,565</u>

The gross amount of the leased assets at June 30, 2018 (expressed in thousands) for business-type activities is \$4,395 for buildings and office space.

# State of Louisiana

Total capital leases by asset classes include the following (expressed in thousands):

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Buildings/Office Space	\$ --	\$ 3,284
Equipment	--	--
Land	--	--
Other	--	--
Total Capital Leases	<u>\$ --</u>	<u>\$ 3,284</u>

## D. LESSOR LEASES

Various property and facilities are leased to outside parties including port authorities, levee districts, universities, and various other entities. The lease revenues (expressed in thousands) were \$1,586 for the primary government and \$5,581 for business-type activities for the fiscal year ending June 30, 2018.

The value of the property carried on the financial reports for the entities included below (expressed in thousands) is \$533 for land, \$35,390 for buildings and office space and \$6 for equipment. Accumulated depreciation on the buildings and equipment totaled \$16,729.

### OPERATING LEASES

The following is a schedule by years of minimum future rentals on operating leases as of June 30, 2018 (expressed in thousands):

<u>Fiscal Year</u>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
2019	\$ 1,589	\$ 4,958
2020	120	3,254
2021	120	3,160
2022	120	3,241
2023	120	3,211
2024-2028	581	9,319
2029-2033	567	240
2034-2038	567	240
2039-2043	567	240
Total	<u>\$ 4,351</u>	<u>\$ 27,863</u>

## NOTE 8: LONG-TERM OBLIGATIONS

### A. DEBT AUTHORIZATION AND LIMITATIONS

The Louisiana Constitution of 1974 provides that the State shall have no power, directly or indirectly, through any board, agency, commission, or otherwise, to incur debt or issue bonds except by law enacted by two-thirds of the elected members of each house of the Legislature. LRS 39:1365(25) limits the legislative authorization of general obligation bonds and other general obligations secured by the full faith and credit of the State by prohibiting total authorized bonds from exceeding an amount equal to two times the average annual revenues of the Bond Security and Redemption Fund for the last three fiscal years prior to such authorization. The bond authorization limitation is \$27,482,964,000. The total general obligation bonds authorized are \$3,413,625,000 at June 30, 2018, or 12.42% of the bond authorization limit.



LRS 39:1402(D) limits issuance by the Louisiana State Bond Commission of general obligation bonds or other general obligations secured by the full faith and credit of the State. The highest annual debt service requirement for the current or any subsequent fiscal years for general obligation debt, including the debt service on any bonds or other obligations that are proposed to be sold by the Louisiana State Bond Commission, may not exceed 10% of the average annual revenues of the Bond Security and Redemption Fund for the last three fiscal years completed prior to the issuance being proposed. The general obligation debt issuance limitation is \$1,374,148,000. At June 30, 2018, the highest current or future annual general obligation debt service requirement is \$368,626,000, which represents 26.83% of the debt issuance limitation.

LRS 39:1367, enacted pursuant to a constitutional amendment, prohibits the issuance of net state tax-supported debt if the amount which is to be expended for servicing such outstanding debt exceeds 6% of the estimate of money to be received by the state general fund and dedicated funds for each respective fiscal year as contained in the official forecast adopted by the Revenue Estimating Conference at its first meeting after the beginning of each fiscal year.

Debt service included in the net state tax-supported debt limitation provided in LRS 39:1367 differs from the debt service expenditures reported in the accompanying financial statements. These differences are as follows:

- The State has entered into various cooperative endeavor agreements with various issuing governments whereby the State requests the Legislature to appropriate funds sufficient to pay the annual debt service requirements of the issuers' bonds. The Legislature is not obligated to appropriate these funds and there is no recourse to the State in the event of non-appropriation. Since the State is not the issuer of the bonds and has the discretion to avoid the expenditure of State resources through non-appropriation, these bonds are not reported as liabilities in the accompanying financial statements. Payments for principal and interest made pursuant to the annual appropriations act for these bonds are reported as grant expenditures rather than debt service expenditures in the accompanying financial statements. Total payments on these bonds during fiscal year 2018 totaled \$36,829,538.
- On July 12, 2006, in response to the need to assist local political subdivisions as the result of Hurricanes Katrina and Rita, the State Bond Commission, on behalf of the State of Louisiana, issued General Obligation Gulf Tax Credit Bonds, Series 2006A and General Obligation Match Bonds, Series 2006B in the amounts of \$200 million and \$194.475 million, respectively, for the purpose of providing loans to assist in the payment of debt service on certain bonds, notes, certificates of indebtedness or other written obligations of local political subdivisions of the State and to pay debt service on general obligation bonds of the State, under a debt payment assistance program authorized by the Gulf Opportunity Zone Act of 2005 and by Act 41 of the 2006 First Extraordinary Session of the Legislature. The bonds have been subsequently refunded several times. The debt service on these bonds are excluded from the net state tax-supported debt calculation. Debt service expenditures during fiscal year 2018 for these bonds were \$54,389,462.
- In fiscal year 2001 the State, through the Tobacco Settlement Financing Corporation, issued bonds to access future tobacco settlement revenues received pursuant to the Master Settlement Agreement. While the bonds and related debt service expenditures are included in the accompanying financial statements, the bonds are not considered net state tax-supported debt. Debt service expenditures during fiscal year 2018 for these bonds were \$95,325,363.

The maximum amount of net State tax-supported debt allowed by statute for fiscal year 2017-2018 was \$726,612,000. During the fiscal year 2017-2018, the total net State tax-supported debt paid was \$659,078,124 or 5.44% of the estimated General Fund and dedicated funds' revenues established by the Revenue Estimating Conference.

## **B. AUTHORIZED BUT UNISSUED DEBT**

The Omnibus Bond Authorization Act of 2018 provides for the repeal of all acts authorizing the issuance of general obligation bonds, except for any act authorizing issuance of refunding bonds and Act 41 of the 2006 First Extraordinary Session. Act 41 authorized the sale of bonds to provide relief to political subdivisions of the state affected by natural catastrophes. The Omnibus Bond Authorization Act requires the legislature to annually repeal the issuance of general obligation bond authorizations for projects that are no longer found feasible or desirable, to reauthorize general obligation bonds for projects deemed to be essential, and to authorize new projects. As a result, there were no authorized but unissued general obligation bonds outstanding at June 30, 2018.

## **C. PURPOSE AND RETIREMENT OF GENERAL OBLIGATION BONDS**

General obligation bonds are authorized and issued primarily to provide funds for constructing and improving various facilities including ports, university facilities, public schools, parks, bridges, roads, and charity hospitals. General obligation bonds are backed by the full faith, credit, and taxing power of the State.

# State of Louisiana

## D. LONG-TERM OBLIGATIONS OUTSTANDING AT JUNE 30, 2018

Long-term obligations outstanding at June 30, 2018, principal only, are as follows (expressed in thousands):

Long-Term Obligations	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Interest Rates
<b><u>GOVERNMENTAL ACTIVITIES:</u></b>						
<b>General obligation bonds payable</b>	\$ 3,565,590	\$ 300,090	\$ 259,400	\$ 3,606,280	\$ 265,950	1.087 - 5.00%
<b>Other bonds payable by Agency:</b>						
Louisiana Correctional Facilities Corporation	10,596	--	2,506	8,090	2,562	2.88 - 5.00%
Department of Corrections	22,975	--	1,781	21,194	1,824	4.62 - 4.87%
Office Facilities Corporation	100,760	--	23,320	77,440	24,460	2.50 - 5.00%
Public Safety LPFA	23,555	14,485	23,555	14,485	4,365	4.00%
Tobacco Settlement Financing Corporation	527,430	--	67,880	459,550	26,575	5.00 - 5.50%
State Highway Improvement	256,285	--	10,210	246,075	10,695	4.00 - 5.00%
Unclaimed Property Special Revenue Fund	175,520	--	6,315	169,205	6,585	1.00 - 5.00%
Transportation Infrastructure Model for Economic Development	2,609,230	582,470	628,470	2,563,230	29,985	variable
<b>Total other bonds payable</b>	\$ 3,726,351	\$ 596,955	\$ 764,037	\$ 3,559,269	\$ 107,051	
Add/Subtract unamortized amounts:						
Unamortized Premiums	647,035	98,954	85,157	660,832	53,381	
<b>Total bonded debt</b>	\$ 7,938,976	\$ 995,999	\$ 1,108,594	\$ 7,826,381	\$ 426,382	
<b>Other liabilities:</b>						
Compensated absences	\$ 198,732	\$ 79,181	\$ 82,938	\$ 194,975	\$ 15,429	
Notes payable *	5,247	10,989	2,618	13,618	4,595	
Contracts payable	5,611	3,096	--	8,707	8,707	
Pollution remediation obligations *	19,125	14,302	8,484	24,943	11,419	
Estimated liability for claims	2,041,168	1,360,779	1,284,302	2,117,645	297,672	
Estimated liability for construction contracts *	1,459,310	69,812	--	1,529,122	--	
Other long-term liabilities *	120,305	18,949	6,499	132,755	4,952	
<b>Total Other Liabilities *</b>	\$ 3,849,498	\$ 1,557,108	\$ 1,384,841	\$ 4,021,765	\$ 342,774	
<b>*restated</b>						
<b><u>BUSINESS-TYPE ACTIVITIES:</u></b>						
<b>Bonds payable:</b>						
Revenue bonds	\$ 580,540	\$ 132,110	\$ 163,675	\$ 548,975	\$ 19,455	1.875 - 5.00%
Unamortized Discounts & Premiums	24,608	19,733	246	44,095	3	
<b>Total Bonds Payable</b>	\$ 605,148	\$ 151,843	\$ 163,921	\$ 593,070	\$ 19,458	
<b>Other liabilities:</b>						
Compensated absences	\$ 20,896	\$ 6,535	\$ 6,048	\$ 21,383	\$ 1,791	
Capital lease obligations	2,745	--	180	2,565	90	
Notes payable *	764	750	119	1,395	--	
Other long-term liabilities *	7,525	12	7,524	13	13	
<b>Total Other Liabilities *</b>	\$ 31,930	\$ 7,297	\$ 13,871	\$ 25,356	\$ 1,894	
<b>*restated</b>						

Note: Information about changes in the net pension liability and OBEP are contained in Note 6 and Note 6A, respectively.

# State of Louisiana

## E. DEBT SERVICE REQUIREMENTS AT JUNE 30, 2018

Interest requirements for variable-rate debt are calculated using the rate in effect at the financial statement date. Annual principal and interest for bonds and notes are as follows (expressed in thousands):

### Governmental Activities

Year:	Bonds Payable			Notes Payable		Totals	
	Principal	Interest	Net Effect of Derivatives	Principal	Interest	Total Principal	Total Interest Cost
2019	\$ 373,001	\$ 311,835	\$ 10,008	\$ 4,596	\$ 154	\$ 377,597	\$ 321,997
2020	379,215	297,716	10,036	2,931	97	382,146	307,849
2021	355,684	281,018	10,008	2,402	64	358,086	291,090
2022	353,717	264,122	10,008	2,225	35	355,942	274,165
2023	354,240	247,797	10,008	1,464	8	355,704	257,813
2024-28	1,579,363	1,005,767	49,910	--	--	1,579,363	1,055,677
2029-33	1,624,445	638,113	48,527	--	--	1,624,445	686,640
2034-38	1,145,940	308,234	45,316	--	--	1,145,940	353,550
2039-43	904,210	110,954	35,646	--	--	904,210	146,600
2044-48	95,734	6,422	--	--	--	95,734	6,422
<b>Total</b>	<b>\$ 7,165,549</b>	<b>\$ 3,471,978</b>	<b>\$ 229,467</b>	<b>\$ 13,618</b>	<b>\$ 358</b>	<b>\$ 7,179,167</b>	<b>\$ 3,701,803</b>

### Business-Type Activities

Year:	Revenue Bonds		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 19,455	\$ 21,940	\$ --	\$ 60	\$ 19,455	\$ 22,000
2020	19,750	21,512	266	59	20,016	21,571
2021	20,190	20,997	136	56	20,326	21,053
2022	22,825	20,163	139	54	22,964	20,217
2023	23,855	19,080	141	51	23,996	19,131
2024-28	142,045	76,977	202	224	142,247	77,201
2029-33	80,000	51,865	208	158	80,208	52,023
2034-38	109,820	33,083	303	62	110,123	33,145
2039-43	75,440	9,516	--	--	75,440	9,516
2044-48	35,595	1,408	--	--	35,595	1,408
<b>Total</b>	<b>\$ 548,975</b>	<b>\$ 276,541</b>	<b>\$ 1,395</b>	<b>\$ 724</b>	<b>\$ 550,370</b>	<b>\$ 277,265</b>

# State of Louisiana

## F. DEFEASED BONDS

The following table details the principal balances of previously outstanding bonds considered defeased at June 30, 2018 (expressed in thousands). The defeased bonds are not included in the accompanying financial statements.

<u>Bond Series</u>	<u>Date Defeased</u>	<u>Maturity Date</u>	<u>Amount Defeased</u>		<u>Outstanding at June 30, 2018</u>
<b>Primary Government:</b>					
General Obligation:					
2009-A	11/14	05/19	91,460	\$	91,460
2011-A	11/14	09/20	99,095		99,095
2009-A	04/16	05/19	29,010		29,010
2010-A	04/16	05/20	18,995		18,995
2011-A	04/16	09/17	12,225		-0-
2011-A	04/16	09/18	12,690		12,690
2011-A	04/16	09/19	13,210		13,210
2011-A	04/16	09/20	82,905		82,905
2012-A	04/16	08/17	18,460		-0-
2012-A	04/16	08/18	18,690		18,690
2012-A	04/16	08/19	1,375		1,375
2012-A	04/16	08/22	66,370		66,370
2012-C	04/16	07/22	23,415		23,415
TIMED:					
2010-B	02/15	05/20	41,860		41,860
2010-B	08/17	05/20	311,650		311,650
2012-A	08/17	05/22	65,575		65,575
LCTCS:					
2009-B	10/17	10/19	45,280		45,280
2010	10/17	10/20	64,025		64,025
2008	10/17	10/18	28,070		28,070

## G. REFUNDING OF BONDS

### Gasoline and Fuels Tax Revenue Refunding Bonds

On August 30, 2017, the State issued \$358,095,000 of Gasoline and Fuels Tax Revenue Refunding Bonds Series 2017-B and C, with an interest rate of 4% to 5% and a premium of \$56,499,113, to advance refund portions of the 2010 Series B in the amount of \$311,650,000 and 2012 Series A-1 in the amount of \$65,575,000. The net present value savings was \$35,700,532.

On November 27, 2017, the State issued \$224,375,000 of Gasoline and Fuels Tax Revenue Refunding Bonds Series 2017 D-1 and D-2, with a variable interest rate, to currently refund the 2013 Series B2 in the amount of \$103,125,000 and 2014 Series A in the amount of \$121,250,000. Series 2013-B2 and 2014-A were issued as Floating Rate Bonds with a stated maturity of May 1, 2043; however, they were both subject to mandatory redemption on May 1, 2018.

### Louisiana Community and Technical College System

On October 24, 2017, Louisiana Local Government Environmental Facilities and Community Development Authority issued Series 2017 Revenue Refunding Bonds, for the Delta Campus Facilities Corporation Project, in the amount of \$22,750,000 with interest rates of 3.641% to 5.00% and a premium of \$3,284,129 and a transfer from Series 2008 Debt Service Reserve Fund of \$3,673,196, to advance refund Series 2008 in the amount of \$28,070,000. The present value savings was \$7,295,373.

On October 24, 2017, Louisiana Local Government Environmental Facilities and Community Development Authority issued Series 2017 Revenue Refunding Bonds, for the LCTCS Act 391 Project, in the amount of \$88,590,000 with interest rate of 5.00% and a premium of \$17,452,828 and a transfer from prior Bonds Debt Service Reserve Fund of \$13,819,356, to advance refund Series 2009-B in the amount of \$45,280,000 and Series 2010 in the amount of \$64,025,000. The present value savings was \$22,840,136.

## **Louisiana Public Facilities Authority (Department of Public Safety)**

On October 19, 2017, Louisiana Public Facilities Authority Revenue Refund Bonds, Series 2017, was issued for the Department of Public Safety, in the par amount of \$14,845,000, with an interest rate of 4.00%, and a transfer from prior issue Debt Service Reserve Fund of \$1,875,236,72, a transfer from prior issue Debt Service Fund of \$1,164,731.43, and a Reoffering Premium of \$787,829, to current refund Series 2007 in the amount of \$17,835,000. The present value savings was \$992,123.62.

### **H. CONDUIT DEBT**

Revenue bonds were issued by the Louisiana Agricultural Finance Authority (LAFA), a proprietary entity, which constituted conduit debt outstanding at year-end totaling \$85,066,133 which is currently in default. The authority and the State have no responsibility for the repayment of this debt, so it is not reflected in the accompanying financial statements.

### **I. OTHER GENERAL LONG-TERM OBLIGATIONS**

The liability for compensated absences is described in detail in Note 1, Section C; the liability for capital leases is described in more detail in Note 7, Section C; the liability for claims and litigation is described in more detail in Note 9, Section B; the liability for OPEB is described in more detail in Note 6A; and the liability for pollution remediation is described in more detail in Note 9, Section F.

### **J. PLEDGED REVENUES**

#### **Governmental Activities**

#### **Motor Vehicle Registration and License Fees**

In March 2013, the State issued State Highway Improvement Revenue Bonds Series 2013A maturing in 2033 in the amount of \$85,400,000 and in February 2014, the state issued State Highway Improvement Revenue Bonds Series 2014A maturing in 2034 in the amount of \$198,135,000. As of June 30, 2018, the outstanding maturities extend to 2034. The bonds are secured by and payable from annual motor vehicles registration and license fees or taxes for the registration and licensing of all vehicles and motor vehicles which are collected by the Department of Public Safety. Total motor vehicle registration and license fees available in fiscal year 2018 were \$57,816,752. The principal and interest paid for the current year was \$10,210,000 and \$12,782,450. The total principal and interest remaining on the bonds is \$246,075,000 and \$114,981,000, respectively.

#### **Office of Motor Vehicle Handling Fees**

In October 2017, the Louisiana Public Facilities Authority (LPFA) issued Series 2017 Revenue Refunding bonds in the amount of \$14,485,000 to refund the 2007 Revenue Refunding bonds on behalf of the Department of Public Safety and Corrections to obtain a lower interest rate. The refunded bonds were issued to acquire, construct, and equip a new Department of Public Safety Services complex and a new Joint Emergency Services Training Center complex. The refunding bonds are secured by an irrevocable pledge and dedication of the handling fees collected by the Office of Motor Vehicles through June 2022. The Department collected \$17,933,580 during fiscal year ended June 30, 2018. The principal and interest paid for the current year was \$5,720,000 and \$1,005,701, respectively. The total principal and interest remaining on the bonds is \$14,485,000 and \$979,900.

#### **Tobacco Settlement Revenues**

The Tobacco Settlement Financing Corporation, a blended component unit, issued \$659,745,000 of tobacco settlement asset-backed bonds on July 2, 2013. The revenue bonds were issued to provide up-front cash for a portion of the State's allocation of tobacco settlement revenues (TSRs) to be received in perpetuity from participating cigarette manufacturers (PMs) pursuant to the Master Settlement Agreement (MSA). Security for the bonds consist of 60% of TSRs required to be paid to the State. The Corporation received pledged revenues of \$93,042,699 for fiscal year 2018. The principal and interest paid for the current year was \$67,880,000 and \$27,445,363, respectively. The bonds, payable through 2035, have total principal and interest outstanding of \$459,550,000 and \$245,809,153, respectively.

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## **Gasoline and Motor Fuels Taxes and Special Fuels Taxes**

The State has pledged gasoline and fuel taxes to service debt on outstanding gas and fuels tax revenue bonds. As of June 30, 2018, the outstanding maturities extend to 2045. Bond proceeds are to be used for financing the construction of highway and bridge projects. Revenues available in fiscal year 2018 for funding debt service due were \$601,840,910. Principal and interest paid for the current year were \$26,870,000 and \$114,247,569, respectively. The total principal and interest remaining on the bonds is \$2,563,230,000 and \$1,978,510,898, respectively.

## **Unclaimed Property Special Revenue Bonds**

In December 2013 the State issued \$111,675,000 in Unclaimed Property Special Revenue Bonds, Series 2013, consisting of \$90,595,000 for the I-49 North Project and \$21,080,000 for the I-49 South Project and in September, 2015 the State issued \$73,820,000 for the I-49 South Project. The purpose of these bonds are to match federal funds to be used by the Department of Transportation and Development for the costs of and associated with the construction of Interstate 49. Security for the bonds, which are payable through fiscal year 2036, consist of annual unclaimed property revenues that escheat to the General Fund. Unclaimed property cash receipts for the year were \$47,424,602. The interest and principal paid in the current year was \$6,315,000 and \$8,512,894, respectively. The total principal and interest remaining on the bonds is \$169,205,000 and \$81,015,121, respectively.

## **Business-Type Activities**

### **Lease Agreement**

Louisiana Agricultural Finance Authority issued revenue bonds of \$31,000,000 in 2007 to (i) renovate an office building, (ii) purchase new trucks, bulldozers, and other equipment for firefighting and other agricultural purposes, (iii) acquire, construct, and equip buildings and related facilities, and (iv) acquire emergency generators for the Department of Agriculture and Forestry. In December 2012, the authority issued refunding bonds Series 2012 (maturing in 2022) in the amount of \$6,705,000 for the purpose of refunding a portion of the 2007 revenue bonds. The bonds are secured solely from income and revenues, and receipts derived or to be derived from payments made or collections obtained in a lease agreement and are payable through 2023. The lease requires the Department to pay from legally available funds, subject to annual appropriation by the Louisiana Legislature, all the amounts necessary to pay the annual debt service and administrative expenses. The principal and interest paid for the current year was \$8,735,000 and \$229,294, respectively. This bond has been paid in full.

### **Highway 1 Tolls**

Louisiana Transportation Authority, a public corporation within the Department of Transportation and Development (DOTD), issued several series of toll revenue bonds in 2005 to finance a highway project in the lower portion of Lafourche Parish. The project creates elevated highways that run parallel to Highway 1, with a bridge over Bayou Lafourche. The 2005 series bonds were refunded in November 2013. The bonds are now backed by, in addition to toll revenues, a cooperative endeavor agreement that requires that appropriations sufficient to fund the annual debt service be included in the Executive Budget request. The monies were appropriated in fiscal year 2018 sufficient to pay the debt service; however, \$4,930,987 was collected in toll revenues and used to reimburse the General Fund. Principal and interest paid during the current year was \$855,000 and \$5,364,876. The total principal and interest remaining on the bonds is \$171,225,000 and \$85,707,469, respectively. The bonds are payable through fiscal year 2046.

## **NOTE 9: CONTINGENCIES AND COMMITMENTS**

### **RISK FINANCING AND INSURANCE RELATED ACTIVITIES**

The State is exposed to various risks of loss related to torts and other litigation, damage and loss of property, business interruption and injuries to employees. The State is also exposed to risks related to the provision of health and life insurance to its employees. Exposure to these risks are largely self-funded due to the prohibitive costs of obtaining commercial insurance. In addition, the State provides insurance coverage to outside parties through the Workers Compensation Second Injury Program and the Motor Fuels Underground Storage Tank Program.

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The State maintains a comprehensive risk management program through the Office of Risk Management (ORM) to manage exposure to various risks including property loss and damage, general liability, automobile liability, medical malpractice, workers' compensation, and business interruption. The State retains the risk of loss on all lines of business provided through ORM with the exception of property insurance. On property claims, the State retains risk of loss on the first \$10 - \$50 million and losses in excess of \$250 – \$350 million depending on the peril (fire, wind, flood, etc.). The State, through the Office of Group Benefits (OGB), also retains the risk of loss from several self-insured plans to provide health and life insurance benefits to plan participants. Although these insurance plans provide for a pooling of risk among several governmental entities, they are not considered a public entity risk pool because the State is the primary participant. Losses from risks not covered by ORM or OGB are fully self-insured. These risks include losses from various litigated claims including tort claims involving road defects and hazards and federal disallowed costs.

The State assumes risk of loss of participating employers and insurance companies to provide workers compensation benefits to employees that have sustained subsequent injury that qualify for workers compensation benefits. Claim payments are financed through premiums paid by participating employers and insurance companies. The State also assumes risk of loss of outside parties for remediation responsibilities for leaking underground motor fuel storage tanks. Costs of the program are financed through fees charged to owners of underground storage tanks based on the volume of fuel deliveries.

Changes during the year in liabilities related to the risks of loss retained by State and the risk of loss of others assumed by the State are as follows (expressed in thousands):

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Recoveries from Settled and Unsettled Claims	Balance at Fiscal Year End
2017-2018	\$2,041,168	\$1,360,779	(\$1,155,982)	(\$128,320)	\$2,117,645
2016-2017	\$2,226,659	\$1,044,025	(\$1,192,977)	(\$36,539)	\$2,041,168

## A. RISK MANAGEMENT AND SELF INSURANCE

ORM pays claims via the Self-Insurance Fund which is reported in the General Fund. The Self-Insurance Fund consists of all premiums paid by State agencies under the State's risk management program, the investment earnings thereon, and commissions retained.

For fiscal year 2018, the Self-Insurance Fund paid \$141,438,876 to satisfy claims and judgments. At June 30, 2018, outstanding non-discounted reserve valuations of the open claims within the programs totaled \$1,047,663,563. At June 30, 2018, ORM cash balances included \$51,564,645 in the Self-Insurance Fund. ORM advises that the non-discounted liability reserve valuation for the claims in litigation against state agencies being handled by that office is valued at \$218,394,244 at June 30, 2018.

The Office of Risk Management purchases annuities to settle portions of certain claims. Third-party trustees then make payments to the claimants. At June 30, 2018, there were 18 active annuities which do not contain the wording releasing the State from any future liability on the claims. The outstanding amount due on these annuities as of June 30, 2018 was \$40,887,345.

The Future Medical Care Fund funds medical care that may be incurred subsequent to judgment rendered against the state. The present value of reserves, net of estimated recoveries, at June 30, 2018 was \$19,802,828.

OGB pays all claim settlements and judgments through its Self-Insurance Fund which is reported in the General Fund. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. For fiscal year 2018, OGB paid \$873,245,261 in claims and the liability at the end of the fiscal year was \$50,525,868.

## B. LITIGATION

The estimated probable future liability including incremental costs resulting from litigation, contract claims, and judgments against the State that are not being handled by ORM, not including contract claims reported by the Department of Transportation and Development (DOTD), is approximately \$389,528,815 (accrued in the accompanying financial statements). In addition, as of June 30, 2018, there are claims against the State, not including contract claims reported by DOTD, totaling \$248,361,472 for which it is reasonably possible that the State will incur liability. Nonincremental claims adjustment expenses have not been included as part of the liability for claims and judgments.

# State of Louisiana

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From the beginning of fiscal year 2002-2003 to the present, the State's Self-Insurance Fund has not been available as a source of funds to settle tort claims involving road defect allegations nor to pay final judgments in such matters. As a result, settlements and judgments in such road hazard tort claims have been and will continue to be funded and paid only through individual legislative appropriation. Since fiscal year 2002 the sum appropriated for such matters totaled approximately \$227,022,803. No amounts were appropriated in fiscal year 2016, 2017, or 2018.

As of June 30, 2018, the Department of Transportation and Development (DOTD) advises that there are 526 expropriation cases pending with a total demand of \$65,890,863. As payment of its estimate of just compensation upon filing of these suits, DOTD deposited \$28,614,009 into the registry of the court. A reasonable possibility exists that DOTD will incur expropriation-related costs of \$24,817,547 in excess of the just compensation on deposit with the courts. As of June 30, 2018, there were 25 outstanding inverse condemnation suits with an estimated demand of \$11,042,466. DOTD has determined that it is reasonably possible that the actual settlements will total approximately \$855,000. As of June 30, 2018, estimated demand for 14 contract construction suits is \$46,142,393 and the estimated exposure is \$35,042,393.

The Department of Revenue (DOR) has advised that the total amount of pending litigation affecting the DOR's right to tax, where there is a probable likelihood that an asset has been impaired or a liability has been incurred as of fiscal year ended June 30, 2018, is \$68,926,522 (accrued in the accompanying financial statements). The DOR has also advised that the total dollar amount of pending litigation affecting the DOR's right to tax, where it is reasonably possible that an asset has been impaired or a liability has been incurred as of fiscal year ended June 30, 2018, is \$59,076,953.

## **C. FEDERAL DISALLOWED COSTS**

A significant amount of federal grant dollars is received by the State subject to financial and compliance audits mandated by the grantors. Questioned costs resulting from these audits may be disallowed by the Federal grantor and may become a liability of the State. Liabilities from disallowances and settlement agreements with the federal government are estimated to be \$149,293,583 (accrued in the accompanying financial statements). In addition, as of June 30, 2018, there are disallowed costs of \$17,035,486 for which it is reasonably possible that the State will incur liability.

## **D. WORKERS COMPENSATION**

The Injured Worker Reemployment Program encourages employers to hire physically handicapped employees who have a permanent partial disability, by reimbursing the employer or, if insured, his or her insurance carrier for part of the workers' compensation costs for on-the-job injuries. The estimated total future payments to be made for claims outstanding at June 30, 2018 were \$311,382,669, which is included in the accompanying financial statements. Funds to make these payments will come from an annual assessment made against all insurance companies writing workers' compensation insurance in the State and all employers that are self-insured.

## **E. UNDERGROUND STORAGE TANKS**

The 445 Underground Storage Tanks (UST) sites are remediated under The Resource Conservation and Recovery Act (RCRA) Subtitle I and may be eligible for funding through the State's Motor Fuels Underground Storage Tank Trust Fund or the U.S. EPA's Leaking Underground Storage Tank (LUST) Trust Fund. The Underground Storage Tank Trust Fund is established by statute to collect fees from underground storage tank owners; fund assets are then used to finance remediation and/or removal of leaking storage tanks. Louisiana spent \$12,341,555 assessing and remediating USTs in fiscal year ending June 30, 2018. The ending liability of \$80,521,037 will be funded by the Motor Fuels Underground Storage Tank Trust Fund.

## **F. POLLUTION REMEDIATION**

Louisiana is involved in various types of pollution and contamination remediation activities across the state. These activities include site assessments, site investigations, clean-up activities, and post-remediation monitoring. Remediation costs are usually funded by the Capital Outlay Escrow Fund through the Office of Facility Planning and Control or through the Department of Environmental Quality, which may obtain federal grants and state General Fund appropriations for such projects.

The current value of a remediation obligation liability is based on assumptions or expectations about future events that affect the measurement of the liability under the expected cash flow technique. However, the expectations are subject to change over time due to changes in technology, changes in applicable federal, state, and local laws or regulations, price increases or decreases, or changes in the remediation plan. In addition, the state seeks insurance recovery or the identification of potentially responsible parties to recover remediation costs. These recoveries may reduce costs of remediation when the recovery becomes recognizable or probable. Under specific circumstances, costs of remediation may be capitalized as part of a capital asset.

During the fiscal year, Louisiana spent \$6,698,658 for pollution and contamination remediation activities and there were no costs received from responsible parties. At June 30, 2018, the State had a pollution remediation obligation of \$24,942,899.



## G. COOPERATIVE ENDEAVORS

LRS 33:9022 defines “cooperative endeavor” as any form of economic development assistance between and among the State, 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 has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the State. The estimated amounts outstanding for governmental units as of June 30, 2018, which are not reflected on the accompanying financial reports, are as follows:

General funds	\$	1,395,940,780
Self-generated funds		30,106,178
Statutorily dedicated funds		338,717,647
General obligation bonds		141,031,798
Federal funds		505,035,728
Interagency transfers		1,374,979
Other funds		<u>132,692,666</u>
Total	\$	<u><u>2,544,899,776</u></u>

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## NOTE 10: FUND BALANCE/NET POSITION DISCLOSURES

### A. CLASSIFICATION OF FUND BALANCES

Classifications of fund balances comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The following table enumerates the fund balance classifications by specific purpose (expressed in thousands).

	General Fund	Capital Outlay Escrow Fund	Louisiana Education Quality Trust Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
Inventory	\$ 74,933	\$ --	\$ --	\$ --	74,933
Prepaid Items	28,663	--	--	--	28,663
Permanent Fund Corpus	--	--	1,294,957	1,395,629	2,690,586
<b>Restricted for:</b>					
General Government:					
Administration & Regulatory Oversight	63,919	--	--	--	63,919
Agriculture & Forestry Programs	605	--	--	--	605
Conservation & Environment Programs:					
Coastal Protection & Restoration	168,092	--	--	--	168,092
Oilfield Site Restoration	24,358	--	--	--	24,358
Wildlife & Fisheries Conservation	145,032	--	--	--	145,032
Other Conservation & Environment Programs	5,670	--	--	--	5,670
Artificial Reef Development	18,607	--	--	--	18,607
Budget Stabilization	321,070	--	--	--	321,070
Education Programs:					
Minimum Foundation Program	87,359	--	--	--	87,359
Other Education Programs	18,952	--	130,650	97,327	246,929
Capital Projects	--	--	--	386,905	386,905
Unemployment Compensation	47	--	--	--	47
Culture, Recreation, & Tourism Programs	917	--	--	3,759	4,676
Debt Service	26,134	4,145	--	153,657	183,936
Corrections Programs	70	--	--	--	70
Transportation & Development Programs	2,006	--	--	--	2,006
Economic Development Programs	2,665	--	--	--	2,665
Health & Welfare Programs:					
State Medicaid Match	15,092	--	--	--	15,092
Other Health & Welfare Programs	18,677	--	--	37,915	56,592
Military & Veterans Affairs Programs	21,339	--	--	--	21,339
Youth Programs	4,469	--	--	--	4,469
Workforce Support & Training Programs	4,724	--	--	--	4,724
<b>Committed for:</b>					
General Government:					
Administration & Regulatory Oversight	18,338	--	--	--	18,338
Legislative Branch	1	--	--	--	1
Grants to Local Governments	30,314	--	--	--	30,314
Group Benefits Program	278,823	--	--	--	278,823
Risk Management Program	36,494	--	--	--	36,494
Economic Development Programs	49,875	--	--	--	49,875
Agriculture & Forestry Programs:					
Forestry Productivity	7,811	--	--	--	7,811
Grain & Cotton Indemnity Program	4,976	--	--	--	4,976
Other Agriculture & Forestry Programs	6,441	--	--	--	6,441
Capital Projects	150,452	150,036	--	--	300,488
Labor & Workforce Programs:					
Workers' Compensation Administration	4,119	--	--	--	4,119
Workers' Compensation 2nd Injury Program	28,738	--	--	--	28,738
Incumbent Worker Training Program	--	--	--	26,600	26,600

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	General Fund	Capital Outlay Escrow Fund	Louisiana Education Quality Trust Fund	Nonmajor Governmental Funds	Total Governmental Funds
Employment Security Administration	--	--	--	2,249	2,249
Other Labor & Workforce Programs	--	--	--	10,170	10,170
Culture, Recreation, & Tourism Programs:					
State Park Improvements	12,480	--	--	--	12,480
Other Culture, Recreation, & Tourism Programs	1,156	--	--	9,017	10,173
Transportation & Development Programs	7,708	--	--	--	7,708
Public Safety Programs:					
Interoperability Communication Program	464	--	--	--	464
Motor Carrier Safety & Administration	6,149	--	--	--	6,149
Crime Victims' Reparation	3,760	--	--	--	3,760
Other Public Safety Programs	42,455	--	--	--	42,455
Telecommunications Tax Credits	7,805	--	--	--	7,805
Health & Welfare Programs:					
State Medicaid Matching	10,610	--	--	--	10,610
Fraud Detection Programs	9,184	--	--	--	9,184
Telecommunications for the Deaf	1,622	--	--	--	1,622
Disability Affairs	41	--	--	--	41
Drug Abuse Education & Treatment	387	--	--	--	387
Other Health & Welfare Programs	40,485	--	--	--	40,485
Employer Pension Contributions	452	--	--	--	452
Conservation & Environment Programs:					
Administration	2,780	--	--	--	2,780
Coastal Protection & Restoration	2,120	--	--	--	2,120
Environmental Quality Programs	13,741	--	--	--	13,741
Pollution Remediation Programs	115,616	--	--	--	115,616
Wildlife & Fisheries Conservation	6,170	--	--	--	6,170
Natural Resource Restoration	67,805	--	--	--	67,805
Other Conservation & Environment Programs	120,707	--	--	--	120,707
Education Programs:					
Earnings Enhancements on College Savings	19,743	--	--	--	19,743
Public Educator Salary Increases	13,018	--	--	--	13,018
Other Education Programs	26,963	--	--	1	26,964
Military & Veterans Affairs Programs	2,823	--	--	--	2,823
<b>Assigned for:</b>					
General Government:					
Administration & Regulatory Oversight	28,368	--	--	--	28,368
Judicial Branch	18,745	--	--	--	18,745
Legislative Branch	27,813	--	--	--	27,813
Culture, Recreation, & Tourism Programs	5	--	--	--	5
Transportation & Development Programs	87	--	--	--	87
Public Safety Programs	1,048	--	--	--	1,048
Health & Welfare Programs	5,792	--	--	--	5,792
Corrections	1,262	--	--	--	1,262
Youth Programs	22	--	--	--	22
Education Programs	190	--	--	--	190
Economic Development Programs	207	--	--	--	207
Military & Veterans Affairs Programs	582	--	--	--	582
<b>Unassigned</b>	--	--	--	(4,928)	(4,928)
<b>Total Fund Balance</b>	<u>\$ 2,290,147</u>	<u>\$ 154,181</u>	<u>\$ 1,425,607</u>	<u>\$ 2,118,301</u>	<u>\$ 5,988,236</u>

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## B. FUND BALANCE/NET POSITION RESTATEMENT – FUND FINANCIAL STATEMENTS

The following table discloses restatements of certain fund balances by fund (expressed in thousands):

	<u>Beginning Balance</u>	<u>Prior Period Adjustments</u>	<u>Beginning Balance, as Restated</u>
General Fund	\$ 1,494,277	\$ (354)	\$ 1,493,923
Capital Outlay Escrow Fund	161,761	--	161,761
Louisiana Education Quality Trust Fund	1,399,643	--	1,399,643
Nonmajor Governmental Funds	2,103,731	--	2,103,731
Unemployment Trust Fund	980,951	1,099	982,050
Louisiana Community & Technical Colleges System	(110,775)	(136,101)	(246,876)

The beginning fund balance of the General Fund changed due mainly to various immaterial prior period adjustments within the Office of Risk Management, and the Judicial Branch agencies. The restatement in beginning fund balance also decreased due to cash eliminations within the Louisiana Economic Development Fund. Restatements to beginning net position were also recorded in the Louisiana Community and Technical Colleges System and the Unemployment Trust Fund financial statements. The primary reasons for the restatements were the implementation of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* and the corrections of errors in previously issued financial statements.

## C. NET POSITION RESTATEMENT – GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table discloses restatements of net position for governmental and business-type activities in the government-wide financial statements (expressed in thousands):

	<u>Beginning Balance</u>	<u>Prior Period Adjustments</u>	<u>Beginning Balance, as Restated</u>
Governmental Activities	\$ 4,263,400	\$ (4,845,626)	\$ (582,226)
Business-type Activities	2,079,864	(155,186)	1,924,678

Beginning net position for governmental activities decreased by \$4.8 billion due to restatements of beginning net position/fund balance recorded in various governmental funds and accounts. The largest restatements are related to the implementation of a new GASB statement relating to OPEB and the liability for the New Orleans area levee improvement project. The implementation of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, requires governments to recognize the unfunded actuarial accrued liability for OPEB plans in the financial statements. The implementation of GASB Statement 75 resulted in a \$3.2 billion decrease in beginning net position. In addition, the State recognized and recorded a liability for the State of Louisiana's share of the cost relating to two project partnership agreements with the United States Army Corps of Engineers (USACE) to construct and improve the levee systems in the greater New Orleans area. As of June 30, 2018, the State's share of the project cost is \$1.5 billion.

Beginning net position for the business-type activities (BTA's) changed primarily due to restatements associated with the implementation of GASB Statement 75 as discussed above.

## D. BUDGET STABILIZATION

Louisiana voters first approved a constitutional amendment in 1990 to formally set aside funds for use when the State's Revenue Estimating Conference (REC) forecasts revenue shortfalls for the subsequent fiscal year or projects a budgetary deficit in the current fiscal year. The funds set aside are deposited into the Budget Stabilization Fund, as authorized by Louisiana Constitution Article VII, Section 10.3 and LRS 39.94. The fund's activity is accounted for within the General Fund and has a restricted fund balance of \$321 million at June 30, 2018, in the accompanying financial statements.

Budget Stabilization is funded by the following sources in accordance with the Constitution: (1) all money available for appropriation from the State general fund and dedicated funds in excess of the expenditure limit; (2) all mineral revenues in excess of \$850 million received by the State in each fiscal year; (3) 25% of any money designated in the official forecast as

nonrecurring; (4) legislative appropriations to the fund, including any appropriation to the fund from money designated in the official forecast; and (5) the fund's investment earnings realized in each fiscal year. No appropriation or deposit to the fund can be made if the appropriation or deposit would cause the fund cash balance to exceed 4% of total state revenue receipts for the previous fiscal year.

Budget stabilization resources are only available for expenditure under the following circumstances and with the consent of two-thirds of the elected members of each house of the legislature: (1) when the official forecast of recurring money for the next fiscal year is less than the official forecast of recurring money for the current fiscal year, the difference (not to exceed one-third of the fund) can be incorporated into the next year's official forecast or (2) when a deficit for the current fiscal year is projected due to a decrease in the official forecast, an amount equal to one-third of the fund (not to exceed the projected deficit) may be appropriated (expended). However, the Constitution states that the amount of budget stabilization funds included in the official forecast for the next fiscal year plus the amount appropriated in the current fiscal year cannot exceed one-third of the stabilization fund balance at the beginning of the current fiscal year.

## **NOTE 11: TAX ABATEMENT PROGRAMS**

The State of Louisiana administers a variety of tax abatement programs that reduce the taxes that an individual or entity would owe in order to encourage certain activities such as relocating or retaining businesses, jobs creation or retention, rehabilitation and revitalization of distressed local economies, historical preservation, housing construction, and research and development projects. Tax abatement programs reduce state tax revenue through authorized agreements between the State and individuals or entities in which the State promises to forgo tax revenue and the individual or entity promises to perform a specific activity that contributes to economic development or otherwise benefits the State of Louisiana or the citizens of the State. Information on the agreements for tax abatement programs that have been entered into by the State is disclosed below, including the purpose of the tax abatement program and the amount of state tax revenue that was not collected as a result of the agreements for each program.

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GASB 77 Tax Abatements	Programs Administered by Louisiana Economic Development (LED)	
	Competitive Projects Payroll Incentive Program	Digital Interactive Media and Software Tax Credit
<b>1. Purpose of the Program</b>	To encourage program participants to choose to locate in the state of Louisiana, which would result in a positive economic benefit to the state.	To encourage development in Louisiana of a strong capital base for the production of digital interactive media products and platforms in order to achieve a more independent self supporting industry.
<b>2. Tax being Abated</b>	State Sales and Use Tax, Corporate Income Tax	State Individual and State Corporate Income Tax and Franchise Tax
<b>3. Authority to Enter into Abatement Agreement</b>	LRS 51:3121 et. seq.	LRS 47:6022
<b>4. Eligibility Criteria</b>	Must be primarily engaged in a specific activity at the contract site and at least 50% of sales of the business are to out of state customers, customers who resell the product or service to out of state customers for ultimate use, and/or to the federal government. Create a minimum number of jobs and payroll. Offer an eligible basic health care plan to the people employed.	A company seeking to participate in program must apply through an application process and be certified as eligible by Louisiana Economic Development.
<b>5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced</b>	Tax Rebates	Tax Credits
<b>6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined</b>	Provides an incentive rebate up to 15% of the company's new payroll and either a 5% state sales and use tax rebate on capital expenditures or a 1.2% project facility expense rebate.	For applications submitted on or after July 1, 2017, tax credits of 18% on eligible expenditures on goods obtained from a source within the state and services performed in the state. An additional 7.0% may be earned on eligible Louisiana resident payroll.
<b>7. Provisions for Recapturing Abated Taxes</b>	The contract shall provide the provisions for monitoring of performance and consequences for failure to perform and other contract violations.	The company's state income taxes can be increased to recapture the credits received, if the expenditures were not actually expended in Louisiana as production related costs of the state certified production. Credits previously granted to a taxpayer, but later disallowed, may be recovered by the secretary of the Department of Revenue by any collection remedy authorized by R.S. 47:1561.
<b>8. The Types of Commitments made by the Recipients of the Tax Abatement</b>	Must demonstrate net new jobs and payroll within the state and the project is deemed to be competitive in nature. Must offer a qualified basic health care benefits plan to the individuals employed. Must also meet specific total sales criteria.	Only expenditures for goods obtained from a source within the state and services performed in the state are potentially eligible to receive tax credits. Expenditures must be audited by a CPA firm assigned by LED.
<b>9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis</b>	\$-0-	\$11,574,373
<b>10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed</b>	No information was omitted due to legal prohibitions	No information was omitted due to legal prohibitions

# State of Louisiana

GASB 77 Tax Abatements	Programs Administered by Louisiana Economic Development (LED)	
	Enterprise Zone Program	Exemption for Manufacturing Establishments (Industry Assistance) Program
<b>1. Purpose of the Program</b>	To stimulate business and industrial growth by increasing employment in certain depressed areas in the state, designated enterprise zones, by providing tax incentives to businesses hiring in those areas, and by providing tax incentives to those areas.	To induce industrial development in the state, encourage the establishment of new business enterprises, and the retention and expansion of existing business.
<b>2. Tax being Abated</b>	State Sales and Use Tax, and State Income Tax, or State Franchise Tax	State Corporation Franchise Tax, State Income Taxes, and State Sales and Use Tax
<b>3. Authority to Enter into Abatement Agreement</b>	LRS 51:1781 et. seq., Louisiana Administrative Code Title 13, Chapter 7, subchapter 701 et. seq.	LRS 47:4301-4306
<b>4. Eligibility Criteria</b>	New or existing Louisiana businesses which will at a minimum create 5 permanent new full time jobs within 24 months of their project start date, or increase their nationwide employment by 10% within the first 12 months. Also the business must hire 50% or more of the new jobs from the targeted groups..	May consider any and all factors which are relevant to the continued operations of the applicant including benefits to the state in terms of employment opportunities, payroll, expenditures for goods and services, creation of new jobs, and contributions to the revenue base of the state.
<b>5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced</b>	Tax Credit and Rebate	Tax Exemptions
<b>6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined</b>	One time \$3,500 or \$1,000 job tax credit for each net new job created or a 4% rebate of sales and use taxes on qualifying purchases or a 1.5% refundable tax credit on the total capital investment excluding tax exempt items.	Tax liabilities reduced based on annual report filed with LED, which includes total jobs with payroll, current year's capital investment, and any other contractual requirements.
<b>7. Provisions for Recapturing Abated Taxes</b>	Per LRS 51:1787 (I) there are provisions for recapturing abated taxes. However, it is unlikely since the company must be certified as eligible by Louisiana Economic Development before any tax credits or rebates can be claimed.	A contract may be canceled upon review of an audit that uncovered a violation of the contract or the need for the exemption or the grounds for the exemption are no longer applicable. The state shall give notice in writing and any remaining portion of the exemption granted may be canceled.
<b>8. The Types of Commitments made by the Recipients of the Tax Abatement</b>	The company must certify that the required job requirements have been met based on the eligibility criteria listed in item number 4 above. 50% of net new jobs should belong to the employees that meet the specified requirements.	The business entity shall give preference to Louisiana manufacturers and must continue to operate and maintain business, jobs, payroll, capital investment in Louisiana, and comply with any other requirement as listed in the approved contract.
<b>9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis</b>	\$37,258,756	\$-0-
<b>10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed</b>	No information was omitted due to legal prohibitions	No information was omitted due to legal prohibitions

# State of Louisiana

GASB 77 Tax Abatements	Programs Administered by Louisiana Economic Development (LED)	
	Louisiana Quality Jobs Program	Motion Picture Production Tax Credit
<b>1. Purpose of the Program</b>	An inducement for businesses to locate or expand existing operations in Louisiana and create quality jobs focusing on specific industry sectors.	To encourage development in Louisiana of a strong capital and infrastructure base for motion picture production in order to achieve an independent, self supporting industry.
<b>2. Tax being Abated</b>	State Sales and Use Tax, State Income Taxes	State Income Tax
<b>3. Authority to Enter into Abatement Agreement</b>	LRS 51:2451-2462	LRS 47:6007
<b>4. Eligibility Criteria</b>	Must be an eligible type business, must create a minimum number of new direct jobs, must comply with healthcare and payroll requirements, and other thresholds.	A motion picture company domiciled and headquartered in Louisiana, which has a viable multi-market commercial distribution plan may complete an application to be certified by LED to become a state certified production company, then the production expenditures are audited by a CPA appointed by the office and the tax credit is issued to the motion picture production company upon approval.
<b>5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced</b>	Tax Rebate	Tax Credit
<b>6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined</b>	Up to 6% rebate on qualified payroll and either a 5% state sales tax rebate or a 1.5% project facility expense rebate on qualifying items.	The amount of tax credit which may be earned is 25% of the total base investment dollars per project. Investors may receive an increased base investment credit rate by satisfying additional criteria. The maximum tax credit that a production can earn for the base investment is 40%.
<b>7. Provisions for Recapturing Abated Taxes</b>	By the third fiscal year the company's verified gross payroll must agree to the minimum of five new direct jobs or the gross payroll must equal or exceed the minimum required threshold. If these provisions are not met, rebates can be recaptured.	Tax credits previously granted, but later disallowed pursuant to the provisions of LRS 47:6007 may be recovered by the secretary of the Department of Revenue through any collection remedy authorized by LRS 47:1561.
<b>8. The Types of Commitments made by the Recipients of the Tax Abatement</b>	Create a minimum of 5 new direct jobs that are full time and offered a basic health care plan. There are also minimum wage and payroll threshold requirements.	Only expenditures for goods obtained from a source within the state and services performed in the state are potentially eligible to receive tax credits. Expenditures must actually have been made and subsequently audited by a CPA assigned by the LED.
<b>9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis</b>	\$104,303,596	\$180,000,000
<b>10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed</b>	No information was omitted due to legal prohibitions	No information was omitted due to legal prohibitions



# State of Louisiana

GASB 77 Tax Abatements	Programs Administered by Louisiana Economic Development (LED)	
	Musical and Theatrical Production Income Tax Credit	Ports Investor Tax Credits
<b>1. Purpose of the Program</b>	To enhance economic and educational development and offer numerous and varied employment opportunities while creating opportunities for new and relocating businesses.	To encourage private investment in and the use of state port facilities in Louisiana.
<b>2. Tax being Abated</b>	State Individual Income and State Corporate Income Tax	State Income and Corporate Franchise Tax
<b>3. Authority to Enter into Abatement Agreement</b>	LRS 47:6034	LRS 47:6036
<b>4. Eligibility Criteria</b>	Must be a state certified musical or theatrical production or infrastructure which includes performing and or filming of live musical and theatrical performance in the state before live audiences.	A Cooperative Endeavor Agreement is required between the Port and the applicant for qualifying projects that will result in significant positive economic benefits to the state.
<b>5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced</b>	Tax Credit	Tax Credit
<b>6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined</b>	For initial certifications on or after 7/1/17, Eligible production expenditures are as follows: (1) Expenditures greater than \$100,000 and less than or equal to \$300,000 = 7% (2) Expenditures greater than \$300,000 and less than or equal to \$1,000,000 = 14% (3) Expenditures greater than \$1,000,000 = 18% (4) Additional credits may be earned at the rate of 7% for Louisiana resident payroll.	The Department of Economic Development may grant a tax credit equal to 72% of the total capital costs of such qualifying project to be taken at 5% per tax year or shall grant such other amount of tax credit to be taken at such other percentage which is warranted by the significant positive economic benefit, within certain maximum limits.
<b>7. Provisions for Recapturing Abated Taxes</b>	Credits previously granted to a taxpayer but later disallowed by the Department of Economic Development may be recovered through any collection remedy authorized by LRS 47:1561.	If the funds for which an investing company received credits are not invested and expended within the requirements of the agreement, the investing company's state income tax for such taxable period can be increased to recapture the credit.
<b>8. The Types of Commitments made by the Recipients of the Tax Abatement</b>	Only goods obtained from a source within the state and services performed in the state are potentially eligible to receive tax credits. Expenditures must actually have been made and subsequently audited by a CPA assigned by the LED.	Must be a project sponsored or undertaken by a public port and one or more investing companies that has capital costs of not less than \$1,500,000 and with the predominant business activity constituting warehousing or port and harbor operations and cargo handling.
<b>9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis</b>	\$6,377,078	\$-0-
<b>10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed</b>	No information was omitted due to legal prohibitions	No information was omitted due to legal prohibitions

# State of Louisiana

GASB 77 Tax Abatements	Programs Administered by Louisiana Economic Development (LED)	
	Retention and Modernization Tax Credit	Sound Recording Investor Tax Credit
<b>1. Purpose of the Program</b>	To provide an inducement for businesses to remain in the state and not relocate outside the state and to modernize their existing operations in Louisiana.	To encourage the development in Louisiana of a strong capital and infrastructure base for sound recording productions in order to achieve a more independent, self supporting music and sound recording industry.
<b>2. Tax being Abated</b>	State Individual Income Tax, State Corporate Income and State Corporate Franchise Tax	State Income Tax
<b>3. Authority to Enter into Abatement Agreement</b>	LRS 51:2399.1 through 51:2399.6	LRS 47:6023
<b>4. Eligibility Criteria</b>	Employer must increase a minimum 10% in the maximum capacity or efficiency of the facility; or make an approved investment of at least \$5,000,000 in the facility.	Qualified expenditures of a state certified production or state certified recording infrastructure project occurring over specified period of time.
<b>5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced</b>	Tax Credit	Tax Credit
<b>6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined</b>	The credits approved by the Department of Economic Development shall be granted at the rate of four percent, for approved projects occurring on or after 7/1/17, of the amount of qualified expenditures incurred by the employer for modernization with credit divided in equal portions for five years, subject to limitations.	Each investor may be allowed a tax credit of 18% of the eligible expenditures made for initial certifications on or after 7/1/17 in excess of \$25,000 or, if a resident of this state, in excess of \$10,000.
<b>7. Provisions for Recapturing Abated Taxes</b>	There are no recapture provisions. Once expenses are verified, certification letters are issued by an independent CPA.	If the funds for which an investor receives credits are not invested in and expended with respect to a state-certified production within a certain time period, then the investor's state income tax shall be increased by such amount necessary for the recapture of the credits. Credits previously granted to a taxpayer, but later disallowed, may be recovered by the secretary of the Department of Revenue by any collection remedy authorized by LRS 47:1561.
<b>8. The Types of Commitments made by the Recipients of the Tax Abatement</b>	The company commits to capital investments and jobs and payroll targets.	Only audited expenditures of a state certified production for goods obtained from a source within the state and services performed in the state are potentially eligible to receive tax credits. Additionally, state-certified productions may be required to display the state brand or logo, or both, prescribed by the Secretary.
<b>9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis</b>	\$4,031,575	\$41,673
<b>10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed</b>	No information was omitted due to legal prohibitions	No information was omitted due to legal prohibitions

GASB 77 Tax Abatements	Programs Administered by Louisiana Economic Development (LED)	
	Tax Equalization Program	
<b>1. Purpose of the Program</b>	To encourage the establishment and retention of manufacturing establishments, headquarters, or warehousing and distribution establishments by providing a procedure whereby the total state and local taxes imposed be reduced to the level imposed by other competing states.	
<b>2. Tax being Abated</b>	State Corporation Franchise Tax, State Corporation Income Tax, and State Sales and Use Tax	
<b>3. Authority to Enter into Abatement Agreement</b>	LRS 47:3201-3205	
<b>4. Eligibility Criteria</b>	The company must be located in another state or located in Louisiana and contemplating re-locating to another state which offers a greater tax advantage than Louisiana. Upon recommendation by the state, the company must receive an invitation to apply for the program from the Governor.	
<b>5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced</b>	Tax Exemption	
<b>6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined</b>	The Board of Commerce and Industry will grant only the amount of exemption necessary to effect equality in amount between the taxes payable in Louisiana and the taxes which are or would be payable in the state in which the establishment is located or contemplating locating.	
<b>7. Provisions for Recapturing Abated Taxes</b>	Written notice of violations of the terms of the contract are given to the contracted company. If the violations are not corrected within 90 days, any remaining portions of the exemption from tax granted under the contract may be terminated.	
<b>8. The Types of Commitments made by the Recipients of the Tax Abatement</b>	The company must continue to operate and maintain business, jobs, payroll and capital investment in Louisiana.	
<b>9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis</b>	\$7,455,954	
<b>10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed</b>	No information was omitted due to legal prohibitions	

# State of Louisiana

GASB 77 Tax Abatements	Programs Administered by Louisiana Department of Insurance	
	Louisiana Capital Companies (CAPCO) Tax Credit Program	New Market Jobs Act Program
<b>1. Purpose of the Program</b>	To provide assistance in the formation and expansion of new businesses that create jobs in the state by providing for the availability of venture capital financing to entrepreneurs, managers, inventors, and other individuals for the development and operation of qualified Louisiana businesses.	To encourage capital or equity investment in, or loan to, any qualified active low-income community business.
<b>2. Tax being Abated</b>	Income Tax and Insurance Premium Tax for categories of Life, Accident, & Health; Fire Casualty & Misc.; Surplus Lines; and Retaliatory.	Insurance Premium Tax (for categories of Life, Accident, & Health; Fire Casualty & Misc.; Surplus Lines; and Retaliatory)
<b>3. Authority to Enter into Abatement Agreement</b>	LRS 51:1921, LRS 22:832E	LRS 47:6016.1
<b>4. Eligibility Criteria</b>	Companies must be certified by the Louisiana Office of Financial Institutions. The capitalization must be at least \$200,000.	The qualified community development entity (CDE) must apply to Department of Revenue for certification of the equity investments it issues.
<b>5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced</b>	Tax Credit	Tax Credit
<b>6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined</b>	The income tax credit is 35% of the capital investment. The total income tax credits granted to all taxpayers are limited to \$2,000,000 per calendar year. For insurance premium tax reductions, tax reductions are applied to the premium tax liability by year.	The credit amount is equal to the applicable percentage for such credit allowance date multiplied by the purchase price paid to the issuer of such qualified equity investment.
<b>7. Provisions for Recapturing Abated Taxes</b>	Premium tax reductions are subject to the same forfeiture and repayment provisions as income tax credits as described in LRS 51:1927 (C) and 1928(A)	If the company violates the terms of the agreement, or if the federal tax credit is recaptured by the IRS, the Department of Insurance shall recapture the claimed credit on a return.
<b>8. The Types of Commitments made by the Recipients of the Tax Abatement</b>	Companies must be certified as a Louisiana Capital Company by the Office of Financial Institutions.	Any qualified community development entity that makes a qualified equity investment is vested with an earned credit against state premium tax liability that may be used as per the enacted law.
<b>9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis</b>	\$62,429	\$-0-
<b>10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed</b>	No information was omitted due to legal prohibitions	No information was omitted due to legal prohibitions

# State of Louisiana

GASB 77 Tax Abatements	Programs Administered by Louisiana Department of Revenue	
	Neighborhood Assistance Program	New Market Tax Credit
<b>1. Purpose of the Program</b>	To provide incentives to businesses to provide neighborhood assistance, job training for individuals, community services, or crime prevention to upgrade impoverished areas.	To encourage and attract private sector equity investment in a qualified community development entity in the state.
<b>2. Tax being Abated</b>	State Corporation and Individual Income Taxes	State Corporate Income and Franchise Tax
<b>3. Authority to Enter into Abatement Agreement</b>	LRS 47:35 and 287.753	LRS 47:6016
<b>4. Eligibility Criteria</b>	The business must present a proposal to the Commission of Administration, endorsed by the local government within the area, that must set forth the program to be conducted, the neighborhood area to be served, why the program is needed, the estimated amount to be invested in the program, and the plans for implementing the program.	The qualified community development entity (CDE) must apply to Louisiana for certification of the equity investments it issues. LED certifies that qualified low-income investments are consistent with the target industries.
<b>5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced</b>	Tax Credit	Tax Credit
<b>6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined</b>	The credit is up to 50% of the actual amount contributed to approved programs, limited to \$180,000 annually. Total credits granted in a fiscal year can not exceed one percent of the total amount of state corporate income tax collected in the prior fiscal year.	The credit is equal to the applicable percentage of the adjusted purchase price paid to the issuer of such qualified equity investment for such investment which, in turn, has been invested in qualified low-income community investments for such credit allowance date.
<b>7. Provisions for Recapturing Abated Taxes</b>	No provisions for recapturing the abated taxes.	If an company fails to maintain qualified low-income community investments in the state in an amount at least equal to the amount used in calculating the credits issued, then the credits awarded can be recaptured.
<b>8. The Types of Commitments made by the Recipients of the Tax Abatement</b>	Provide neighborhood Assistance, job training, education for individuals, community services, or crime prevention.	The tax credits are based on qualified investments made by the companies.
<b>9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis</b>	\$-0-	\$1,938,840
<b>10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed</b>	No information was omitted due to legal prohibitions	No information was omitted due to legal prohibitions

# State of Louisiana

GASB 77 Tax Abatements	Programs Administered by Louisiana Department of Revenue	
	Procurement Processing Company Rebate	Rehabilitation of Historic Structures
<b>1. Purpose of the Program</b>	To recruit purchasing companies that generate sales of items subject to state sales / use taxes that will have a significant positive economic benefit to the state.	To provide a credit for the costs and expenses incurred during the rehabilitation of a historic structure located in a downtown development or cultural district.
<b>2. Tax being Abated</b>	State Sales Tax	State Income and Franchise Tax
<b>3. Authority to Enter into Abatement Agreement</b>	LRS 47:6351	LRS 47:6019
<b>4. Eligibility Criteria</b>	The company must be a procurement processing company that is engaged in managing the activities of unrelated purchasing companies that brings new taxable sales to Louisiana.	In order to qualify for the credit, the historic structure must be located in a downtown development or cultural district listed on the National Register of Historic Places or be certified by the state historic preservation office as contributing to the historical significance of the district. The structures must be nonresidential real property or residential rental property.
<b>5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced</b>	Rebate	Tax Credit
<b>6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined</b>	A percentage, as determined by contract, of state sales tax revenue generated as a result of the activities of these purchasing companies.	The credit is equal to 25% of the eligible costs and expenses of the rehabilitation incurred prior to January 1, 2018, regardless of the year in which the property is placed in service. For expenses incurred on or after January 1, 2018, the credit is equal to 20% of the eligible costs and expenses, regardless of the year in which the property is placed in service.
<b>7. Provisions for Recapturing Abated Taxes</b>	If after a rebate has been paid, and it is determined that certain items did not constitute new taxable sales, the amount rebated for those items shall be recaptured from the company, subject to the prescriptive period set forth in LRS 47:1561.2.	No provisions for recapturing the abated taxes.
<b>8. The Types of Commitments made by the Recipients of the Tax Abatement</b>	The rebate payments are based upon new taxable sales which is the sale of goods and services upon which state sales and use tax is paid, which would not have occurred but for the operation in the state of the procurement processing company.	The credit is for the amount of eligible costs and expenses incurred during the rehabilitation of the historic structure.
<b>9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis</b>	\$11,693,808	\$99,929,840
<b>10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed</b>	No information was omitted due to legal prohibitions	No information was omitted due to legal prohibitions

GASB 77 Tax Abatements	Programs Administered by Louisiana Department of Revenue	
	Cooperative Endeavor Agreements for Tax Increment Financing (TIF) Districts	
	<ol style="list-style-type: none"> <li>1. Algiers TIF-New Orleans</li> <li>2. Bass Pro TIF-Denham Springs</li> <li>3. Broussard TIF</li> <li>4. Cabela's TIF-Gonzales</li> <li>5. Garrett Rd TIF-Monroe</li> <li>6. Rooms to Go TIF-St. Tammany</li> <li>7. Ruston TIF</li> <li>8. Tower Drive TIF-Monroe</li> <li>9. Capitol House Taxing District TIF-Baton Rouge</li> <li>10. Bluebonnet Convention Hotel Taxing District TIF-Baton Rouge</li> <li>11. EBRATS Building Special Taxing District TIF-Baton Rouge</li> </ol>	
<b>1. Purpose of the Program</b>	To provide financing for the districts and allow them to issue bonds or provide for the issuance of bonds and to provide funds for the authorized public functions within the districts.	
<b>2. Tax being Abated</b>	State Sales Tax	
<b>3. Authority to Enter into Abatement Agreement</b>	LRS 33:9020 through 9039	
<b>4. Eligibility Criteria</b>	Any group consisting of at least three people must be designated as economic corporation by the legislature or the governing authority of a local governmental subdivision of the state.	
<b>5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced</b>	A portion of the sales tax collected inside the following districts are distributed back to the district on a quarterly basis; (1) Algiers TIF-New Orleans, (2) Bass Pro TIF-Denham Springs, (3) Broussard TIF, (4) Cabela's TIF-Gonzales, (5) Garrett Rd TIF-Monroe (6) Rooms to Go TIF-St. Tammany, (7) Ruston TIF, (8) Tower Drive TIF-Monroe. The 4% state sales tax collected on hotel rooms within the following districts are retained by the district and are not remitted to the Department of Revenue; (1) Capitol House Taxing District TIF-Baton Rouge, (2) Bluebonnet Convention Hotel Taxing District TIF-Baton Rouge, (3) EBRATS Building Special Taxing District TIF-Baton Rouge.	
<b>6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined</b>	The amount of taxes distributed to or retained by the district is spelled out in the cooperative endeavor agreement.	
<b>7. Provisions for Recapturing Abated Taxes</b>	No Provisions for Recapturing Abated Taxes	

# State of Louisiana

GASB 77 Tax Abatements	Programs Administered by Louisiana Department of Revenue	
	Cooperative Endeavor Agreements for Tax Increment Financing (TIF) Districts	
	<ol style="list-style-type: none"> <li>1. Algiers TIF-New Orleans</li> <li>2. Bass Pro TIF-Denham Springs</li> <li>3. Broussard TIF</li> <li>4. Cabela's TIF-Gonzales</li> <li>5. Garrett Rd TIF-Monroe</li> <li>6. Rooms to Go TIF-St. Tammany</li> <li>7. Ruston TIF</li> <li>8. Tower Drive TIF-Monroe</li> <li>9. Capitol House Taxing District TIF-Baton Rouge</li> <li>10. Bluebonnet Convention Hotel Taxing District TIF-Baton Rouge</li> <li>11. EBRATS Building Special Taxing District TIF-Baton Rouge</li> </ol>	
<b>8. The Types of Commitments made by the Recipients of the Tax Abatement</b>	<p>This districts anticipates that the projects will result in the creation of jobs, stimulate economic development and increase sales and use tax receipts within the geographic area comprising the District, serving an integral public purpose. The districts will proceed with diligence to issue the bonds and, as necessary, make the funds therefrom available to the Corporation for the development and construction of the project.</p>	
<b>9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis</b>	\$11,473,401	
<b>10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed</b>	No information was omitted due to legal prohibitions	



## NOTE 12: OTHER DISCLOSURES

### A. RELATED PARTY TRANSACTIONS

The State Board of Elementary and Secondary Education (SBESE) serves as the governing board for the Department of Education. The State Superintendent of Education is appointed by the SBESE and is responsible for the daily administration of the department and submits educational policy and funding issues and awards to the SBESE for implementation authority.

The SBESE consists of eleven members representing eight geographic regions of the State (SBESE districts). Eight members are elected by citizens in the representative SBESE districts and three members at large are appointed by the governor. Elected and appointed members serve a term of four years concurrent with the term of the governor.

The Department of Education presents funding awards and/or allocations to the Finance Committee of the SBESE for recommendation to the full board. A majority of the board constitutes department authority to award funds to sub-recipients.

A SBESE member at large is currently the Superintendent of the St. Bernard Parish School Board. St. Bernard Parish School Board is a sub-recipient of funds authorized by SBESE. For the fiscal year ended June 30, 2018, St. Bernard Parish School Board received amounts totaling \$54,182,927 in funding authorized by SBESE and released by the Department of Education.

A SBESE member at large is currently the Superintendent of the Diocese of Alexandria Office of Catholic Schools. For fiscal year ended June 30, 2018, the Diocese of Alexandria received \$1,328,911 in funding authorized by the Department of Education.

The Motor Fuels Underground Storage Tank Trust Advisory Board advises the Secretary of the Department of Environmental Quality regarding the Underground Storage Tank Trust Fund transactions. One board member has ownership in a company that received disbursements of \$159,828 from the Trust Fund. One board member holds a key management position in a company that received disbursements of \$3,347,961 in payments from the Trust Fund.

### B. ADOPTION OF NEW ACCOUNTING STANDARDS

For the year ended June 30, 2018, the State of Louisiana implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, GASB Statement No. 85, *Omnibus 2017*, and GASB Statement No. 86, *Certain Debt Extinguishment Issues*.

## NOTE 13: SUBSEQUENT EVENTS

### A. DEBT ISSUANCES

On December 19, 2018, the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$66,830,000 in revenue bonds on behalf of the LCTCS Facilities Corporation, a nonprofit organization, for Act 360 Phase 3 for the following projects: Delgado Charity School of Nursing and Allied Health Campus in New Orleans; Delgado Culinary Institute in New Orleans; Delgado Advanced Technology Building and Campus Expansion in New Orleans; Louisiana Delta Community College Nursing, Welding, Workforce Training Campus in Ruston; and SOWELA Technical Community College Hospitality & Tourism in Lake Charles.

### B. CONSTITUTIONAL AMENDMENTS

Six amendments to the Louisiana Constitution of 1974 were voted on in a general election on November 6, 2018. All of the amendments passed and are summarized below.

Amendment one passed, which prohibits felons from holding or seeking elective public office or an "appointment of honor, trust, or profit in this state" for five years after completing a sentence for the conviction. The restriction does not apply to felons who are pardoned and it does not prohibit a convicted felon from being employed by the state or a political subdivision.

Amendment two passed, which provides that a noncapital criminal case for an offense committed on or after January 1, 2019, in which the punishment is necessarily confinement at hard labor shall be tried before a jury of twelve persons, all of whom must concur to render a verdict. Formerly, Louisiana allowed a conviction or acquittal of a felony defendant without a unanimous decision, with 10 out of 12 jury votes being required to reach a verdict.

# State of Louisiana

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Amendment three passed, which allows local governments or other political subdivisions, pursuant to written agreement, to donate equipment and personnel to other local governments or political subdivisions without a requirement for receiving comparable value. Formerly, the state Constitution prohibited donations or loans by local government entities except in cases of emergency.

Amendment four passed, which removes the authority to appropriate or dedicate monies in the Transportation Trust Fund to the state police for traffic control purposes.

Amendment five passed, which extends eligibility for the following special property tax treatments to property in trust: the special assessment level for property tax valuation, the property tax exemption for property of a disabled veteran, and the property tax exemption for the surviving spouse of a person who died while performing their duties as a first responder, active duty member of the military, or law enforcement or fire protection officer.

Amendment six passed, which requires that any reappraisal of the value of residential property by more than 50%, resulting in a corresponding increase in property taxes, be phased-in over the course of four years during which time no additional reappraisal can occur and that the decrease in the total ad valorem tax collected as a result of phase-in of assessed valuation be absorbed by the taxing authority and not allocated to the other taxpayers.

REQUIRED SUPPLEMENTARY  
INFORMATION OTHER THAN  
MANAGEMENT'S DISCUSSION  
AND ANALYSIS



# State of Louisiana

## BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

### BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
INTERGOVERNMENTAL	\$ 12,888,206	\$ 13,631,049	\$ 12,053,287	\$ (1,577,762)
TOTAL REVENUES	12,888,206	13,631,049	12,053,287	(1,577,762)
<b>EXPENDITURES:</b>				
<b>CURRENT:</b>				
GENERAL GOVERNMENT	1,139,666	1,840,416	1,421,423	418,993
CULTURE, RECREATION & TOURISM	100,435	102,223	82,344	19,879
TRANSPORTATION & DEVELOPMENT	678,331	702,377	697,813	4,564
PUBLIC SAFETY	1,669,954	1,729,984	1,278,897	451,087
HEALTH & WELFARE	14,333,393	14,547,263	13,535,061	1,012,202
CORRECTIONS	826,218	854,031	807,887	46,144
YOUTH DEVELOPMENT	125,588	124,980	113,536	11,444
CONSERVATION & ENVIRONMENT	509,813	516,034	337,944	178,090
EDUCATION	6,506,954	6,516,968	6,349,852	167,116
AGRICULTURE & FORESTRY	89,893	91,255	79,480	11,775
ECONOMIC DEVELOPMENT	143,897	209,453	131,713	77,740
MILITARY & VETERANS AFFAIRS	159,548	176,517	157,713	18,804
WORKFORCE SUPPORT & TRAINING	290,486	290,488	232,617	57,871
TOTAL EXPENDITURES	26,574,176	27,701,989	25,226,280	2,475,709
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(13,685,970)	(14,070,940)	(13,172,993)	(897,947)
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	13,943,903	14,210,886	13,812,667	(398,219)
TRANSFERS OUT	(557,353)	(581,594)	(366,223)	215,371
SALES OF GENERAL CAPITAL ASSETS	--	--	3	3
TOTAL OTHER FINANCING SOURCES/(USES)	13,386,550	13,629,292	13,446,447	(182,845)
NET CHANGE IN BUDGETARY FUND BALANCE	(299,420)	(441,648)	273,454	715,102
BUDGETARY FUND BALANCE - BEGINNING	299,420	441,648	427,662	(13,986)
BUDGETARY FUND BALANCE - ENDING	\$ --	\$ --	\$ 701,116	\$ 701,116

The notes to required supplementary information are an integral part of this schedule.

# State of Louisiana

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## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

### BUDGETARY REPORTING

FOR THE YEAR ENDED JUNE 30, 2018

The Budgetary Comparison Schedule - Budget to Actual (Non-GAAP Budgetary Basis) of the General Fund presents comparisons of the original and final legally adopted budget with actual activity presented on a budgetary basis. The budget is prepared for each budget unit at the appropriated program level which is the lowest level at which appropriations are adopted.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resulting basis and perspective differences in the revenues in excess of (less than) expenditures and other financing sources (uses) between budgetary and GAAP presentations for the year ended June 30, 2018, is presented below (expressed in thousands) for the General Fund.

Fund Balance (Budgetary Basis)	\$	701,116
Reconciling Adjustments:		
Basis Differences:		
For budgetary purposes, the carryforward of expenditure authority from fiscal year 2018 to fiscal year 2019 and the uses of the 2017 surplus are considered a reduction in fiscal year 2018 fund balance. However, under GAAP, reductions in fund balance would occur only when expenditures are incurred.		137,759
Certain adjustments are necessary to convert budgetary fund balance to GAAP fund balance. These adjustments include payroll accruals, adjustments for inventories, accruals related to non-exchange transactions, and expenditure adjustments related to the recognition of principal and interest on defeased debt.		(659,558)
Perspective Differences:		
Statutorily dedicated funds are included in the General Fund for GAAP presentation but are considered separate funds for budgetary presentation.		1,624,364
The Office of Group Benefits and the Office of Risk Management are excluded from the General Fund for budgetary presentation but included in the General Fund for GAAP presentation.		336,902
Under the budgetary basis, expenditures for certain entities reported in the General Fund such as the legislative and judicial branches are recognized when monies are warranted rather than when the expenditures are incurred.		<u>149,564</u>
Fund Balance (GAAP)	\$	<u><u>2,290,147</u></u>

The General Fund Budgetary Comparison Schedule is reported by agency in the *Supplementary Information to the Comprehensive Annual Financial Report* available on request from the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy.



# State of Louisiana

## PENSIONS

### SCHEDULE OF COST SHARING PLAN CONTRIBUTIONS

(In thousands)

	<u>LASERS</u>			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 577,042	\$ 536,720	\$ 562,470	\$ 569,001
Contributions in relation to the contractually required contribution	<u>577,042</u>	<u>536,720</u>	<u>562,470</u>	<u>569,001</u>
Contribution deficiency (excess)	\$ <u>    --</u>	\$ <u>    --</u>	\$ <u>    --</u>	\$ <u>    --</u>
Covered payroll	\$ 1,593,510	\$ 1,568,078	\$ 1,563,623	\$ 1,568,676
Contributions as a percentage of covered payroll	36.21%	34.23%	35.97%	36.27%

	<u>DARS</u>			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ --	\$ --	\$ 984	\$ 1,934
Contributions in relation to the contractually required contribution	<u>    --</u>	<u>    --</u>	<u>    984</u>	<u>    1,934</u>
Contribution deficiency (excess)	\$ <u>    --</u>	\$ <u>    --</u>	\$ <u>    --</u>	\$ <u>    --</u>
Covered payroll	\$ 27,978	\$ 27,918	\$ 27,960	\$ 27,896
Contributions as a percentage of covered payroll	0.00%	0.00%	3.52%	6.93%

Ten years of information is required to be presented; however, until a full 10-year trend is compiled, information for those years for which information is available will be presented.



# State of Louisiana

<u>TRSL</u>				<u>LSERS</u>			
<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 50,920	\$ 47,439	\$ 50,162	\$ 51,520	\$ 256	\$ 189	\$ 234	\$ 244
50,920	47,439	50,162	51,520	256	189	234	244
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
\$ 164,814	\$ 159,014	\$ 159,585	\$ 163,855	\$ 925	\$ 690	\$ 777	\$ 741
30.90%	29.83%	31.43%	31.44%	27.67%	27.39%	30.12%	32.93%

<u>LCCRRF</u>				<u>ROVERS</u>			
<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,497	\$ 1,482	\$ 1,494	\$ 1,485	\$ 1,757	\$ 2,017	\$ 2,292	\$ 2,437
1,497	1,482	1,494	1,485	1,757	2,017	2,292	2,437
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
\$ 7,861	\$ 7,766	\$ 7,912	\$ 8,394	\$ 10,485	\$ 10,177	\$ 10,342	\$ 10,233
19.04%	19.08%	18.88%	17.69%	16.76%	19.82%	22.16%	23.82%

# State of Louisiana

**PENSIONS**  
**SCHEDULE OF COST SHARING PROPORTIONATE SHARE OF THE**  
**NET PENSION LIABILITY**  
(In thousands)

	<b>LASERS</b>			
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Proportion of the net pension liability (percentage)	80.12%	79.72%	79.45%	78.50%
Proportionate share of the net pension liability (asset)	\$ 5,639,645	\$ 6,260,399	\$ 5,403,807	\$ 4,908,708
Covered payroll	\$ 1,593,510	\$ 1,568,078	\$ 1,568,676	\$ 1,558,594
Proportionate share of the net pension liability as a percentage of covered payroll	353.91%	399.24%	344.48%	314.94%
Plan fiduciary net position as a percentage of the total pension liability	62.16%	57.32%	62.38%	65.02%

	<b>DARS</b>			
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Proportion of the net pension liability (percentage)	46.15%	46.38%	46.90%	47.86%
Proportionate share of the net pension liability (asset)	\$ 12,448	\$ 8,878	\$ 2,526	\$ 955
Covered payroll	\$ 27,978	\$ 27,918	\$ 27,896	\$ 28,091
Proportionate share of the net pension liability as a percentage of covered payroll	44.49%	31.80%	9.06%	3.40%
Plan fiduciary net position as a percentage of the total pension liability	93.76%	95.22%	98.59%	99.45%

Ten years of information is required to be presented; however, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

# State of Louisiana

<u>TRSL</u>				<u>LSERS</u>			
<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
4.34%	4.16%	4.21%	4.26%	0.30%	0.27%	0.26%	0.27%
\$ 445,342	\$ 488,598	\$ 452,274	\$ 435,565	\$ 1,918	\$ 2,057	\$ 1,659	\$ 1,592
\$ 164,814	\$ 159,014	\$ 163,855	\$ 188,202	\$ 925	\$ 690	\$ 741	\$ 916
270.20%	307.27%	276.02%	231.43%	207.35%	298.12%	223.89%	173.80%
65.30%	60.62%	62.77%	63.65%	73.39%	70.11%	75.29%	76.14%
<u>LCCRRF</u>				<u>ROVERS</u>			
<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
8.57%	8.53%	8.54%	8.27%	73.30%	74.15%	74.07%	72.46%
\$ 12,964	\$ 15,785	\$ 12,806	\$ 11,155	\$ 16,090	\$ 21,040	\$ 18,141	\$ 16,753
\$ 7,861	\$ 7,766	\$ 8,394	\$ 7,525	\$ 10,485	\$ 10,177	\$ 10,233	\$ 9,911
164.92%	203.26%	152.56%	148.24%	153.46%	206.74%	177.28%	169.03%
79.21%	73.61%	77.61%	79.38%	80.35%	73.54%	76.47%	77.68%

# State of Louisiana

## PENSIONS

### Schedule of Changes in Net Pension Liability and Related Ratios

(Louisiana State Police Retirement System only)

(In thousands)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability:</b>				
Service cost	\$ 22,006	\$ 21,783	\$ 17,523	\$ 14,008
Interest	70,440	63,046	56,560	53,921
Differences between expected and actual experience	6,703	53,451	42,198	7,857
Changes in assumptions	214	--	--	6,324
Benefit payments	<u>(43,543)</u>	<u>(42,499)</u>	<u>(43,376)</u>	<u>(42,009)</u>
<b>Net change in total pension liability</b>	<b>55,820</b>	<b>95,781</b>	<b>72,905</b>	<b>40,101</b>
<b>Total pension liability - beginning</b>	<b><u>1,006,626</u></b>	<b><u>910,845</u></b>	<b><u>837,940</u></b>	<b><u>797,839</u></b>
<b>Total pension liability - ending</b>	<b>\$ <u>1,062,446</u></b>	<b>\$ <u>1,006,626</u></b>	<b>\$ <u>910,845</u></b>	<b>\$ <u>837,940</u></b>
<b>Plan fiduciary net position :</b>				
Contributions - employer	\$ 48,556	\$ 56,380	\$ 53,799	\$ 45,650
Contributions - employee	7,184	7,106	5,446	4,564
Contributions - nonemployer				
Net investment income	98,946	(10,925)	18,930	94,080
Benefit payments	(43,543)	(42,499)	(43,376)	(42,009)
Other	<u>1,006</u>	<u>2,045</u>	<u>(724)</u>	<u>(623)</u>
<b>Net change in fiduciary net position</b>	<b>112,149</b>	<b>12,107</b>	<b>35,523</b>	<b>101,662</b>
<b>Plan fiduciary net position - beginning</b>	<b><u>670,423</u></b>	<b><u>658,316</u></b>	<b><u>622,793</u></b>	<b><u>521,131</u></b>
<b>Plan fiduciary net position - ending</b>	<b>\$ <u>782,572</u></b>	<b>\$ <u>670,423</u></b>	<b>\$ <u>658,316</u></b>	<b>\$ <u>622,793</u></b>
<b>State's net pension liability</b>	<b>\$ <u>279,874</u></b>	<b>\$ <u>336,203</u></b>	<b>\$ <u>252,529</u></b>	<b>\$ <u>215,147</u></b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>73.65%</b>	<b>66.60%</b>	<b>72.28%</b>	<b>74.32%</b>
<b>Covered payroll</b>	<b>\$ 107,998</b>	<b>\$ 108,937</b>	<b>\$ 85,233</b>	<b>\$ 71,880</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>259.15%</b>	<b>308.62%</b>	<b>296.28%</b>	<b>299.31%</b>

Ten years of information is required to be presented; however, until a full 10-year trend is compiled those years for which information is available will be presented.



# State of Louisiana

**PENSIONS**  
**SCHEDULE OF SINGLE EMPLOYER PLAN CONTRIBUTIONS**  
**(Louisiana State Police Retirement System only)**  
(In thousands)

	2018	2017
Actuarially determined contribution	\$ 47,922	\$ 48,556
Contributions in relation to the actuarially determined contribution	47,922	48,556
Contribution deficiency (excess)	\$ --	\$ --
Covered payroll	\$ 107,998	\$ 108,937
Contributions as a percentage of covered payroll	44.37%	44.57%

**Notes to Schedule:**

Valuation date: June 30, 2018 June 30, 2017

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age Normal	Entry age Normal
Amortization method	Level Annuity	Level Annuity
Remaining amortization period	27 years	28 years
Asset valuation method	Market	Market
Inflation	2.50%	2.50%
Salary increases	5.25%	4.0% - 16.5% based on the member's years of service
Investment rate of return	7.0%, net of plan investment expense, including inflation	7.0%, net of plan investment expense, including inflation
Retirement age	The 2008-2012 experience study updated retirement rates based on age and service eligibility requirements for normal retirement benefits.	The 2008-2012 experience study updated retirement rates based on age and service eligibility requirements for normal retirement benefits.
Mortality	Mortality rates were based on the 2012 - 2017 experience study. As a result of this study, mortality for annuitants and beneficiaries was set equal to 110% of the RP2014 Total Dataset Healthy Annuitant Table for males and 105% of the RP2014 Total Dataset Healthy Annuitant Table for females, each with the full generational MP2017 scale. In addition, mortality for employees was set based on the RP2014 Employee Tables with the same full generational MP 2017 scale for mortality improvement and the same multipliers as the annuitant mortality tables (i.e., 110% for males and 105% for females). The RP2014 Disabled Tables were selected for disabled lives mortality with the same full generational MP2017 scale for mortality improvement as the annuitant mortality tables.	Mortality rates were based on the 2008-2012 experience study which updated preretirement deaths and postretirement life expectancies to the RP-2000 Combined Healthy Sex Distinct Mortality Table with mortality improvements projected to 2025. The RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

Other information

Ten years of information is required to be disclosed; however, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

# State of Louisiana

2016		2015	
\$	56,380	\$	53,798
	<u>56,380</u>		<u>53,798</u>
\$	<u>    --</u>	\$	<u>    --</u>
\$	104,059	\$	85,233
	54.18%		63.12%
	June 30, 2016		June 30, 2015

Entry age Normal

Level Annuity

29 years

Market

2.30%

4.0% - 16.5% based on the member's years of service

7.0%, net of plan investment expense, including inflation

The 2008-2012 experience study updated retirement rates based on age and service eligibility requirements for normal retirement benefits.

Mortality rates were based on the 2008-2012 experience study which updated preretirement deaths and postretirement life expectancies to the RP-2000 Sex Distinct Mortality Table with mortality improvements projected to 2025.

Entry age Normal

Level Annuity

30 years

Market

2.30%

4.0% - 16.5% based on the member's years of service

7.0%, net of plan investment expense, including inflation

The 2008-2012 experience study updated retirement rates based on age and service eligibility requirements for normal retirement benefits.

Mortality rates were based on the 2008-2012 experience study which updated preretirement deaths and postretirement life expectancies to the RP-2000 Sex Distinct Mortality Table with mortality improvements projected to 2025.

Covered payroll increased in 2016 due to (1) additional Louisiana State Troopers added to payroll and (2) increases to Louisiana State Trooper salaries effective July 1, 2016.

# State of Louisiana

## OTHER POSTEMPLOYMENT BENEFITS PLANS

### Schedules of Required Supplementary Information

#### SCHEDULE OF CHANGES IN THE OGB PLAN TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30, 2018  
(Dollar amounts in thousands)

Total OPEB liability - OGB Plan	2018	
	Primary Government	Component Units
Service cost	179,830	64,927
Interest	181,640	65,580
Differences between expected and actual benefit payments	(2,363)	2,867
Changes of assumptions or other inputs	(431,803)	(155,901)
Benefit payments	(206,439)	(78,254)
Net change in total OPEB liability	(279,135)	100,781
TOTAL OPEB liability - beginning, restated	6,626,454	2,392,451
Total OPEB liability - ending	<u>6,347,319</u>	<u>2,291,670</u>
Covered-employee payroll	1,532,058	723,561
Total OPEB liability as a percentage of covered-employee payroll	414.30%	316.72%

#### Notes to Schedule:

No assets are accumulated in a trust to pay related benefits.

*Changes of assumptions.* Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate changed from 2.71% as of July 1, 2016 to 3.13% as of July 1, 2017. Under GASB 75, unfunded plans are required to use a discount rate that reflects the 20-year tax-exempt municipal bond yield or index rate. Thus, the discount rates of 3.13% and 2.71% are based on the S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2017 and June 30, 2016, respectively.

Ten years of information is required to be presented; however, until a full 10-year trend is compiled, those years for which information is available will be presented.



**SCHEDULE OF CHANGES IN THE LSU PLAN  
TOTAL OPEB LIABILITY AND RELATED RATIOS**

Year Ended June 30, 2018  
(Dollar amounts in thousands)

	<b>2018</b>	
<b>Total OPEB liability - LSU Plan</b>	Primary Government	Component Units
Service cost	2,921	18,585
Interest	3,476	36,404
Changes of benefit terms	(1,886)	(18,075)
Differences between expected and actual experience	--	--
Changes of assumptions or other inputs	(5,392)	(53,121)
Benefit payments	(946)	(15,619)
Net change in total OPEB liability	(1,827)	(31,826)
TOTAL OPEB liability - beginning, restated	84,554	924,767
Total OPEB liability - ending	82,727	892,941
 Covered-employee payroll	 39,847	 466,742
 Total OPEB liability as a percentage of covered-employee payroll	 207.61%	 191.31%

**Notes to Schedule:**

No assets are accumulated in a trust to pay related benefits.

*Changes of assumptions.* Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate increased from 3.58% to 3.90%. Under GASB 75, unfunded plans are required to use a discount rate that reflects the 20-year tax-exempt municipal bond yield or index rate. Thus, the discount rates of 3.58% and 3.90% are based on the Bond Buyer 20-Bond GO Index.

Ten years of information is required to be presented; however, until a full 10-year trend is compiled, those years for which information is available will be presented.



**BUDGETARY COMPARISON  
SCHEDULE  
MAJOR DEBT SERVICE FUND**



# State of Louisiana

## BUDGETARY COMPARISON SCHEDULE - BOND SECURITY AND REDEMPTION FUND

### BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

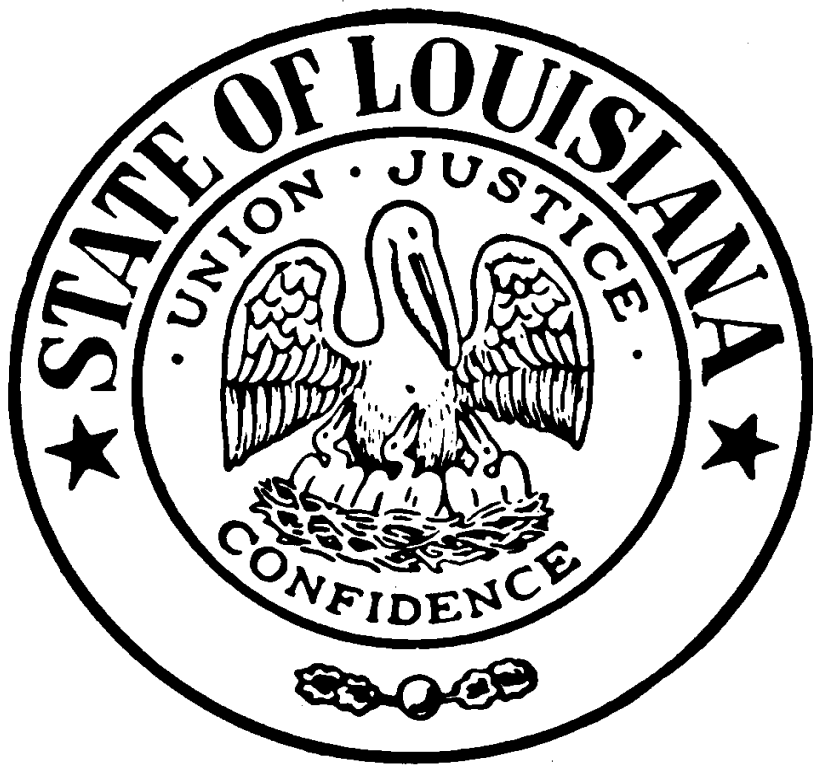
	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
INTERGOVERNMENTAL	\$ --	\$ --	1,404	\$ 1,404
TAXES	9,898,900	10,073,900	10,363,015	289,115
TOBACCO SETTLEMENT	103,200	103,700	62,029	(41,671)
GAMING	862,500	873,500	747,314	(126,186)
USE OF MONEY & PROPERTY	189,000	177,800	273,447	95,647
LICENSES, PERMITS & FEES	1,328,152	1,417,352	1,466,957	49,605
SALES OF COMMODITIES & SERVICES	--	--	2	2
GIFTS, DONATIONS, AND CONTRIBUTIONS	--	--	6,997	6,997
OTHER	351,098	217,797	1,326	(216,471)
INTERAGENCY TRANSFERS	851,636	877,383	648,092	(229,291)
<b>TOTAL REVENUES</b>	<b>13,584,486</b>	<b>13,741,432</b>	<b>13,570,583</b>	<b>(170,849)</b>
<b>EXPENDITURES:</b>				
<b>CURRENT:</b>				
GENERAL GOVERNMENT	--	--	203	(203)
<b>DEBT SERVICE:</b>				
PRINCIPAL	259,400	259,400	259,400	--
INTEREST	156,783	158,330	158,330	--
ISSUANCE COSTS & OTHER CHARGES	--	--	357	(357)
<b>TOTAL EXPENDITURES</b>	<b>416,183</b>	<b>417,730</b>	<b>418,290</b>	<b>(560)</b>
<b>EXCESS(DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES</b>	<b>13,168,303</b>	<b>13,323,702</b>	<b>13,152,293</b>	<b>(171,409)</b>
<b>OTHER FINANCING SOURCES(USES):</b>				
TRANSFERS IN	--	--	3,573	3,573
TRANSFERS OUT	(13,168,303)	(13,323,702)	(13,166,986)	156,716
PREMIUM ON LONG-TERM DEBT ISSUED	--	--	1	1
SALES OF GENERAL CAPITAL ASSETS	--	--	804	804
INSURANCE RECOVERIES	--	--	10,315	10,315
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>(13,168,303)</b>	<b>(13,323,702)</b>	<b>(13,152,293)</b>	<b>171,409</b>
<b>NET CHANGE IN BUDGETARY FUND BALANCE</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>BUDGETARY FUND BALANCE - BEGINNING</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>BUDGETARY FUND BALANCE - ENDING</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>



COMBINING AND INDIVIDUAL  
FUND STATEMENTS







# State of Louisiana

## COMBINING BALANCE SHEET

### NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2018

### SPECIAL REVENUE FUNDS

(EXPRESSED IN THOUSANDS)

	EMPLOYMENT SECURITY ADMINISTRATIVE ACCOUNT	FEDERAL ENERGY SETTLEMENT FUND	INCUMBENT WORKER TRAINING ACCOUNT	LABOR PENALTY & INTEREST ACCOUNT
<b>ASSETS:</b>				
CASH & CASH EQUIVALENTS	\$ 4,055	\$ --	\$ 1,260	\$ 3,694
INVESTMENTS	--	8,652	21,263	--
RECEIVABLES (NET)	686	--	3,348	6,687
DUE FROM OTHER FUNDS	--	--	729	--
AMOUNTS DUE FROM COMPONENT UNITS	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--
<b>TOTAL ASSETS</b>	<b>\$ 4,741</b>	<b>\$ 8,652</b>	<b>\$ 26,600</b>	<b>\$ 10,381</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ --	\$ --	\$ --	\$ --
DUE TO OTHER FUNDS	2,492	13,580	--	210
DUE TO LOCAL GOVERNMENTS	--	--	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	--
<b>TOTAL LIABILITIES</b>	<b>2,492</b>	<b>13,580</b>	<b>--</b>	<b>210</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
UNAVAILABLE REVENUE	--	--	--	--
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES:</b>				
NONSPENDABLE	--	--	--	--
RESTRICTED	--	--	--	--
COMMITTED	2,249	--	26,600	10,171
UNASSIGNED	--	(4,928)	--	--
<b>TOTAL FUND BALANCES</b>	<b>2,249</b>	<b>(4,928)</b>	<b>26,600</b>	<b>10,171</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 4,741</b>	<b>\$ 8,652</b>	<b>\$ 26,600</b>	<b>\$ 10,381</b>

(Continued)

# State of Louisiana

## SPECIAL REVENUE FUNDS

LOUISIANA TOURISM PROMOTION DISTRICT FUND	MARSH ISLAND OPERATING FUND	RETIREMENT SYSTEMS INSURANCE PROCEEDS FUND	STATE HIGHWAY FUND #2	TRANSPORTATION TRUST FUND	TOTAL SPECIAL REVENUE FUNDS
\$ 2,036	\$ 707	\$ --	\$ 12,379	\$ --	\$ 24,131
--	--	--	--	321,572	351,487
2,059	36	--	839	6	13,661
5,024	--	--	1,298	92,048	99,099
--	--	--	--	--	--
--	--	--	--	81,518	81,518
<u>\$ 9,119</u>	<u>\$ 743</u>	<u>\$ --</u>	<u>\$ 14,516</u>	<u>\$ 495,144</u>	<u>\$ 569,896</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
102	743	--	7,000	108,239	132,366
--	--	--	7,516	--	7,516
--	--	--	--	--	--
<u>102</u>	<u>743</u>	<u>--</u>	<u>14,516</u>	<u>108,239</u>	<u>139,882</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	386,905	386,905
9,017	--	--	--	--	48,037
--	--	--	--	--	(4,928)
<u>9,017</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>386,905</u>	<u>430,014</u>
<u>\$ 9,119</u>	<u>\$ 743</u>	<u>\$ --</u>	<u>\$ 14,516</u>	<u>\$ 495,144</u>	<u>\$ 569,896</u>

# State of Louisiana

## COMBINING BALANCE SHEET

### NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	DEBT SERVICE FUNDS			PERMANENT FUNDS
	TOBACCO SETTLEMENT FINANCING CORPORATION	TRANSPORTATION INFRASTRUCTURE MODEL FOR ECONOMIC DEVELOPMENT	TOTAL DEBT SERVICE FUNDS	EDUCATION EXCELLENCE FUND
<b>ASSETS:</b>				
CASH & CASH EQUIVALENTS	\$ 180	\$ --	\$ 180	\$ 3,132
INVESTMENTS	70,739	82,671	153,410	510,383
RECEIVABLES (NET)	100	70	170	--
DUE FROM OTHER FUNDS	--	21	21	1,192
AMOUNTS DUE FROM COMPONENT UNITS	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--
<b>TOTAL ASSETS</b>	<b>\$ 71,019</b>	<b>\$ 82,762</b>	<b>\$ 153,781</b>	<b>\$ 514,707</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 10	\$ 21	\$ 31	\$ 165
DUE TO OTHER FUNDS	--	23	23	16
DUE TO LOCAL GOVERNMENTS	--	--	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	--
<b>TOTAL LIABILITIES</b>	<b>10</b>	<b>44</b>	<b>54</b>	<b>181</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
UNAVAILABLE REVENUE	--	70	70	--
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>--</b>	<b>70</b>	<b>70</b>	<b>--</b>
<b>FUND BALANCES:</b>				
NONSPENDABLE	--	--	--	464,444
RESTRICTED	71,009	82,648	153,657	50,082
COMMITTED	--	--	--	--
UNASSIGNED	--	--	--	--
<b>TOTAL FUND BALANCES</b>	<b>71,009</b>	<b>82,648</b>	<b>153,657</b>	<b>514,526</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 71,019</b>	<b>\$ 82,762</b>	<b>\$ 153,781</b>	<b>\$ 514,707</b>

(Concluded)

# State of Louisiana

## PERMANENT FUNDS

FULLER-EDWARDS ARBORETUM TRUST FUND	HEALTH EXCELLENCE FUND	W.R. IRBY BEQUEST FUND	TOPS FUND	TOTAL PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ 169	\$ --	\$ 2,800	\$ 445	\$ 6,546	\$ 30,857
--	510,382	1,005	510,382	1,532,152	2,037,049
--	--	25	--	25	13,856
--	1,607	--	1,192	3,991	103,111
--	--	--	43	43	43
--	--	--	--	--	81,518
<u>\$ 169</u>	<u>\$ 511,989</u>	<u>\$ 3,830</u>	<u>\$ 512,062</u>	<u>\$ 1,542,757</u>	<u>\$ 2,266,434</u>
\$ 1	\$ 6,050	\$ 76	\$ --	\$ 6,292	\$ 6,323
--	1,726	--	30	1,772	134,161
--	--	--	--	--	7,516
--	--	63	--	63	63
<u>1</u>	<u>7,776</u>	<u>139</u>	<u>30</u>	<u>8,127</u>	<u>148,063</u>
--	--	--	--	--	70
--	--	--	--	--	70
100	466,298	--	464,787	1,395,629	1,395,629
68	37,915	3,691	47,245	139,001	679,563
--	--	--	--	--	48,037
--	--	--	--	--	(4,928)
<u>168</u>	<u>504,213</u>	<u>3,691</u>	<u>512,032</u>	<u>1,534,630</u>	<u>2,118,301</u>
<u>\$ 169</u>	<u>\$ 511,989</u>	<u>\$ 3,830</u>	<u>\$ 512,062</u>	<u>\$ 1,542,757</u>	<u>\$ 2,266,434</u>

# State of Louisiana

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

### NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

### SPECIAL REVENUE FUNDS

(EXPRESSED IN THOUSANDS)

	EMPLOYMENT SECURITY ADMINISTRATIVE ACCOUNT	FEDERAL ENERGY SETTLEMENT FUND	INCUMBENT WORKER TRAINING ACCOUNT	LABOR PENALTY & INTEREST ACCOUNT
REVENUES:				
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --
TAXES	4,033	--	20,171	13
TOBACCO SETTLEMENT	--	--	--	--
USE OF MONEY & PROPERTY	36	67	149	85
LICENSES, PERMITS & FEES	--	--	6	4,709
OTHER	--	5	--	--
TOTAL REVENUES	<u>4,069</u>	<u>72</u>	<u>20,326</u>	<u>4,807</u>
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	--	--	--	--
CULTURE, RECREATION & TOURISM	--	--	--	--
TRANSPORTATION & DEVELOPMENT	--	--	--	--
EDUCATION	--	--	--	--
AGRICULTURE & FORESTRY	--	--	--	--
INTERGOVERNMENTAL	--	--	--	--
CAPITAL OUTLAY	--	--	--	--
DEBT SERVICE:				
PRINCIPAL	--	--	--	--
INTEREST	--	--	--	--
ISSUANCE COSTS & OTHER CHARGES	--	--	--	--
TOTAL EXPENDITURES	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>4,069</u>	<u>72</u>	<u>20,326</u>	<u>4,807</u>
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	--	--	--	--
TRANSFERS OUT	(3,994)	(492)	(18,351)	(3,181)
REFUNDING BONDS ISSUED	--	--	--	--
PREMIUM ON REFUNDING BONDS ISSUED	--	--	--	--
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--
SALES OF GENERAL CAPITAL ASSETS	--	--	--	--
TOTAL OTHER FINANCING SOURCES/(USES)	<u>(3,994)</u>	<u>(492)</u>	<u>(18,351)</u>	<u>(3,181)</u>
NET CHANGE IN FUND BALANCES	75	(420)	1,975	1,626
FUND BALANCES AT BEGINNING OF YEAR	<u>2,174</u>	<u>(4,508)</u>	<u>24,625</u>	<u>8,545</u>
FUND BALANCES AT END OF YEAR	<u>\$ 2,249</u>	<u>\$ (4,928)</u>	<u>\$ 26,600</u>	<u>\$ 10,171</u>

(Continued)

# State of Louisiana

## SPECIAL REVENUE FUNDS

LOUISIANA TOURISM PROMOTION DISTRICT FUND	MARSH ISLAND OPERATING FUND	RETIREMENT SYSTEMS INSURANCE PROCEEDS FUND	STATE HIGHWAY FUND #2	TRANSPORTATION TRUST FUND	TOTAL SPECIAL REVENUE FUNDS
\$ --	\$ --	\$ --	\$ --	\$ 705,225	\$ 705,225
26,352	--	--	--	--	50,569
--	--	--	--	--	--
13	129	--	--	--	479
--	--	66,921	12,891	--	84,527
--	--	--	--	--	5
<u>26,365</u>	<u>129</u>	<u>66,921</u>	<u>12,891</u>	<u>705,225</u>	<u>840,805</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	66,921	7,095	--	74,016
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>66,921</u>	<u>7,095</u>	<u>--</u>	<u>74,016</u>
<u>26,365</u>	<u>129</u>	<u>--</u>	<u>5,796</u>	<u>705,225</u>	<u>766,789</u>
5,024	605	--	1,299	600,594	607,522
(28,998)	(756)	--	(7,095)	(1,293,379)	(1,356,246)
--	--	--	--	--	--
--	--	--	--	--	--
--	22	--	--	--	22
<u>(23,974)</u>	<u>(129)</u>	<u>--</u>	<u>(5,796)</u>	<u>(692,785)</u>	<u>(748,702)</u>
2,391	--	--	--	12,440	18,087
<u>6,626</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>374,465</u>	<u>411,927</u>
<u>\$ 9,017</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 386,905</u>	<u>\$ 430,014</u>

# State of Louisiana

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

### NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	DEBT SERVICE FUNDS			PERMANENT FUNDS
	TOBACCO SETTLEMENT FINANCING CORPORATION	TRANSPORTATION INFRASTRUCTURE MODEL FOR ECONOMIC DEVELOPMENT	TOTAL DEBT SERVICE FUNDS	EDUCATION EXCELLENCE FUND
REVENUES:				
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	--
TAXES	--	120,369	120,369	--
TOBACCO SETTLEMENT	93,043	--	93,043	--
USE OF MONEY & PROPERTY	887	798	1,685	--
LICENSES, PERMITS & FEES	--	--	--	--
OTHER	37	--	37	--
<b>TOTAL REVENUES</b>	<b>93,967</b>	<b>121,167</b>	<b>215,134</b>	<b>--</b>
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	99	--	99	--
CULTURE, RECREATION & TOURISM	--	--	--	--
TRANSPORTATION & DEVELOPMENT	--	8	8	--
EDUCATION	--	--	--	165
AGRICULTURE & FORESTRY	--	--	--	--
INTERGOVERNMENTAL	--	--	--	--
CAPITAL OUTLAY	--	--	--	--
DEBT SERVICE:				
PRINCIPAL	67,880	26,870	94,750	--
INTEREST	27,445	114,248	141,693	--
ISSUANCE COSTS & OTHER CHARGES	--	4,703	4,703	--
<b>TOTAL EXPENDITURES</b>	<b>95,424</b>	<b>145,829</b>	<b>241,253</b>	<b>165</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,457)	(24,662)	(26,119)	(165)
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	--	17,829	17,829	15,955
TRANSFERS OUT	--	(65)	(65)	(15,391)
REFUNDING BONDS ISSUED	--	582,470	582,470	--
PREMIUM ON REFUNDING BONDS ISSUED	--	56,499	56,499	--
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	(638,969)	(638,969)	--
SALES OF GENERAL CAPITAL ASSETS	--	--	--	--
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>--</b>	<b>17,764</b>	<b>17,764</b>	<b>564</b>
NET CHANGE IN FUND BALANCES	(1,457)	(6,898)	(8,355)	399
FUND BALANCES AT BEGINNING OF YEAR	72,466	89,546	162,012	514,127
FUND BALANCES AT END OF YEAR	\$ 71,009	\$ 82,648	\$ 153,657	\$ 514,526

(Concluded)



# State of Louisiana

## PERMANENT FUNDS

FULLER-EDWARDS ARBORETUM TRUST FUND	HEALTH EXCELLENCE FUND	W.R. IRBY BEQUEST FUND	TOPS FUND	TOTAL PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ --	\$ --	\$ --	\$ --	\$ --	705,225
--	--	--	--	--	170,938
--	--	--	--	--	93,043
2	--	--	--	2	2,166
--	--	1,798	--	1,798	86,325
--	--	--	--	--	42
<u>2</u>	<u>--</u>	<u>1,798</u>	<u>--</u>	<u>1,800</u>	<u>1,057,739</u>
--	--	--	--	--	99
--	--	1,528	--	1,528	1,528
--	--	--	--	--	8
--	--	--	--	165	165
1	--	--	--	1	1
--	--	--	57,855	57,855	131,871
--	--	4	--	4	4
--	--	--	--	--	94,750
--	--	--	--	--	141,693
--	--	--	--	--	4,703
<u>1</u>	<u>--</u>	<u>1,532</u>	<u>57,855</u>	<u>59,553</u>	<u>374,822</u>
<u>1</u>	<u>--</u>	<u>266</u>	<u>(57,855)</u>	<u>(57,753)</u>	<u>682,917</u>
--	25,719	--	62,476	104,150	729,501
--	(26,129)	--	(39)	(41,559)	(1,397,870)
--	--	--	--	--	582,470
--	--	--	--	--	56,499
--	--	--	--	--	(638,969)
--	--	--	--	--	22
<u>--</u>	<u>(410)</u>	<u>--</u>	<u>62,437</u>	<u>62,591</u>	<u>(668,347)</u>
1	(410)	266	4,582	4,838	14,570
<u>167</u>	<u>504,623</u>	<u>3,425</u>	<u>507,450</u>	<u>1,529,792</u>	<u>2,103,731</u>
<u>\$ 168</u>	<u>\$ 504,213</u>	<u>\$ 3,691</u>	<u>\$ 512,032</u>	<u>\$ 1,534,630</u>	<u>\$ 2,118,301</u>

# State of Louisiana

## COMBINING STATEMENT OF NET POSITION

### NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	BOARDS & COMMISSIONS	CLEAN WATER STATE REVOLVING LOAN FUND	DRINKING WATER REVOLVING LOAN FUND	LOUISIANA AGRICULTURAL FINANCE AUTHORITY
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
CASH & CASH EQUIVALENTS	\$ 46,326	\$ 237,714	\$ 108,988	\$ 11,228
INVESTMENTS	17,035	--	--	--
RESTRICTED INVESTMENTS	33	--	--	--
RECEIVABLES (NET)	877	1,191	1,323	684
DUE FROM OTHER FUNDS	--	--	--	357
INVENTORIES	3	--	--	--
PREPAYMENTS	114	--	--	47
NOTES RECEIVABLE	--	20,795	8,915	310
OTHER CURRENT ASSETS	385	--	--	--
<b>TOTAL CURRENT ASSETS</b>	<b>64,773</b>	<b>259,700</b>	<b>119,226</b>	<b>12,626</b>
<b>NON-CURRENT ASSETS:</b>				
<b>RESTRICTED ASSETS</b>				
CASH	2,769	--	--	1,776
INVESTMENTS	1,179	--	--	--
RECEIVABLES	3	--	--	--
INVESTMENTS	3,942	--	--	--
RECEIVABLES (NET)	--	--	--	24
NOTES RECEIVABLE	--	335,402	155,122	642
<b>CAPITAL ASSETS (NOTE 5)</b>				
LAND	2,557	--	--	6,792
BUILDING & IMPROVEMENTS (NET)	13,624	--	--	23,342
MACHINERY & EQUIPMENT (NET)	808	--	--	3,328
INFRASTRUCTURE (NET)	--	--	--	--
INTANGIBLE ASSETS (NET)	230	--	--	--
CONSTRUCTION IN PROGRESS	306	--	--	38
<b>OTHER NONCURRENT ASSETS</b>	<b>473</b>	<b>--</b>	<b>--</b>	<b>115</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>25,891</b>	<b>335,402</b>	<b>155,122</b>	<b>36,057</b>
<b>TOTAL ASSETS</b>	<b>90,664</b>	<b>595,102</b>	<b>274,348</b>	<b>48,683</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	443	--	--	--
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	9,643	--	--	--
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>10,086</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES:</b>				
ACCOUNTS PAYABLE	2,144	30	--	897
ACCRUED INTEREST	--	--	--	--
DUE TO OTHER FUNDS	--	18	--	1,384
AMOUNTS HELD IN CUSTODY FOR OTHERS	11	--	--	--
UNEARNED REVENUES	7,503	--	--	--
OTHER CURRENT LIABILITIES	215	--	--	3
<b>CURRENT PORTION OF LONG-TERM LIABILITIES:</b>				
COMPENSATED ABSENCES PAYABLE	274	--	--	--
BONDS PAYABLE	--	--	--	--
OTHER LONG-TERM LIABILITIES	12	--	--	--
<b>TOTAL CURRENT LIABILITIES</b>	<b>10,159</b>	<b>48</b>	<b>--</b>	<b>2,284</b>
<b>NONCURRENT LIABILITIES:</b>				
<b>NONCURRENT PORTION OF LONG-TERM LIABILITIES:</b>				
COMPENSATED ABSENCES PAYABLE	1,054	--	--	--
NOTES PAYABLE	750	--	--	--
BONDS PAYABLE	--	--	--	--
TOTAL OPEB LIABILITY	23,005	--	--	--
NET PENSION LIABILITY	47,996	--	--	--
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>72,805</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>TOTAL LIABILITIES</b>	<b>82,964</b>	<b>48</b>	<b>--</b>	<b>2,284</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--	--
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	1,417	--	--	--
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	2,998	--	--	--
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>4,415</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>NET POSITION</b>				
NET INVESTMENT IN CAPITAL ASSETS	17,525	--	--	33,500
RESTRICTED FOR OTHER PURPOSES	8,586	--	--	1,776
UNRESTRICTED	(12,740)	595,054	274,348	11,123
<b>TOTAL NET POSITION</b>	<b>\$ 13,371</b>	<b>\$ 595,054</b>	<b>\$ 274,348</b>	<b>\$ 46,399</b>

# State of Louisiana

	LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY	LOUISIANA GULF OPPORTUNITY ZONE LOAN FUND	LOUISIANA PROPERTY ASSISTANCE AGENCY	LOUISIANA TRANSPORTATION AUTHORITY	PRISON ENTERPRISES	TOTAL NONMAJOR ENTERPRISE FUNDS
\$	3,101	\$ --	\$ 1,315	\$ --	\$ 2,398	\$ 411,070
	--	--	--	--	--	17,035
	--	--	--	--	--	33
	124	--	212	--	2,536	6,947
	--	--	--	--	--	357
	41	--	--	--	6,550	6,594
	--	--	--	--	10	171
	--	12,296	--	--	--	42,316
	--	--	--	--	--	385
	<u>3,266</u>	<u>12,296</u>	<u>1,527</u>	<u>--</u>	<u>11,494</u>	<u>484,908</u>
	--	--	--	218	--	4,763
	--	--	--	20	--	1,199
	--	--	--	368	--	371
	--	--	--	--	--	3,942
	--	--	--	--	--	24
	--	125,283	--	--	--	616,449
	--	--	526	--	--	9,875
	537	--	418	690	808	39,419
	58	--	73	--	5,566	9,833
	--	--	--	300,961	--	300,961
	--	--	--	--	--	230
	--	--	--	--	88	432
	--	--	--	--	--	588
	<u>595</u>	<u>125,283</u>	<u>1,017</u>	<u>302,257</u>	<u>6,462</u>	<u>988,086</u>
	<u>3,861</u>	<u>137,579</u>	<u>2,544</u>	<u>302,257</u>	<u>17,956</u>	<u>1,472,994</u>
	104	--	134	--	387	1,068
	155	--	920	--	1,757	12,475
	<u>259</u>	<u>--</u>	<u>1,054</u>	<u>--</u>	<u>2,144</u>	<u>13,543</u>
	68	--	1,442	8	2,696	7,285
	--	--	--	1,998	--	1,998
	--	--	--	--	--	1,402
	--	--	--	--	--	11
	--	--	--	--	7	7,510
	--	--	--	--	--	218
	2	--	18	--	22	316
	--	--	--	2,793	--	2,793
	--	--	--	--	--	12
	<u>70</u>	<u>--</u>	<u>1,460</u>	<u>4,799</u>	<u>2,725</u>	<u>21,545</u>
	25	--	95	--	455	1,629
	--	--	645	--	--	1,395
	--	--	--	169,034	--	169,034
	2,144	--	3,898	--	13,309	42,356
	995	--	5,003	--	11,235	65,229
	<u>3,164</u>	<u>--</u>	<u>9,641</u>	<u>169,034</u>	<u>24,999</u>	<u>279,643</u>
	<u>3,234</u>	<u>--</u>	<u>11,101</u>	<u>173,833</u>	<u>27,724</u>	<u>301,188</u>
	--	--	--	6,321	--	6,321
	113	--	217	--	965	2,712
	209	--	281	--	535	4,023
	<u>322</u>	<u>--</u>	<u>498</u>	<u>6,321</u>	<u>1,500</u>	<u>13,056</u>
	595	--	1,017	123,503	6,462	182,602
	--	--	--	--	--	10,362
	(31)	137,579	(9,018)	(1,400)	(15,586)	979,329
\$	<u>564</u>	<u>137,579</u>	<u>(8,001)</u>	<u>122,103</u>	<u>(9,124)</u>	<u>1,172,293</u>

# State of Louisiana

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

### NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	BOARDS & COMMISSIONS	CLEAN WATER STATE REVOLVING LOAN FUND	DRINKING WATER REVOLVING LOAN FUND	LOUISIANA AGRICULTURAL FINANCE AUTHORITY
<b>OPERATING REVENUES:</b>				
SALES OF COMMODITIES & SERVICES	\$ 2,040	\$ --	\$ --	\$ --
ASSESSMENTS	5,196	--	--	--
USE OF MONEY & PROPERTY	16	3,930	5,533	5,661
LICENSES, PERMITS & FEES	35,738	--	--	--
FEDERAL GRANTS & CONTRACTS	--	810	--	--
OTHER	2,664	1,678	771	45
<b>TOTAL OPERATING REVENUES</b>	<b>45,654</b>	<b>6,418</b>	<b>6,304</b>	<b>5,706</b>
<b>OPERATING EXPENSES:</b>				
COST OF SALES & SERVICES	13,869	3,183	3,754	2,332
ADMINISTRATIVE	30,331	--	--	1,963
DEPRECIATION	702	--	--	2,581
AMORTIZATION	120	--	--	--
<b>TOTAL OPERATING EXPENSES</b>	<b>45,022</b>	<b>3,183</b>	<b>3,754</b>	<b>6,876</b>
<b>OPERATING INCOME (LOSS)</b>	<b>632</b>	<b>3,235</b>	<b>2,550</b>	<b>(1,170)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
INTERGOVERNMENTAL REVENUES	14	--	--	--
INTERGOVERNMENTAL EXPENSES	--	--	--	--
GAIN ON SALE OF CAPITAL ASSETS	--	--	--	159
LOSS ON SALE OF CAPITAL ASSETS	--	--	--	(78)
FEDERAL GRANTS	--	--	--	10,106
INTEREST EXPENSE	--	--	--	(90)
OTHER REVENUES	2,744	--	--	2
OTHER EXPENSES	(2,160)	(371)	(66)	(9,539)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>598</b>	<b>(371)</b>	<b>(66)</b>	<b>560</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>1,230</b>	<b>2,864</b>	<b>2,484</b>	<b>(610)</b>
CAPITAL CONTRIBUTIONS	--	13,117	11,534	--
TRANSFERS IN	--	--	--	6,818
TRANSFERS OUT	--	(2,827)	--	--
<b>CHANGE IN NET POSITION</b>	<b>1,230</b>	<b>13,154</b>	<b>14,018</b>	<b>6,208</b>
<b>TOTAL NET POSITION - BEGINNING AS RESTATED</b>	<b>12,141</b>	<b>581,900</b>	<b>260,330</b>	<b>40,191</b>
<b>TOTAL NET POSITION - ENDING</b>	<b>\$ 13,371</b>	<b>\$ 595,054</b>	<b>\$ 274,348</b>	<b>\$ 46,399</b>

# State of Louisiana

LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY	LOUISIANA GULF OPPORTUNITY ZONE LOAN FUND	LOUISIANA PROPERTY ASSISTANCE AGENCY	LOUISIANA TRANSPORTATION AUTHORITY	PRISON ENTERPRISES	TOTAL NONMAJOR ENTERPRISE FUNDS
\$ 1,674	\$ --	\$ 6,783	\$ --	\$ 27,736	\$ 38,233
--	--	--	--	--	5,196
48	--	--	--	--	15,188
--	--	--	4,931	--	40,669
--	--	--	--	--	810
--	--	--	--	--	5,158
<u>1,722</u>	<u>--</u>	<u>6,783</u>	<u>4,931</u>	<u>27,736</u>	<u>105,254</u>
216	--	2,062	--	14,411	39,827
1,103	--	4,957	23	10,883	49,260
22	--	63	9,429	752	13,549
--	--	--	--	--	120
<u>1,341</u>	<u>--</u>	<u>7,082</u>	<u>9,452</u>	<u>26,046</u>	<u>102,756</u>
<u>381</u>	<u>--</u>	<u>(299)</u>	<u>(4,521)</u>	<u>1,690</u>	<u>2,498</u>
--	--	--	--	--	14
--	--	--	--	(1,097)	(1,097)
--	--	--	--	956	1,115
--	--	--	--	(1,583)	(1,661)
--	--	--	--	--	10,106
--	--	(4)	(4,834)	--	(4,928)
93	--	20	29	164	3,052
--	--	--	--	(185)	(12,321)
<u>93</u>	<u>--</u>	<u>16</u>	<u>(4,805)</u>	<u>(1,745)</u>	<u>(5,720)</u>
474	--	(283)	(9,326)	(55)	(3,222)
--	--	--	301	--	24,952
--	--	--	6,244	--	13,062
--	(43,414)	--	(5,762)	--	(52,003)
474	(43,414)	(283)	(8,543)	(55)	(17,211)
<u>90</u>	<u>180,993</u>	<u>(7,718)</u>	<u>130,646</u>	<u>(9,069)</u>	<u>1,189,504</u>
<u>\$ 564</u>	<u>\$ 137,579</u>	<u>\$ (8,001)</u>	<u>\$ 122,103</u>	<u>\$ (9,124)</u>	<u>\$ 1,172,293</u>

# State of Louisiana

## COMBINING STATEMENT OF CASH FLOWS

### NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	BOARDS & COMMISSIONS	CLEAN WATER STATE REVOLVING LOAN FUND	DRINKING WATER REVOLVING LOAN FUND	LOUISIANA AGRICULTURAL FINANCE AUTHORITY
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
RECEIPTS FROM CUSTOMERS	\$ 48,418	\$ --	\$ --	\$ 6,323
RECEIPTS FROM INTERFUND SERVICES PROVIDED	3	--	--	--
RECEIPTS FROM INTERFUND REIMBURSEMENTS	--	--	--	45
RECEIPTS OF PRINCIPAL/INTEREST FROM LOAN PROGRAMS	750	25,799	15,786	--
OTHER OPERATING RECEIPTS	4,723	4,239	--	--
PAYMENTS TO SUPPLIERS & SERVICE PROVIDERS	(23,911)	--	--	(2,200)
PAYMENTS FOR LOANS MADE UNDER LOAN PROGRAMS	(25)	(59,891)	(30,518)	--
PAYMENTS TO EMPLOYEES FOR SERVICES	(21,748)	--	--	--
PAYMENTS FOR INTERFUND SERVICES USED	--	--	--	(1,963)
OTHER OPERATING PAYMENTS	(108)	--	--	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>8,102</u>	<u>(29,853)</u>	<u>(14,732)</u>	<u>2,205</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
PROCEEDS FROM THE ISSUANCE OF NON-CAPITAL DEBT	--	27,310	2,488	304
RECEIPTS FROM OPERATING GRANTS	--	--	--	9,837
RECEIPTS FOR PRINCIPAL AND INTEREST DEBT SERVICE	--	--	--	--
RECEIPTS FROM OTHER FUNDS	4,537	--	--	6,820
PAYMENTS FOR PRINCIPAL ON NON-CAPITAL DEBT	--	(27,400)	(2,500)	--
PAYMENTS FOR INTEREST ON NON-CAPITAL DEBT	--	(2)	(54)	--
PAYMENTS FOR GRANTS AND SUBSIDIES	--	--	--	(8,779)
PAYMENTS TO OTHER FUNDS	(4,247)	(3,088)	--	(56)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>290</u>	<u>(3,180)</u>	<u>(66)</u>	<u>8,126</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
RECEIPTS FROM CAPITAL GRANTS	--	13,117	11,534	--
PROCEEDS FROM THE SALE OF CAPITAL ASSETS	--	--	--	131
PAYMENTS TO ACQUIRE, CONSTRUCT, & IMPROVE CAPITAL ASSETS	(1,388)	--	--	(3,022)
PAYMENTS FOR PRINCIPAL ON CAPITAL DEBT	--	--	--	(8,735)
PAYMENTS FOR INTEREST ON CAPITAL DEBT	--	--	--	(229)
NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,388)</u>	<u>13,117</u>	<u>11,534</u>	<u>(11,855)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
PURCHASES OF INVESTMENTS	(11,748)	--	--	--
PROCEEDS FROM THE SALE OF INVESTMENTS	6,995	--	--	--
INTEREST AND DIVIDENDS	255	--	--	--
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(4,498)</u>	<u>--</u>	<u>--</u>	<u>--</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	2,506	(19,916)	(3,264)	(1,524)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR AS RESTATED	46,589	257,630	112,252	14,528
CASH & CASH EQUIVALENTS AT END OF YEAR	<u>\$ 49,095</u>	<u>\$ 237,714</u>	<u>\$ 108,988</u>	<u>\$ 13,004</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
OPERATING INCOME (LOSS)	\$ 632	\$ 3,235	\$ 2,550	\$ (1,170)
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
DEPRECIATION/AMORTIZATION	822	--	--	2,581
NONEMPLOYER CONTRIBUTING ENTITY REVENUE	--	--	--	--
OTHER	49	--	--	--
<b>CHANGES IN ASSETS AND LIABILITIES:</b>				
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	29	(135)	(239)	144
(INCREASE)/DECREASE IN DUE FROM OTHER FUNDS	27	--	--	523
(INCREASE)/DECREASE IN PREPAYMENTS	(54)	--	--	--
(INCREASE)/DECREASE IN INVENTORIES	2	--	--	--
(INCREASE)/DECREASE IN OTHER ASSETS	5	(32,953)	(17,043)	73
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO OPEB	(194)	--	--	--
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO PENSIONS	4,132	--	--	--
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS	10	--	--	59
INCREASE/(DECREASE) IN COMPENSATED ABSENCES	55	--	--	--
INCREASE/(DECREASE) IN DUE TO OTHER FUNDS	(33)	--	--	--
INCREASE/(DECREASE) IN UNEARNED REVENUES	4,922	--	--	(5)
INCREASE/(DECREASE) IN TOTAL OPEB LIABILITY	(822)	--	--	--
INCREASE/(DECREASE) IN NET PENSION LIABILITY	(4,203)	--	--	--
INCREASE/(DECREASE) IN OTHER LIABILITIES	845	--	--	--
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO OPEB	1,240	--	--	--
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO PENSIONS	638	--	--	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 8,102</u>	<u>\$ (29,853)</u>	<u>\$ (14,732)</u>	<u>\$ 2,205</u>

(Continued)

# State of Louisiana

LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY	LOUISIANA GULF OPPORTUNITY ZONE LOAN FUND	LOUISIANA PROPERTY ASSISTANCE AGENCY	LOUISIANA TRANSPORTATION AUTHORITY	PRISON ENTERPRISES	TOTAL NONMAJOR ENTERPRISE FUNDS
\$ 1,639	\$ --	\$ 6,254	\$ 4,858	\$ 28,047	\$ 95,539
48	--	--	--	--	51
--	--	--	--	--	45
57	--	--	--	--	42,335
(858)	--	(1,280)	(23)	(20,193)	9,019
--	--	--	--	--	(48,465)
(444)	--	(2,002)	--	(6,771)	(90,434)
(160)	--	(2,713)	--	--	(30,965)
--	--	--	--	--	(4,836)
--	--	--	--	--	(108)
<u>282</u>	<u>--</u>	<u>259</u>	<u>4,835</u>	<u>1,083</u>	<u>(27,819)</u>
--	--	--	--	--	30,102
--	--	--	--	--	9,837
--	43,414	--	--	--	43,414
--	--	82	6,244	--	17,683
--	--	--	--	--	(29,900)
--	--	--	--	--	(56)
--	--	--	--	--	(8,779)
--	(43,414)	--	(5,762)	--	(56,567)
--	--	82	482	--	5,734
--	--	--	--	--	24,651
--	--	--	--	1,057	1,188
--	--	--	--	(1,438)	(5,848)
--	--	--	(855)	--	(9,590)
--	--	--	(5,365)	--	(5,594)
--	--	--	(6,220)	(381)	4,807
--	--	--	(11,078)	--	(22,826)
--	--	--	12,005	--	19,000
35	--	7	29	33	359
<u>35</u>	<u>--</u>	<u>7</u>	<u>956</u>	<u>33</u>	<u>(3,467)</u>
317	--	348	53	735	(20,745)
<u>2,784</u>	<u>--</u>	<u>967</u>	<u>165</u>	<u>1,663</u>	<u>436,578</u>
<u>\$ 3,101</u>	<u>\$ --</u>	<u>\$ 1,315</u>	<u>\$ 218</u>	<u>\$ 2,398</u>	<u>\$ 415,833</u>
\$ 381	\$ --	\$ (299)	\$ (4,521)	\$ 1,690	\$ 2,498
22	--	63	9,429	752	13,669
--	--	--	--	1	1
(1)	--	(51)	--	(1,357)	(1,360)
(77)	--	(100)	(73)	306	(145)
--	--	--	--	--	550
--	--	--	--	(1)	(55)
(39)	--	--	--	300	263
(1)	--	--	--	--	(49,919)
(104)	--	(133)	--	(287)	(718)
180	--	383	--	1,274	5,969
34	--	624	--	(449)	278
1	--	(10)	--	15	61
--	--	--	--	--	(33)
--	--	--	--	--	4,917
--	--	(171)	--	(585)	(1,578)
(436)	--	(212)	--	(1,595)	(6,446)
16	--	--	--	6	867
113	--	217	--	965	2,535
<u>193</u>	<u>--</u>	<u>(52)</u>	<u>--</u>	<u>48</u>	<u>827</u>
<u>\$ 282</u>	<u>\$ --</u>	<u>\$ 259</u>	<u>\$ 4,835</u>	<u>\$ 1,083</u>	<u>\$ (27,819)</u>

# State of Louisiana

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## COMBINING STATEMENT OF CASH FLOWS

### NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

### NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

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	2018
LOUISIANA AGRICULTURAL FINANCE AUTHORITY	
GAIN ON DISPOSAL OF CAPITAL ASSETS	159
LOSS ON DISPOSAL OF CAPITAL ASSETS	(78)
LOUISIANA TRANSPORTATION AUTHORITY	
CONTRIBUTIONS OF CAPITAL ASSETS	301
PRISON ENTERPRISES	
GAIN ON DISPOSAL OF CAPITAL ASSETS	956
LOSS ON DISPOSAL OF CAPITAL ASSETS	(1,583)

(Concluded)





# State of Louisiana

## COMBINING STATEMENT OF NET POSITION

### INTERNAL SERVICE FUNDS

JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	DIVISION OF ADMINISTRATIVE LAW	LOUISIANA CORRECTIONAL FACILITIES CORPORATION	OFFICE FACILITIES CORPORATION
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
CASH & CASH EQUIVALENTS	\$ 1,383	\$ 39	\$ 444
INVESTMENTS	--	425	13,498
RESTRICTED INVESTMENTS	--	--	25,393
RECEIVABLES (NET)	--	--	--
DUE FROM OTHER FUNDS	69	--	--
INVENTORIES	--	--	--
PREPAYMENTS	--	--	--
TOTAL CURRENT ASSETS	<u>1,452</u>	<u>464</u>	<u>39,335</u>
<b>NON-CURRENT ASSETS:</b>			
<b>RESTRICTED ASSETS</b>			
INVESTMENTS	--	2,406	--
<b>CAPITAL ASSETS (NOTE 5)</b>			
LAND	--	--	301
MACHINERY & EQUIPMENT (NET)	62	--	--
OTHER NONCURRENT ASSETS	--	--	29
TOTAL NON-CURRENT ASSETS	<u>62</u>	<u>2,406</u>	<u>330</u>
<b>TOTAL ASSETS</b>	<u>1,514</u>	<u>2,870</u>	<u>39,665</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	164	--	--
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	1,842	--	--
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>2,006</u>	<u>--</u>	<u>--</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES:</b>			
ACCOUNTS PAYABLE	281	--	--
DUE TO OTHER FUNDS	5	--	--
UNEARNED REVENUES	54	--	115
OTHER CURRENT LIABILITIES	--	--	--
<b>CURRENT PORTION OF LONG-TERM LIABILITIES:</b>			
CONTRACTS PAYABLE	--	--	--
COMPENSATED ABSENCES PAYABLE	36	--	--
NOTES PAYABLE	--	--	--
OTHER LONG-TERM LIABILITIES	--	--	58
TOTAL CURRENT LIABILITIES	<u>376</u>	<u>--</u>	<u>173</u>
<b>NONCURRENT LIABILITIES:</b>			
<b>NONCURRENT PORTION OF LONG-TERM LIABILITIES:</b>			
COMPENSATED ABSENCES PAYABLE	336	--	--
NOTES PAYABLE	--	--	--
TOTAL OPEB LIABILITY	6,082	--	--
NET PENSION LIABILITY	12,698	--	--
TOTAL NON-CURRENT LIABILITIES	<u>19,116</u>	<u>--</u>	<u>--</u>
<b>TOTAL LIABILITIES</b>	<u>19,492</u>	<u>--</u>	<u>173</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	321	--	--
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	388	--	--
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>709</u>	<u>--</u>	<u>--</u>
<b>NET POSITION</b>			
NET INVESTMENT IN CAPITAL ASSETS	62	--	301
RESTRICTED FOR DEBT SERVICE	--	2,406	25,393
UNRESTRICTED	(16,743)	464	13,798
<b>TOTAL NET POSITION</b>	<u>\$ (16,681)</u>	<u>\$ 2,870</u>	<u>\$ 39,492</u>

# State of Louisiana

OFFICE OF AIRCRAFT SERVICES	OFFICE OF STATE HUMAN CAPITAL MANAGEMENT	OFFICE OF STATE PROCUREMENT	OFFICE OF TECHNOLOGY SERVICES	TOTAL INTERNAL SERVICE FUNDS
\$ 239	\$ 226	\$ 3,304	\$ --	5,635
--	--	--	--	13,923
--	--	--	--	25,393
178	--	146	44,617	44,941
--	--	--	--	69
265	--	--	4,293	4,558
--	--	--	3,865	3,865
<u>682</u>	<u>226</u>	<u>3,450</u>	<u>52,775</u>	<u>98,384</u>
--	--	--	--	2,406
--	--	--	--	301
--	--	--	12,162	12,224
--	--	--	--	29
--	--	--	12,162	14,960
<u>682</u>	<u>226</u>	<u>3,450</u>	<u>64,937</u>	<u>113,344</u>
21	--	119	1,801	2,105
73	--	8,591	24,644	35,150
<u>94</u>	<u>--</u>	<u>8,710</u>	<u>26,445</u>	<u>37,255</u>
212	--	358	22,738	23,589
--	226	--	31,000	31,231
--	--	--	7,557	7,726
--	--	--	1,494	1,494
--	--	--	8,707	8,707
10	--	46	395	487
--	--	--	4,443	4,443
--	--	--	--	58
<u>222</u>	<u>226</u>	<u>404</u>	<u>76,334</u>	<u>77,735</u>
17	--	451	5,378	6,182
--	--	--	8,863	8,863
652	--	7,947	119,997	134,678
331	--	17,277	169,295	199,601
<u>1,000</u>	<u>--</u>	<u>25,675</u>	<u>303,533</u>	<u>349,324</u>
<u>1,222</u>	<u>226</u>	<u>26,079</u>	<u>379,867</u>	<u>427,059</u>
44	--	576	8,193	9,134
326	--	412	6,306	7,432
<u>370</u>	<u>--</u>	<u>988</u>	<u>14,499</u>	<u>16,566</u>
--	--	--	(1,144)	(781)
--	--	--	--	27,799
(816)	--	(14,907)	(301,840)	(320,044)
<u>\$ (816)</u>	<u>\$ --</u>	<u>\$ (14,907)</u>	<u>\$ (302,984)</u>	<u>\$ (293,026)</u>

# State of Louisiana

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

### INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	DIVISION OF ADMINISTRATIVE LAW	LOUISIANA CORRECTIONAL FACILITIES CORPORATION	OFFICE FACILITIES CORPORATION
OPERATING REVENUES:			
SALES OF COMMODITIES & SERVICES	\$ 7,444	\$ --	\$ --
USE OF MONEY & PROPERTY	--	--	23,679
LICENSES, PERMITS & FEES	8	--	--
TOTAL OPERATING REVENUES	7,452	--	23,679
OPERATING EXPENSES:			
COST OF SALES & SERVICES	1,086	132	--
ADMINISTRATIVE	5,952	32	24,202
DEPRECIATION	10	--	--
TOTAL OPERATING EXPENSES	7,048	164	24,202
OPERATING INCOME (LOSS)	404	(164)	(523)
NONOPERATING REVENUES (EXPENSES)			
LOSS ON SALE OF CAPITAL ASSETS	--	--	(68)
INTEREST EXPENSE	--	--	(5)
OTHER REVENUES	23	35	702
OTHER EXPENSES	--	--	--
TOTAL NONOPERATING REVENUES (EXPENSES)	23	35	629
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	427	(129)	106
TRANSFERS OUT	--	--	--
CHANGE IN NET POSITION	427	(129)	106
TOTAL NET POSITION - BEGINNING AS RESTATED	(17,108)	2,999	39,386
TOTAL NET POSITION - ENDING	\$ (16,681)	\$ 2,870	\$ 39,492

# State of Louisiana

OFFICE OF AIRCRAFT SERVICES	OFFICE OF STATE HUMAN CAPITAL MANAGEMENT	OFFICE OF STATE PROCUREMENT	OFFICE OF TECHNOLOGY SERVICES	TOTAL INTERNAL SERVICE FUNDS
\$ 1,667	\$ --	\$ 7,154	\$ 322,211	\$ 338,476
--	--	--	--	23,679
--	--	2,855	--	2,863
<u>1,667</u>	<u>--</u>	<u>10,009</u>	<u>322,211</u>	<u>365,018</u>
1,274	--	--	38,005	40,497
355	--	15,653	324,908	371,102
<u>6</u>	<u>--</u>	<u>--</u>	<u>2,575</u>	<u>2,591</u>
<u>1,635</u>	<u>--</u>	<u>15,653</u>	<u>365,488</u>	<u>414,190</u>
<u>32</u>	<u>--</u>	<u>(5,644)</u>	<u>(43,277)</u>	<u>(49,172)</u>
--	--	--	(1,082)	(1,150)
--	--	--	(42)	(47)
3	--	63	96	922
<u>--</u>	<u>(223)</u>	<u>--</u>	<u>--</u>	<u>(223)</u>
<u>3</u>	<u>(223)</u>	<u>63</u>	<u>(1,028)</u>	<u>(498)</u>
35	(223)	(5,581)	(44,305)	(49,670)
<u>--</u>	<u>(226)</u>	<u>--</u>	<u>--</u>	<u>(226)</u>
35	(449)	(5,581)	(44,305)	(49,896)
<u>(851)</u>	<u>449</u>	<u>(9,326)</u>	<u>(258,679)</u>	<u>(243,130)</u>
<u>\$ (816)</u>	<u>\$ --</u>	<u>\$ (14,907)</u>	<u>\$ (302,984)</u>	<u>\$ (293,026)</u>

# State of Louisiana

## COMBINING STATEMENT OF CASH FLOWS

### INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	DIVISION OF ADMINISTRATIVE LAW	LOUISIANA CORRECTIONAL FACILITIES CORPORATION	OFFICE FACILITIES CORPORATION
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
RECEIPTS FROM CUSTOMERS	\$ --	\$ --	\$ 23,679
RECEIPTS FROM INTERFUND SERVICES PROVIDED	7,796	--	--
PAYMENTS TO SUPPLIERS & SERVICE PROVIDERS	(1,040)	(164)	(24,202)
PAYMENTS TO EMPLOYEES FOR SERVICES	(6,266)	--	--
PAYMENTS FOR INTERFUND SERVICES USED	--	--	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>490</u>	<u>(164)</u>	<u>(523)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
RECEIPTS FROM OTHER FUNDS	22	--	--
PAYMENTS TO OTHER FUNDS	--	--	--
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>22</u>	<u>--</u>	<u>--</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
PAYMENTS TO ACQUIRE, CONSTRUCT, & IMPROVE CAPITAL ASSETS	(30)	--	--
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(30)</u>	<u>--</u>	<u>--</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
PURCHASES OF INVESTMENTS	--	(5,677)	(2,228)
PROCEEDS FROM THE SALE OF INVESTMENTS	--	5,808	--
INTEREST AND DIVIDENDS	--	35	702
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>--</u>	<u>166</u>	<u>(1,526)</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	482	2	(2,049)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR AS RESTATED	<u>901</u>	<u>37</u>	<u>2,493</u>
CASH & CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,383</u>	<u>\$ 39</u>	<u>\$ 444</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
OPERATING INCOME (LOSS)	\$ <u>404</u>	\$ <u>(164)</u>	\$ <u>(523)</u>
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
DEPRECIATION/AMORTIZATION	10	--	--
<b>CHANGES IN ASSETS AND LIABILITIES:</b>			
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	2,414	--	(11)
(INCREASE)/DECREASE IN DUE FROM OTHER FUNDS	(69)	--	--
(INCREASE)/DECREASE IN PREPAYMENTS	--	--	5
(INCREASE)/DECREASE IN INVENTORIES	--	--	--
(INCREASE)/DECREASE IN OTHER ASSETS	--	--	202
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO OPEB	40	--	--
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO PENSIONS	1,162	--	--
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS	41	--	(138)
INCREASE/(DECREASE) IN COMPENSATED ABSENCES	49	--	--
INCREASE/(DECREASE) IN DUE TO OTHER FUNDS	(2,050)	--	--
INCREASE/(DECREASE) IN UNEARNED REVENUES	54	--	(58)
INCREASE/(DECREASE) IN TOTAL OPEB LIABILITY	(267)	--	--
INCREASE/(DECREASE) IN NET PENSION LIABILITY	(1,469)	--	--
INCREASE/(DECREASE) IN OTHER LIABILITIES	(45)	--	--
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO OPEB	321	--	--
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO PENSIONS	(105)	--	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 490</u>	<u>\$ (164)</u>	<u>\$ (523)</u>

# State of Louisiana

OFFICE OF AIRCRAFT SERVICES	OFFICE OF STATE HUMAN CAPITAL MANAGEMENT	OFFICE OF STATE PROCUREMENT	OFFICE OF TECHNOLOGY SERVICES	TOTAL INTERNAL SERVICE FUNDS
\$ --	\$ --	\$ --	\$ 689	\$ 24,368
1,599	--	7,188	277,320	293,903
(1,585)	--	(202)	(114,249)	(141,442)
(189)	--	(8,673)	(155,929)	(171,057)
<u>--</u>	<u>--</u>	<u>(2,151)</u>	<u>(16,892)</u>	<u>(19,043)</u>
<u>(175)</u>	<u>--</u>	<u>(3,838)</u>	<u>(9,061)</u>	<u>(13,271)</u>
--	--	2,857	12	2,891
--	(223)	--	--	(223)
<u>--</u>	<u>(223)</u>	<u>2,857</u>	<u>12</u>	<u>2,668</u>
--	--	--	--	(30)
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(30)</u>
--	--	--	--	(7,905)
--	--	--	--	5,808
3	--	62	84	886
<u>3</u>	<u>--</u>	<u>62</u>	<u>84</u>	<u>(1,211)</u>
(172)	(223)	(919)	(8,965)	(11,844)
<u>411</u>	<u>449</u>	<u>4,223</u>	<u>8,965</u>	<u>17,479</u>
<u>\$ 239</u>	<u>\$ 226</u>	<u>\$ 3,304</u>	<u>\$ --</u>	<u>\$ 5,635</u>
\$ 32	\$ --	\$ (5,644)	\$ (43,277)	\$ (49,172)
6	--	--	2,575	2,591
(69)	--	(93)	(22,951)	(20,710)
--	--	--	--	(69)
--	--	--	(1,330)	(1,325)
(153)	--	--	(2,955)	(3,108)
--	--	--	--	202
(12)	--	(26)	(237)	(235)
116	--	3,273	74,006	78,557
146	--	(747)	(2,733)	(3,431)
9	--	12	(4)	66
--	--	--	--	(2,050)
--	--	--	7,557	7,553
(29)	--	(350)	(5,277)	(5,923)
(581)	--	(405)	(19,206)	(21,661)
--	--	(186)	(1,018)	(1,249)
44	--	576	8,193	9,134
<u>316</u>	<u>--</u>	<u>(248)</u>	<u>(2,404)</u>	<u>(2,441)</u>
<u>\$ (175)</u>	<u>\$ --</u>	<u>\$ (3,838)</u>	<u>\$ (9,061)</u>	<u>\$ (13,271)</u>

# State of Louisiana

## COMBINING STATEMENT OF FIDUCIARY NET POSITION

### PENSION TRUST FUNDS

JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE POLICE RETIREMENT SYSTEM	TEACHERS' RETIREMENT SYSTEM OF LOUISIANA	TOTAL PENSION TRUST FUNDS
<b>ASSETS</b>					
CASH & CASH EQUIVALENTS	\$ 51,848	\$ 176,067	\$ 74	\$ 277,091	\$ 505,080
RECEIVABLES:					
EMPLOYER CONTRIBUTIONS	13,425	54,460	1,775	193,088	262,748
MEMBER CONTRIBUTIONS	3,129	11,906	270	59,497	74,802
INVESTMENT PROCEEDS	967	82,141	--	2,247,597	2,330,705
INTEREST & DIVIDENDS	2,459	41,561	482	42,971	87,473
OTHER	614	3,932	--	14,423	18,969
TOTAL RECEIVABLES	20,594	194,000	2,527	2,557,576	2,774,697
INVESTMENTS (AT FAIR VALUE):					
SHORT-TERM INVESTMENTS	25,384	122,387	51,549	1,076,811	1,276,131
U.S. GOVERNMENT AND AGENCY OBLIGATIONS	41,468	209,935	13,818	1,246,922	1,512,143
BONDS - DOMESTIC	293,042	724,597	112,140	1,124,482	2,254,261
BONDS - INTERNATIONAL	158,585	501,059	26,956	1,278,291	1,964,891
EQUITIES - DOMESTIC	452,678	2,909,424	374,914	6,321,370	10,058,386
EQUITIES - INTERNATIONAL	653,991	3,903,380	173,061	3,635,794	8,366,226
ALTERNATIVE INVESTMENTS	254,054	3,132,410	112,313	6,465,934	9,964,711
COLLATERAL HELD UNDER SECURITIES LENDING PROGRAM	109,783	1,545,233	49,082	3,266,109	4,970,207
OTHER INVESTMENTS	2,547	--	--	--	2,547
INVESTMENTS (AT CONTRACT VALUE):					
SYNTHETIC GUARANTEED INVESTMENT CONTRACT	--	509,753	--	--	509,753
TOTAL INVESTMENTS	1,991,532	13,558,178	913,833	24,415,713	40,879,256
OTHER ASSETS	318	--	1	--	319
PROPERTY PLANT AND EQUIPMENT (NET)	3,239	5,937	1,228	3,402	13,806
TOTAL ASSETS	2,067,531	13,934,182	917,663	27,253,782	44,173,158
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	217	316	1	603	1,137
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	--	--	191	2,421	2,612
TOTAL DEFERRED OUTFLOWS OF RESOURCES	217	316	192	3,024	3,749
<b>LIABILITIES</b>					
ACCOUNTS PAYABLE	547	13,793	816	11,465	26,621
RETIREMENT BENEFITS PAYABLE	2,970	--	--	4,827	7,797
INVESTMENT COMMITMENTS PAYABLE	875	72,120	--	2,875,472	2,948,467
OBLIGATIONS UNDER SECURITIES LENDING PROGRAM	109,783	1,545,178	49,082	3,266,109	4,970,152
TOTAL OPEB LIABILITY	7,086	18,489	314	26,100	51,989
NET PENSION LIABILITY	--	--	1,182	16,581	17,763
REFUNDS PAYABLE	--	--	--	5,977	5,977
OTHER LIABILITIES	--	--	101	1,524	1,625
TOTAL LIABILITIES	121,261	1,649,580	51,495	6,208,055	8,030,391
<b>DEFERRED INFLOWS OF RESOURCES</b>					
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	374	1,205	25	1,535	3,139
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	--	--	26	514	540
TOTAL DEFERRED INFLOWS OF RESOURCES	374	1,205	51	2,049	3,679
NET POSITION RESTRICTED FOR PENSIONS	\$ 1,946,113	\$ 12,283,713	\$ 866,309	\$ 21,046,702	\$ 36,142,837



# State of Louisiana

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

### PENSION TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE POLICE RETIREMENT SYSTEM	TEACHERS' RETIREMENT SYSTEM OF LOUISIANA	TOTAL PENSION TRUST FUNDS
<b>ADDITIONS</b>					
CONTRIBUTIONS:					
EMPLOYER	\$ 81,587	\$ 729,479	\$ 47,923	\$ 1,203,702	\$ 2,062,691
MEMBER	22,366	152,190	7,554	337,929	520,039
NON-EMPLOYER	--	--	--	39,550	39,550
TOTAL CONTRIBUTIONS	103,953	881,669	55,477	1,581,181	2,622,280
INVESTMENT INCOME:					
NET INCREASE IN FAIR VALUE OF INVESTMENTS	110,659	533,510	67,124	2,011,519	2,722,812
INTEREST & DIVIDENDS	13,467	231,484	9,109	335,931	589,991
ALTERNATIVE INVESTMENT INCOME (LOSS)	4,526	314,426	--	(109,346)	209,606
LESS ALTERNATIVE INVESTMENT EXPENSES	(3,494)	(41,694)	--	(63,315)	(108,503)
SECURITIES LENDING INCOME	1,743	20,411	149	36,862	59,165
LESS SECURITIES LENDING EXPENSES	(1,374)	(14,499)	--	(26,784)	(42,657)
OTHER INVESTMENT INCOME (LOSS)	--	3,650	--	(6)	3,644
LESS INVESTMENT EXPENSES OTHER THAN ALTERNATIVE INVESTMENTS AND SECURITIES LENDING	(7,387)	(35,750)	(2,389)	(46,989)	(92,515)
NET INVESTMENT INCOME	118,140	1,011,538	73,993	2,137,872	3,341,543
OTHER INCOME	--	15,199	3,755	11,411	30,365
TOTAL ADDITIONS	222,093	1,908,406	133,225	3,730,464	5,994,188
<b>DEDUCTIONS</b>					
RETIREMENT BENEFITS	185,260	1,317,635	48,834	2,118,971	3,670,700
REFUNDS OF CONTRIBUTIONS	4,844	35,192	1	48,671	88,708
ADMINISTRATIVE EXPENSES	4,104	24,258	741	29,065	58,168
DEPRECIATION & AMORTIZATION EXPENSES	270	884	31	401	1,586
OTHER	537	--	--	--	537
TOTAL DEDUCTIONS	195,015	1,377,969	49,607	2,197,108	3,819,699
CHANGE IN NET POSITION	27,078	530,437	83,618	1,533,356	2,174,489
NET POSITION RESTRICTED FOR PENSIONS					
BEGINNING OF YEAR AS RESTATED	1,919,035	11,753,276	782,691	19,513,346	33,968,348
END OF YEAR	\$ 1,946,113	\$ 12,283,713	\$ 866,309	\$ 21,046,702	\$ 36,142,837

# State of Louisiana

## COMBINING STATEMENT OF FIDUCIARY NET POSITION

### INVESTMENT TRUST FUNDS

JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	EDUCATION EXCELLENCE LOCAL GOVERNMENT INVESTMENT TRUST FUND	LOUISIANA ASSET MANAGEMENT POOL *	TOTAL INVESTMENT TRUST FUNDS
<u>ASSETS</u>			
CASH & CASH EQUIVALENTS	\$ --	\$ 5,644	\$ 5,644
RECEIVABLES:			
INTEREST & DIVIDENDS	86	405	491
OTHER	166	--	166
TOTAL RECEIVABLES	252	405	657
INVESTMENTS (AT FAIR VALUE):			
SHORT-TERM INVESTMENTS	--	726,941	726,941
U.S. GOVERNMENT AND AGENCY OBLIGATIONS	15,295	645,780	661,075
BONDS - DOMESTIC	5,764	--	5,764
REPURCHASE AGREEMENTS	--	107,313	107,313
OTHER INVESTMENTS	31,648	--	31,648
TOTAL INVESTMENTS	52,707	1,480,034	1,532,741
OTHER ASSETS	--	14	14
PROPERTY PLANT AND EQUIPMENT (NET)	--	37	37
TOTAL ASSETS	52,959	1,486,134	1,539,093
<u>LIABILITIES</u>			
ACCOUNTS PAYABLE	106	127	233
OTHER LIABILITIES	--	59	59
TOTAL LIABILITIES	106	186	292
NET POSITION HELD IN TRUST FOR INVESTMENT POOL PARTICIPANTS	\$ 52,853	\$ 1,485,948	\$ 1,538,801

\* For the period ending December 31, 2017.

# State of Louisiana

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

### INVESTMENT TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	EDUCATION EXCELLENCE LOCAL GOVERNMENT INVESTMENT TRUST FUND	LOUISIANA ASSET MANAGEMENT POOL *	TOTAL INVESTMENT TRUST FUNDS
<u>ADDITIONS</u>			
CONTRIBUTIONS:			
POOL PARTICIPANTS (DEPOSITS)	\$ 15,294	\$ 2,225,276	\$ 2,240,570
TOTAL CONTRIBUTIONS	15,294	2,225,276	2,240,570
INVESTMENT INCOME:			
NET DECREASE IN FAIR VALUE OF INVESTMENTS	(503)	(128)	(631)
INTEREST & DIVIDENDS	809	7,105	7,914
GAIN ON SALE OF INVESTMENTS	--	7	7
OTHER INVESTMENT INCOME	--	9,428	9,428
NET INVESTMENT INCOME	306	16,412	16,718
OTHER INCOME	56	--	56
TOTAL ADDITIONS	15,656	2,241,688	2,257,344
<u>DEDUCTIONS</u>			
ADMINISTRATIVE EXPENSES	70	2,048	2,118
DISTRIBUTIONS TO POOL PARTICIPANTS	15,822	1,965,129	1,980,951
TOTAL DEDUCTIONS	15,892	1,967,177	1,983,069
CHANGE IN NET POSITION	(236)	274,511	274,275
NET POSITION HELD IN TRUST FOR INVESTMENT POOL PARTICIPANTS			
BEGINNING OF YEAR	53,089	1,211,437	1,264,526
END OF YEAR	\$ 52,853	\$ 1,485,948	\$ 1,538,801

\* For the period ending December 31, 2017.

# State of Louisiana

## COMBINING STATEMENT OF FIDUCIARY NET POSITION

### PRIVATE-PURPOSE TRUST FUNDS

JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	ACHIEVING A BETTER LIFE EXPERIENCE IN LOUISIANA FUND *	LOUISIANA EDUCATION TUITION & SAVINGS FUND *	TOTAL PRIVATE- PURPOSE TRUST FUNDS
<u>ASSETS</u>			
CASH & CASH EQUIVALENTS	\$ 35	\$ 34,743	\$ 34,778
RECEIVABLES:			
INTEREST & DIVIDENDS	--	677	677
TOTAL RECEIVABLES	--	677	677
INVESTMENTS (AT FAIR VALUE):			
U.S. GOVERNMENT AND AGENCY OBLIGATIONS	42	165,543	165,585
BONDS - DOMESTIC	4	46,785	46,789
EQUITIES - DOMESTIC	54	552,596	552,650
EQUITIES - INTERNATIONAL	--	31,630	31,630
TOTAL INVESTMENTS	100	796,554	796,654
TOTAL ASSETS	135	831,974	832,109
<u>LIABILITIES</u>			
ACCOUNTS PAYABLE	--	384	384
TOTAL LIABILITIES	--	384	384
NET POSITION HELD IN TRUST FOR INDIVIDUALS, PRIVATE ORGANIZATIONS, AND OTHER GOVERNMENTS	\$ 135	\$ 831,590	\$ 831,725

\* For the period ending December 31, 2017.

# State of Louisiana

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

### PRIVATE-PURPOSE TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	ACHIEVING A BETTER LIFE EXPERIENCE IN LOUISIANA FUND *	LOUISIANA EDUCATION TUITION & SAVINGS FUND *	TOTAL PRIVATE- PURPOSE TRUST FUNDS
<u>ADDITIONS</u>			
CONTRIBUTIONS:			
POOL PARTICIPANTS (DEPOSITS)	\$ 135	\$ 86,626	\$ 86,761
TOTAL CONTRIBUTIONS	135	86,626	86,761
INVESTMENT INCOME:			
NET INCREASE IN FAIR VALUE OF INVESTMENTS	--	71,377	71,377
INTEREST & DIVIDENDS	2	16,840	16,842
NET INVESTMENT INCOME	2	88,217	88,219
TOTAL ADDITIONS	137	174,843	174,980
<u>DEDUCTIONS</u>			
DISTRIBUTIONS TO POOL PARTICIPANTS	2	47,494	47,496
TOTAL DEDUCTIONS	2	47,494	47,496
CHANGE IN NET POSITION	135	127,349	127,484
NET POSITION HELD IN TRUST FOR INDIVIDUALS, PRIVATE ORGANIZATIONS, AND OTHER GOVERNMENTS			
BEGINNING OF YEAR	--	704,241	704,241
END OF YEAR	\$ 135	\$ 831,590	\$ 831,725

\* For the period ending December 31, 2017.

# State of Louisiana

## COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

### AGENCY FUNDS

JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	DEBT SERVICE RESERVE FUND	ESCROW FUND	FREE SCHOOL FUND	INSURANCE TRUST FUND	MISCELLANEOUS AGENCY FUNDS
<u>ASSETS</u>					
CASH & CASH EQUIVALENTS	\$ --	\$ 175,007	\$ 2,418	\$ 20,585	\$ 14,556
INVESTMENTS	--	220,648	28,444	38,468	--
RECEIVABLES	--	31,111	442	1,961	--
OTHER ASSETS	--	--	--	482	--
TOTAL ASSETS	\$ --	\$ 426,766	\$ 31,304	\$ 61,496	\$ 14,556
<u>LIABILITIES</u>					
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ --	\$ 357,094	\$ 31,052	\$ 61,452	\$ 14,556
OTHER LIABILITIES	--	69,672	252	44	--
TOTAL LIABILITIES	\$ --	\$ 426,766	\$ 31,304	\$ 61,496	\$ 14,556

	NON-STATE ENTITIES OPEB FUND	PARISH ROYALTY FUND	PAYROLL CLEARING FUND	TOTAL AGENCY FUNDS
<u>ASSETS</u>				
CASH & CASH EQUIVALENTS	\$ 12,648	\$ 6,924	\$ 82,648	\$ 314,786
INVESTMENTS	--	--	--	287,560
RECEIVABLES	23,891	2,187	--	59,592
OTHER ASSETS	--	--	--	482
TOTAL ASSETS	\$ 36,539	\$ 9,111	\$ 82,648	\$ 662,420
<u>LIABILITIES</u>				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 34,492	\$ 9,111	\$ 82,648	\$ 590,405
OTHER LIABILITIES	2,047	--	--	72,015
TOTAL LIABILITIES	\$ 36,539	\$ 9,111	\$ 82,648	\$ 662,420

# State of Louisiana

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

### AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 2017	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2018
<u>DEBT SERVICE RESERVE FUND</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 3,395	\$ --	\$ 3,395	\$ --
TOTAL ASSETS	<u>\$ 3,395</u>	<u>\$ --</u>	<u>\$ 3,395</u>	<u>\$ --</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 3,385	\$ --	\$ 3,385	\$ --
OTHER LIABILITIES	<u>10</u>	<u>--</u>	<u>10</u>	<u>--</u>
TOTAL LIABILITIES	<u>\$ 3,395</u>	<u>\$ --</u>	<u>\$ 3,395</u>	<u>\$ --</u>
 <u>ESCROW FUND</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 166,670	\$ 1,415,168	\$ 1,406,831	\$ 175,007
INVESTMENTS	211,086	9,562	--	220,648
RECEIVABLES	<u>144,458</u>	<u>31,111</u>	<u>144,458</u>	<u>31,111</u>
TOTAL ASSETS	<u>\$ 522,214</u>	<u>\$ 1,455,841</u>	<u>\$ 1,551,289</u>	<u>\$ 426,766</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 305,597	\$ 1,311,384	\$ 1,259,887	\$ 357,094
OTHER LIABILITIES	<u>216,617</u>	<u>69,672</u>	<u>216,617</u>	<u>69,672</u>
TOTAL LIABILITIES	<u>\$ 522,214</u>	<u>\$ 1,381,056</u>	<u>\$ 1,476,504</u>	<u>\$ 426,766</u>
 <u>FREE SCHOOL FUND</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 1,748	\$ 1,111	\$ 441	\$ 2,418
INVESTMENTS	29,333	--	889	28,444
RECEIVABLES	<u>467</u>	<u>97</u>	<u>122</u>	<u>442</u>
TOTAL ASSETS	<u>\$ 31,548</u>	<u>\$ 1,208</u>	<u>\$ 1,452</u>	<u>\$ 31,304</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 31,207	\$ 651	\$ 806	\$ 31,052
OTHER LIABILITIES	<u>341</u>	<u>252</u>	<u>341</u>	<u>252</u>
TOTAL LIABILITIES	<u>\$ 31,548</u>	<u>\$ 903</u>	<u>\$ 1,147</u>	<u>\$ 31,304</u>

(Continued)

# State of Louisiana

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

### AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 2017	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2018
<u>INSURANCE TRUST FUND</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 20,691	\$ 2,573	\$ 2,679	\$ 20,585
INVESTMENTS	39,658	12,745	13,935	38,468
RECEIVABLES	1,767	885	691	1,961
OTHER ASSETS	607	--	125	482
TOTAL ASSETS	<u>\$ 62,723</u>	<u>\$ 16,203</u>	<u>\$ 17,430</u>	<u>\$ 61,496</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 62,653	\$ 16,158	\$ 17,359	\$ 61,452
OTHER LIABILITIES	70	44	70	44
TOTAL LIABILITIES	<u>\$ 62,723</u>	<u>\$ 16,202</u>	<u>\$ 17,429</u>	<u>\$ 61,496</u>
<u>MISCELLANEOUS AGENCY FUNDS</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 13,763	\$ 55,314	\$ 54,521	\$ 14,556
TOTAL ASSETS	<u>\$ 13,763</u>	<u>\$ 55,314</u>	<u>\$ 54,521</u>	<u>\$ 14,556</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 13,763	\$ 55,314	\$ 54,521	\$ 14,556
TOTAL LIABILITIES	<u>\$ 13,763</u>	<u>\$ 55,314</u>	<u>\$ 54,521</u>	<u>\$ 14,556</u>
<u>NON-STATE ENTITIES OPEB FUND</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ --	\$ 247,360	\$ 234,712	\$ 12,648
RECEIVABLES	19,873	251,378	247,360	23,891
TOTAL ASSETS	<u>\$ 19,873</u>	<u>\$ 498,738</u>	<u>\$ 482,072</u>	<u>\$ 36,539</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 17,484	\$ 251,378	\$ 234,370	\$ 34,492
OTHER LIABILITIES	2,389	234,370	234,712	2,047
TOTAL LIABILITIES	<u>\$ 19,873</u>	<u>\$ 485,748</u>	<u>\$ 469,082</u>	<u>\$ 36,539</u>

(Continued)



# State of Louisiana

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

### AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 2017	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2018
<u>PARISH ROYALTY FUND</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 5,455	\$ 19,237	\$ 17,768	\$ 6,924
RECEIVABLES	2,248	3,311	3,372	2,187
TOTAL ASSETS	<u>\$ 7,703</u>	<u>\$ 22,548</u>	<u>\$ 21,140</u>	<u>\$ 9,111</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 7,703	\$ 19,176	\$ 17,768	\$ 9,111
TOTAL LIABILITIES	<u>\$ 7,703</u>	<u>\$ 19,176</u>	<u>\$ 17,768</u>	<u>\$ 9,111</u>
 <u>PAYROLL CLEARING FUND</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 78,343	\$ 2,722,785	\$ 2,718,480	\$ 82,648
TOTAL ASSETS	<u>\$ 78,343</u>	<u>\$ 2,722,785</u>	<u>\$ 2,718,480</u>	<u>\$ 82,648</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 78,343	\$ 2,722,785	\$ 2,718,480	\$ 82,648
TOTAL LIABILITIES	<u>\$ 78,343</u>	<u>\$ 2,722,785</u>	<u>\$ 2,718,480</u>	<u>\$ 82,648</u>
 <u>TOTAL ALL AGENCY FUNDS</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 290,065	\$ 4,463,548	\$ 4,438,827	\$ 314,786
INVESTMENTS	280,077	22,307	14,824	287,560
RECEIVABLES	168,813	286,782	396,003	59,592
OTHER ASSETS	607	--	125	482
TOTAL ASSETS	<u>\$ 739,562</u>	<u>\$ 4,772,637</u>	<u>\$ 4,849,779</u>	<u>\$ 662,420</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 520,135	\$ 4,376,846	\$ 4,306,576	\$ 590,405
OTHER LIABILITIES	219,427	304,338	451,750	72,015
TOTAL LIABILITIES	<u>\$ 739,562</u>	<u>\$ 4,681,184</u>	<u>\$ 4,758,326</u>	<u>\$ 662,420</u>

(Concluded)

# State of Louisiana

## COMBINING STATEMENT OF NET POSITION

### NONMAJOR COMPONENT UNITS

JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	ASCENSION ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY	BOARDS & COMMISSIONS	FOUNDATION FOR EXCELLENCE IN LOUISIANA PUBLIC BROADCASTING	GREATER BATON ROUGE PORT COMMISSION **	GREATER NEW ORLEANS EXPRESSWAY COMMISSION *
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
CASH & CASH EQUIVALENTS	\$ 308	\$ 12,704	\$ 1,794	\$ 9,494	\$ 11,280
RESTRICTED CASH & CASH EQUIVALENTS	168	--	--	--	50,774
INVESTMENTS	--	16,191	33,225	11,365	912
RESTRICTED INVESTMENTS	--	--	--	741	74,085
RECEIVABLES (NET)	4	115	944	2,896	2,495
LEASES RECEIVABLE (NET)	--	--	--	--	--
AMOUNTS DUE FROM PRIMARY GOVERNMENT	36	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
INVENTORIES	42	--	--	--	857
PREPAYMENTS	--	--	--	64	1,493
NOTES RECEIVABLE	--	--	--	--	--
OTHER CURRENT ASSETS	--	4	165	51	--
TOTAL CURRENT ASSETS	558	29,014	36,128	24,611	141,896
<b>NON-CURRENT ASSETS:</b>					
RESTRICTED ASSETS	--	--	4,531	--	--
INVESTMENTS	--	10,279	--	--	--
NOTES RECEIVABLE	--	--	--	--	--
<b>CAPITAL ASSETS</b>					
LAND	1,883	352	--	11,212	--
BUILDING & IMPROVEMENTS (NET)	1,203	1,011	--	36,604	3,754
MACHINERY & EQUIPMENT (NET)	182	153	--	1,931	3,133
INFRASTRUCTURE (NET)	9,890	--	--	16,996	119,450
INTANGIBLE ASSETS (NET)	--	--	--	--	--
CONSTRUCTION IN PROGRESS	345	1,186	--	10,936	--
OTHER NONCURRENT ASSETS	--	--	--	--	--
TOTAL NON-CURRENT ASSETS	13,503	12,981	4,531	77,679	126,337
TOTAL ASSETS	14,061	41,995	40,659	102,290	268,233
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--	--	--
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	--	159	--	--	--
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	--	1,380	--	613	2,268
TOTAL DEFERRED OUTFLOWS OF RESOURCES	--	1,539	--	613	2,268
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES:</b>					
ACCOUNTS PAYABLE	65	250	315	1,218	3,504
ACCRUED INTEREST	19	--	--	25	--
AMOUNTS DUE TO PRIMARY GOVERNMENT	2	--	195	--	--
DUE TO FEDERAL GOVERNMENT	--	309	--	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	8	--	--	--	--
UNEARNED REVENUES	15	2,310	185	1,740	1,121
OTHER CURRENT LIABILITIES	--	291	--	--	--
<b>CURRENT PORTION OF LONG-TERM LIABILITIES:</b>					
CONTRACTS PAYABLE	--	--	--	453	--
COMPENSATED ABSENCES PAYABLE	--	42	--	--	--
CAPITAL LEASE OBLIGATIONS	--	--	--	--	--
NOTES PAYABLE	--	22	--	--	--
BONDS PAYABLE	15	--	--	680	2,971
ESTIMATED LIABILITY FOR CLAIMS	--	--	--	--	--
OTHER LONG-TERM LIABILITIES	--	--	--	48	--
TOTAL CURRENT LIABILITIES	124	3,224	695	4,164	7,596
<b>NONCURRENT LIABILITIES:</b>					
<b>NONCURRENT PORTION OF LONG-TERM LIABILITIES:</b>					
COMPENSATED ABSENCES PAYABLE	--	91	--	--	352
CAPITAL LEASE OBLIGATIONS	--	--	--	--	--
NOTES PAYABLE	--	346	--	--	--
BONDS PAYABLE	651	--	--	721	136,749
ESTIMATED LIABILITY FOR CLAIMS	--	--	--	--	1,434
TOTAL OPEB LIABILITY	--	6,441	--	2,949	207
NET PENSION LIABILITY	--	9,944	--	5,799	1,827
OTHER LONG-TERM LIABILITIES	--	--	--	--	--
UNEARNED REVENUE	--	--	--	--	1,245
TOTAL NON-CURRENT LIABILITIES	651	16,822	--	9,469	141,814
TOTAL LIABILITIES	775	20,046	695	13,633	149,410
<b>DEFERRED INFLOWS OF RESOURCES</b>					
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--	--	--
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	--	--	--	--	--
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	--	386	--	--	--
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	--	294	--	141	320
TOTAL DEFERRED INFLOWS OF RESOURCES	--	680	--	141	320
<b>NET POSITION</b>					
NET INVESTMENT IN CAPITAL ASSETS	12,837	2,334	--	76,279	87,028
<b>RESTRICTED FOR:</b>					
CAPITAL PROJECTS	--	--	--	--	6,802
DEBT SERVICE	149	--	--	668	12,897
OTHER PURPOSES	--	--	--	--	--
UNRESTRICTED	300	20,474	39,964	12,182	14,044
TOTAL NET POSITION	\$ 13,286	\$ 22,808	\$ 39,964	\$ 89,129	\$ 120,771

(Continued)

\* As of October 31, 2017.

\*\* As of December 31, 2017.

# State of Louisiana

HEALTH EDUCATION AUTHORITY OF LOUISIANA	HUMAN SERVICES DISTRICTS	LOUISIANA CANCER RESEARCH CENTER	LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION **	LOUISIANA ECONOMIC DEVELOPMENT CORPORATION	LOUISIANA HOUSING CORPORATION	LOUISIANA INTERNATIONAL DEEP WATER GULF TRANSFER TERMINAL AUTHORITY	LOUISIANA PUBLIC FACILITIES AUTHORITY **
\$ 135	\$ 46,313	\$ 16,576	\$ 133,792	\$ 12,867	\$ 1,584	\$ 227	\$ 3,111
--	--	--	44,799	--	--	--	--
1,361	--	12,243	3,689	--	8,860	--	4,958
--	11,855	3,371	25,891	2,330	991	--	209
--	--	753	--	--	--	--	--
--	5,226	93	--	--	--	--	--
--	261	--	--	--	2,245	--	--
--	55	117	2,687	--	--	--	12
--	--	--	--	78	989	--	3,497
--	--	--	--	7,297	235	--	--
<u>1,496</u>	<u>63,710</u>	<u>33,153</u>	<u>210,858</u>	<u>22,572</u>	<u>14,904</u>	<u>227</u>	<u>11,787</u>
--	--	--	3,774	--	254,943	--	230,041
--	--	--	81,607	20,930	--	--	14,193
--	--	--	--	282	--	--	10,244
--	--	672	--	--	1,022	--	--
--	10,527	87,036	--	--	70,083	--	--
--	981	4,100	300	--	219	--	27
--	--	--	--	--	--	--	--
--	41	--	590	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	108	6,131	--	--	--
<u>--</u>	<u>11,549</u>	<u>91,808</u>	<u>86,379</u>	<u>27,343</u>	<u>326,267</u>	<u>--</u>	<u>254,505</u>
<u>1,496</u>	<u>75,259</u>	<u>124,961</u>	<u>297,237</u>	<u>49,915</u>	<u>341,171</u>	<u>227</u>	<u>266,292</u>
--	--	--	13,213	--	--	--	--
--	3,496	--	--	--	144	--	--
499	39,793	--	202	--	4,656	--	--
<u>499</u>	<u>43,289</u>	<u>--</u>	<u>13,415</u>	<u>--</u>	<u>4,800</u>	<u>--</u>	<u>--</u>
35	11,022	3,686	3,497	237	2,690	7	1,323
--	10,744	--	--	--	--	--	--
--	--	--	--	--	2,469	--	--
--	--	--	--	--	--	--	--
--	--	--	38,184	2,609	--	--	--
--	--	1	8,197	--	--	--	772
--	--	--	--	--	--	--	--
--	3,413	36	102	--	73	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	2,325	--	--
--	--	--	55,373	--	--	--	--
--	--	--	40,487	--	--	--	--
--	445	--	--	--	--	--	--
<u>35</u>	<u>25,624</u>	<u>3,723</u>	<u>145,840</u>	<u>2,846</u>	<u>7,557</u>	<u>7</u>	<u>2,095</u>
20	3,087	50	--	--	1,105	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	461,155	--	1,045	--	190,892
220	142,475	--	1,974	1,203	--	--	--
630	239,002	--	--	--	11,222	--	--
--	--	--	3,774	--	24,138	--	--
--	--	--	--	--	2,178	--	--
<u>870</u>	<u>384,564</u>	<u>50</u>	<u>466,903</u>	<u>1,203</u>	<u>39,688</u>	<u>--</u>	<u>190,892</u>
<u>905</u>	<u>410,188</u>	<u>3,773</u>	<u>612,743</u>	<u>4,049</u>	<u>47,245</u>	<u>7</u>	<u>192,987</u>
--	--	--	--	--	286	--	--
--	--	--	--	--	4,010	--	--
--	8,542	--	--	--	754	--	--
69	10,611	--	82	--	1,802	--	--
<u>69</u>	<u>19,153</u>	<u>--</u>	<u>82</u>	<u>--</u>	<u>6,852</u>	<u>--</u>	<u>--</u>
--	11,549	91,808	890	--	71,324	--	27
--	--	--	--	--	--	--	--
--	--	--	134,952	--	--	--	37,303
--	--	24,769	--	5,791	249,109	--	--
1,021	(322,342)	4,611	(438,015)	40,075	(28,559)	220	35,975
<u>\$ 1,021</u>	<u>\$ (310,793)</u>	<u>\$ 121,188</u>	<u>\$ (302,173)</u>	<u>\$ 45,866</u>	<u>\$ 291,874</u>	<u>\$ 220</u>	<u>\$ 73,305</u>

# State of Louisiana

## COMBINING STATEMENT OF NET POSITION

### NONMAJOR COMPONENT UNITS

JUNE 30, 2018

(EXPRESSED IN THOUSANDS)

	LOUISIANA UTILITIES RESTORATION CORPORATION	OTHER LEVEE DISTRICTS	ROAD HOME CORPORATION	SABINE RIVER AUTHORITY	SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST & WEST	TOTAL NONMAJOR COMPONENT UNITS
<b>ASSETS</b>						
<b>CURRENT ASSETS:</b>						
CASH & CASH EQUIVALENTS	\$ --	\$ 46,926	\$ 273	\$ 18,900	\$ 44,608	\$ 360,892
RESTRICTED CASH & CASH EQUIVALENTS	114,563	10	--	992	--	211,306
INVESTMENTS	--	87,744	--	--	118,516	299,064
RESTRICTED INVESTMENTS	--	1,000	--	--	9,247	85,073
RECEIVABLES (NET)	14,014	12,512	795	1,115	514	80,051
LEASES RECEIVABLE (NET)	--	--	--	--	--	753
AMOUNTS DUE FROM PRIMARY GOVERNMENT	--	1,031	--	313	3,124	9,823
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	2,897	5,142
INVENTORIES	--	40	--	--	320	1,520
PREPAYMENTS	--	472	60	--	--	4,960
NOTES RECEIVABLE	--	--	--	--	--	4,564
OTHER CURRENT ASSETS	--	136	37	22	668	8,615
TOTAL CURRENT ASSETS	128,577	149,871	1,165	21,342	179,894	1,071,763
<b>NON-CURRENT ASSETS:</b>						
RESTRICTED ASSETS	--	363	--	480	--	494,132
INVESTMENTS	--	17,076	--	5,959	--	150,044
NOTES RECEIVABLE	--	2	--	--	--	10,528
<b>CAPITAL ASSETS</b>						
LAND	--	18,318	722	1,435	42,734	78,350
BUILDING & IMPROVEMENTS (NET)	--	7,994	473	20,573	95,220	334,478
MACHINERY & EQUIPMENT (NET)	--	9,952	5	1,108	6,590	28,681
INFRASTRUCTURE (NET)	--	88,957	--	22,670	828,655	1,086,618
INTANGIBLE ASSETS (NET)	--	726	--	4,848	--	6,164
CONSTRUCTION IN PROGRESS	--	172,482	--	11,850	6,619,241	6,816,081
OTHER NONCURRENT ASSETS	--	12	40	50	75	6,416
TOTAL NON-CURRENT ASSETS	--	315,882	1,240	68,973	7,592,515	9,011,492
TOTAL ASSETS	128,577	465,753	2,405	90,315	7,772,409	10,083,255
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--	--	--	13,213
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	--	3,160	--	141	591	7,691
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	--	6,031	--	1,059	7,702	64,203
TOTAL DEFERRED OUTFLOWS OF RESOURCES	--	9,191	--	1,200	8,293	85,107
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES:</b>						
ACCOUNTS PAYABLE	506	4,171	687	1,099	3,147	37,459
ACCRUED INTEREST	9,149	11	--	56	--	9,260
AMOUNTS DUE TO PRIMARY GOVERNMENT	--	2	--	--	471	11,414
DUE TO FEDERAL GOVERNMENT	--	--	--	--	4,561	7,339
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	--	--	8
UNEARNED REVENUES	--	134	--	10	--	46,308
OTHER CURRENT LIABILITIES	--	76	--	--	1,108	10,445
<b>CURRENT PORTION OF LONG-TERM LIABILITIES:</b>						
CONTRACTS PAYABLE	--	1,430	--	--	3,469	5,352
COMPENSATED ABSENCES PAYABLE	--	61	--	--	81	3,808
CAPITAL LEASE OBLIGATIONS	--	95	--	--	--	95
NOTES PAYABLE	--	--	--	--	--	2,347
BONDS PAYABLE	146,055	715	--	4,362	307	210,478
ESTIMATED LIABILITY FOR CLAIMS	--	--	--	--	--	40,487
OTHER LONG-TERM LIABILITIES	--	--	14	--	64	571
TOTAL CURRENT LIABILITIES	155,710	6,695	701	5,527	13,208	385,371
<b>NONCURRENT LIABILITIES:</b>						
<b>NONCURRENT PORTION OF LONG-TERM LIABILITIES:</b>						
COMPENSATED ABSENCES PAYABLE	--	1,249	53	--	1,607	7,614
CAPITAL LEASE OBLIGATIONS	--	126	--	--	--	126
NOTES PAYABLE	--	--	--	--	--	346
BONDS PAYABLE	444,628	17,077	--	--	6,598	1,259,516
ESTIMATED LIABILITY FOR CLAIMS	--	--	--	--	--	2,637
TOTAL OPEB LIABILITY	--	42,274	--	6,134	23,495	237,391
NET PENSION LIABILITY	--	33,320	--	7,722	45,301	367,683
OTHER LONG-TERM LIABILITIES	--	--	--	--	--	5,952
UNEARNED REVENUE	--	--	--	--	607	1,852
TOTAL NON-CURRENT LIABILITIES	444,628	94,046	53	13,856	77,608	1,883,117
TOTAL LIABILITIES	600,338	100,741	754	19,383	90,816	2,268,488
<b>DEFERRED INFLOWS OF RESOURCES</b>						
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--	--	--	286
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	--	--	--	--	--	4,010
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	--	1,996	--	394	1,485	13,557
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	--	3,197	--	576	908	18,000
TOTAL DEFERRED INFLOWS OF RESOURCES	--	5,193	--	970	2,393	35,853
<b>NET POSITION</b>						
NET INVESTMENT IN CAPITAL ASSETS	--	291,879	1,201	58,122	7,585,535	8,290,813
<b>RESTRICTED FOR:</b>						
CAPITAL PROJECTS	--	463	--	935	531	8,731
DEBT SERVICE	--	1,988	--	537	--	188,494
OTHER PURPOSES	--	589	--	--	89,580	369,838
UNRESTRICTED	(471,761)	74,091	450	11,568	11,847	(993,855)
TOTAL NET POSITION	\$ (471,761)	\$ 369,010	\$ 1,651	\$ 71,162	\$ 7,687,493	\$ 7,864,021

(Concluded)

\* As of October 31, 2017.

\*\* As of December 31, 2017.

# State of Louisiana

## COMBINING STATEMENT OF ACTIVITIES

### NONMAJOR COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2018

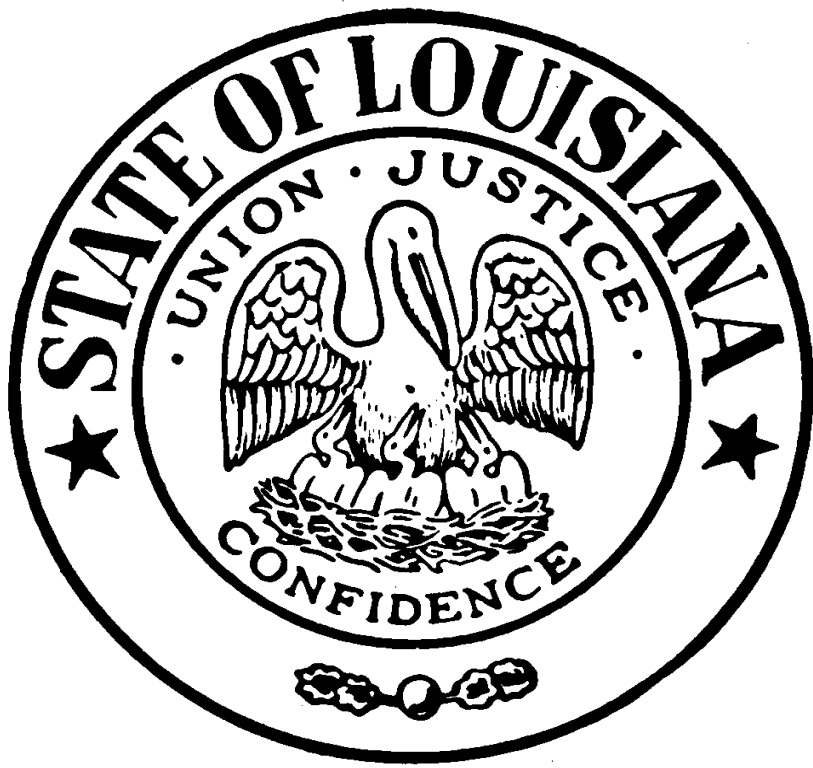
(EXPRESSED IN THOUSAND)

	PROGRAM REVENUES				NET (EXPENSE) REVENUE
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	
NONMAJOR COMPONENT UNITS:					
ASCENSION ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY	\$ 1,176	\$ 691	\$ 8	\$ 251	\$ (226)
BOARDS & COMMISSIONS	8,986	9,599	--	--	613
FOUNDATION FOR EXCELLENCE IN LOUISIANA PUBLIC BROADCASTING	7,001	1,268	4,813	--	(920)
GREATER BATON ROUGE PORT COMMISSION **	10,072	13,423	--	736	4,087
GREATER NEW ORLEANS EXPRESSWAY COMMISSION *	25,021	20,533	--	2,024	(2,464)
HEALTH EDUCATION AUTHORITY OF LOUISIANA	486	255	--	--	(231)
HUMAN SERVICES DISTRICTS	176,024	55,530	12,260	--	(108,234)
LOUISIANA CANCER RESEARCH CENTER	18,189	4,118	578	1,907	(11,586)
LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION **	61,430	56,439	--	--	(4,991)
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION	17,028	382	--	--	(16,646)
LOUISIANA HOUSING CORPORATION	195,540	13,280	186,000	--	3,740
LOUISIANA INTERNATIONAL DEEP WATER GULF TRANSFER TERMINAL AUTHORITY	208	240	--	--	32
LOUISIANA PUBLIC FACILITIES AUTHORITY **	8,391	7,841	--	--	(550)
LOUISIANA UTILITIES RESTORATION CORPORATION	27,540	242,832	--	--	215,292
OTHER LEVEE DISTRICTS	69,586	298	5,084	2,911	(61,293)
ROAD HOME CORPORATION	2,496	--	1,634	492	(370)
SABINE RIVER AUTHORITY	11,503	14,033	--	--	2,530
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST & WEST	74,316	6,773	--	2,375	(65,168)
<b>TOTAL NONMAJOR COMPONENT UNITS</b>	<b>\$ 714,993</b>	<b>\$ 447,535</b>	<b>\$ 210,377</b>	<b>\$ 10,696</b>	<b>\$ (46,385)</b>

	GENERAL REVENUES			NET POSITION BEGINNING OF YEAR AS RESTATED	NET POSITION END OF YEAR
	PAYMENTS FROM PRIMARY GOVERNMENT	OTHER GENERAL REVENUES	CHANGE IN NET POSITION		
NONMAJOR COMPONENT UNITS:					
ASCENSION ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY	\$ --	\$ 8	\$ (218)	\$ 13,504	\$ 13,286
BOARDS & COMMISSIONS	319	3,185	4,117	18,691	22,808
FOUNDATION FOR EXCELLENCE IN LOUISIANA PUBLIC BROADCASTING	--	3,082	2,162	37,802	39,964
GREATER BATON ROUGE PORT COMMISSION **	--	38	4,125	85,004	89,129
GREATER NEW ORLEANS EXPRESSWAY COMMISSION *	6,656	483	4,675	116,096	120,771
HEALTH EDUCATION AUTHORITY OF LOUISIANA	--	2	(229)	1,250	1,021
HUMAN SERVICES DISTRICTS	120,639	2,451	14,856	(325,649)	(310,793)
LOUISIANA CANCER RESEARCH CENTER	11,949	--	363	120,825	121,188
LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION **	--	67,965	62,974	(365,147)	(302,173)
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION	12,503	292	(3,851)	49,717	45,866
LOUISIANA HOUSING CORPORATION	--	6,793	10,533	281,341	291,874
LOUISIANA INTERNATIONAL DEEP WATER GULF TRANSFER TERMINAL AUTHORITY	--	--	32	188	220
LOUISIANA PUBLIC FACILITIES AUTHORITY **	--	250	(300)	73,605	73,305
LOUISIANA UTILITIES RESTORATION CORPORATION	--	1,086	216,378	(688,139)	(471,761)
OTHER LEVEE DISTRICTS	4,753	51,878	(4,662)	373,672	369,010
ROAD HOME CORPORATION	--	38	(332)	1,983	1,651
SABINE RIVER AUTHORITY	--	152	2,682	68,480	71,162
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST & WEST	473	813,547	748,852	6,938,641	7,687,493
<b>TOTAL NONMAJOR COMPONENT UNITS</b>	<b>\$ 157,292</b>	<b>\$ 951,250</b>	<b>\$ 1,062,157</b>	<b>\$ 6,801,864</b>	<b>\$ 7,864,021</b>

\* As of October 31, 2017.

\*\* As of December 31, 2017.



# III. STATISTICAL SECTION





## Statistical Section Index

This part of the Louisiana comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Louisiana's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	<b>174</b>
These schedules contain trend information to help the reader understand how Louisiana's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>184</b>
These schedules contain information to help the reader assess Louisiana's most significant state revenue source, income tax.	
<b>Debt Capacity</b>	<b>190</b>
These schedules present information to help the reader assess the affordability of Louisiana's current levels of outstanding debt and Louisiana's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>196</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which Louisiana's financial activities take place.	
<b>Operating Information</b>	<b>198</b>
These schedules contain service and infrastructure data to help the reader understand how the information in Louisiana's financial report relates to the services Louisiana provides and the activities it performs.	

# State of Louisiana

## NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
NET INVESTMENT IN CAPITAL ASSETS *	\$ 11,730,196	\$ 11,641,540	\$ 11,664,584	\$ 11,401,308
RESTRICTED	4,556,099	4,571,712	4,656,885	4,820,821
UNRESTRICTED	<u>(16,052,435)</u>	<u>(11,949,852)</u>	<u>(12,343,424)</u>	<u>(12,443,429)</u>
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	<u>\$ 233,860</u>	<u>\$ 4,263,400</u>	<u>\$ 3,978,045</u>	<u>\$ 3,778,700</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
NET INVESTMENT IN CAPITAL ASSETS *	\$ 446,322	\$ 446,609	\$ 429,685	\$ 389,158
RESTRICTED	1,220,926	1,127,101	1,109,109	1,122,120
UNRESTRICTED	<u>339,229</u>	<u>506,154</u>	<u>542,336</u>	<u>535,413</u>
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	<u>\$ 2,006,477</u>	<u>\$ 2,079,864</u>	<u>\$ 2,081,130</u>	<u>\$ 2,046,691</u>
<b>PRIMARY GOVERNMENT</b>				
NET INVESTMENT IN CAPITAL ASSETS *	\$ 12,176,518	\$ 12,088,149	\$ 12,094,269	\$ 11,790,466
RESTRICTED	5,777,025	5,698,813	5,765,994	5,942,941
UNRESTRICTED	<u>(15,713,206)</u>	<u>(11,443,698)</u>	<u>(11,801,088)</u>	<u>(11,908,016)</u>
TOTAL PRIMARY GOVERNMENT NET POSITION	<u>\$ 2,240,337</u>	<u>\$ 6,343,264</u>	<u>\$ 6,059,175</u>	<u>\$ 5,825,391</u>

\* GASB 63 replaced the following terminology: "Net assets" was replaced with "net position" and "invested in capital assets, net of related debt" was replaced with "net investment in capital assets."

Source: Office of Statewide Reporting and Accounting Policy

# State of Louisiana

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 11,230,136	\$ 11,573,027	\$ 11,466,833	\$ 11,862,399	\$ 14,737,911	\$ 14,091,358
4,592,434	4,721,228	4,580,471	5,008,705	5,096,314	5,489,526
<u>(5,460,846)</u>	<u>(5,034,905)</u>	<u>(3,914,614)</u>	<u>(3,341,575)</u>	<u>(2,318,148)</u>	<u>(1,059,178)</u>
<u>\$ 10,361,724</u>	<u>\$ 11,259,350</u>	<u>\$ 12,132,690</u>	<u>\$ 13,529,529</u>	<u>\$ 17,516,077</u>	<u>\$ 18,521,706</u>
\$ 354,442	\$ 338,894	\$ 200,294	\$ 218,826	\$ 170,960	\$ 119,033
1,038,066	991,425	839,363	906,600	1,048,285	1,417,455
<u>943,383</u>	<u>966,905</u>	<u>1,042,012</u>	<u>896,531</u>	<u>772,984</u>	<u>964,436</u>
<u>\$ 2,335,891</u>	<u>\$ 2,297,224</u>	<u>\$ 2,081,669</u>	<u>\$ 2,021,957</u>	<u>\$ 1,992,229</u>	<u>\$ 2,500,924</u>
\$ 11,584,578	\$ 11,911,921	\$ 11,667,127	\$ 12,081,225	\$ 14,908,871	\$ 14,210,391
5,630,500	5,712,653	5,419,834	5,915,305	6,144,599	6,906,981
<u>(4,517,463)</u>	<u>(4,068,000)</u>	<u>(2,872,602)</u>	<u>(2,445,044)</u>	<u>(1,545,164)</u>	<u>(94,742)</u>
<u>\$ 12,697,615</u>	<u>\$ 13,556,574</u>	<u>\$ 14,214,359</u>	<u>\$ 15,551,486</u>	<u>\$ 19,508,306</u>	<u>\$ 21,022,630</u>

# State of Louisiana

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	2018	2017	2016	2015
<b>EXPENSES</b>				
GOVERNMENTAL ACTIVITIES:				
GENERAL GOVERNMENT	\$ 2,887,652	\$ 2,527,768	\$ 2,625,646	\$ 2,832,201
CULTURE, RECREATION, AND TOURISM	97,685	103,386	112,186	117,876
TRANSPORTATION AND DEVELOPMENT	1,377,898	1,560,415	1,446,159	1,415,006
PUBLIC SAFETY	949,390	1,872,279	886,259	1,636,934
HEALTH AND WELFARE	13,975,446	14,044,785	11,287,812	11,065,490
CORRECTIONS	702,948	713,713	670,100	697,116
YOUTH SERVICES	75,263	91,636	78,435	85,475
CONSERVATION AND ENVIRONMENT	554,590	550,652	571,969	541,139
EDUCATION	6,308,850	6,147,844	6,184,322	6,246,331
AGRICULTURE & FORESTRY	93,118	89,613	83,850	70,710
ECONOMIC DEVELOPMENT	231,981	259,836	256,067	311,360
MILITARY & VETERANS AFFAIRS	170,224	183,731	171,718	161,366
WORKFORCE SUPPORT & TRAINING	247,754	251,137	257,060	240,505
OTHER	--	--	--	--
INTERGOVERNMENTAL	--	--	--	--
INTEREST ON LONG-TERM DEBT	294,885	289,139	258,062	305,799
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES	<u>27,967,684</u>	<u>28,685,934</u>	<u>24,889,645</u>	<u>25,727,308</u>
BUSINESS-TYPE ACTIVITIES:				
HIGHER EDUCATION	478,936	488,498	478,874	484,420
LENDING & FINANCING ACTIVITIES	38,243	24,749	29,311	34,838
LOTTERY	--	--	--	--
PROPERTY ASSISTANCE	8,427	9,892	7,866	6,998
PRISON ENTERPRISES	28,911	29,230	30,489	31,307
REGULATION & OVERSIGHT	47,182	48,926	45,699	42,643
UNEMPLOYMENT INSURANCE	187,023	242,249	251,175	204,083
TOTAL BUSINESS-TYPE ACTIVITIES EXPENSES	<u>788,722</u>	<u>843,544</u>	<u>843,414</u>	<u>804,289</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 28,756,406</u>	<u>\$ 29,529,478</u>	<u>\$ 25,733,059</u>	<u>\$ 26,531,597</u>
<b>PROGRAM REVENUES</b>				
GOVERNMENTAL ACTIVITIES:				
CHARGES FOR SERVICES				
GENERAL GOVERNMENT	\$ 1,216,509	\$ 1,305,131	\$ 1,399,925	\$ 1,282,105
CULTURE, RECREATION, AND TOURISM	16,612	15,021	14,602	15,212
TRANSPORTATION AND DEVELOPMENT	174,505	181,040	189,311	178,548
PUBLIC SAFETY	344,842	321,562	351,318	318,140
HEALTH AND WELFARE	288,857	291,734	171,475	237,623
CORRECTIONS	41,150	39,170	30,491	42,818
YOUTH SERVICES	1,008	1,215	1,612	230
CONSERVATION AND ENVIRONMENT	169,362	168,717	159,403	158,759
EDUCATION	17,218	6,009	11,175	66,501
AGRICULTURE & FORESTRY	21,652	20,153	19,750	20,928
ECONOMIC DEVELOPMENT	4,259	5,513	17,425	13,658
MILITARY & VETERANS AFFAIRS	15,806	16,404	16,189	16,572
WORKFORCE SUPPORT & TRAINING	76,684	78,238	68,723	50,984
INTERGOVERNMENTAL	--	--	--	--
OPERATING GRANTS AND CONTRIBUTIONS	13,859,304	14,464,231	10,614,966	11,323,586
CAPITAL GRANTS AND CONTRIBUTIONS	587,843	607,380	686,918	572,203
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES	<u>16,835,611</u>	<u>17,521,518</u>	<u>13,753,283</u>	<u>14,297,867</u>

\* GASB 63 replaced Net Assets with Net Position.

Source: Office of Statewide Reporting and Accounting Policy

(Continued)

# State of Louisiana

	2014	2013	2012	2011	2010	2009
\$	4,675,822	\$ 4,607,483	\$ 5,308,576	\$ 6,497,216	\$ 5,896,826	\$ 6,972,403
	98,784	99,582	92,741	110,078	86,845	122,928
	1,542,225	1,312,998	1,500,182	1,370,238	1,111,846	1,286,404
	347,473	336,143	326,627	337,149	349,369	371,326
	10,208,763	10,071,069	9,769,203	9,335,925	10,248,151	9,671,816
	639,414	657,028	633,544	671,436	686,957	727,095
	108,772	106,779	116,791	134,274	152,562	170,678
	354,087	343,487	364,234	372,703	595,690	499,648
	6,382,964	6,705,462	6,614,109	6,602,774	6,599,451	7,136,960
	--	--	--	--	--	--
	--	--	--	--	--	--
	--	--	--	--	--	--
	--	--	--	--	--	--
	26,599	29,369	25,407	49,174	45,821	66,424
	586,420	515,763	505,680	430,763	398,377	485,875
	305,101	305,746	332,586	284,395	299,326	304,763
	<u>25,276,424</u>	<u>25,090,909</u>	<u>25,589,680</u>	<u>26,196,125</u>	<u>26,471,221</u>	<u>27,816,320</u>
	491,101	492,782	--	--	--	--
	41,506	32,993	26,544	39,310	21,548	1,019
	--	--	--	--	241,520	245,723
	6,720	7,617	7,661	10,239	11,349	10,563
	29,222	29,282	28,224	28,395	27,597	32,591
	44,755	43,125	45,074	171,720	203,163	45,270
	<u>218,744</u>	<u>339,852</u>	<u>537,217</u>	<u>761,747</u>	<u>985,779</u>	<u>455,910</u>
	<u>832,048</u>	<u>945,651</u>	<u>644,720</u>	<u>1,011,411</u>	<u>1,490,956</u>	<u>791,076</u>
\$	<u><u>26,108,472</u></u>	<u><u>26,036,560</u></u>	<u><u>26,234,400</u></u>	<u><u>27,207,536</u></u>	<u><u>27,962,177</u></u>	<u><u>28,607,396</u></u>
\$	2,044,842	\$ 2,178,896	\$ 1,579,216	\$ 1,906,708	\$ 1,962,589	\$ 2,029,900
	11,678	11,576	11,246	10,932	17,281	8,984
	34,254	63,437	122,485	88,817	70,665	230,874
	277,384	310,738	323,089	279,280	280,500	303,813
	440,330	276,815	274,054	208,998	295,799	215,112
	40,809	43,518	40,780	39,958	38,520	39,018
	438	793	2,789	1,490	--	7,827
	740,512	812,599	757,891	966,275	688,756	905,157
	60,397	37,810	38,915	5,518	60,329	41,544
	--	--	--	--	--	--
	--	--	--	--	--	--
	--	--	--	--	--	--
	--	--	--	--	--	--
	1,812	1,678	1,471	1,733	1,425	1,244
	10,475,760	10,308,201	11,707,327	11,390,940	11,138,352	11,068,209
	637,078	1,049,293	1,076,896	2,403,996	2,526,649	3,010,693
	<u>14,765,294</u>	<u>15,095,354</u>	<u>15,936,159</u>	<u>17,304,645</u>	<u>17,080,865</u>	<u>17,862,375</u>

# State of Louisiana

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	2018	2017	2016	2015
BUSINESS-TYPE ACTIVITIES:				
CHARGES FOR SERVICES				
HIGHER EDUCATION	140,290	150,683	144,913	122,637
LENDING & FINANCING ACTIVITIES	24,358	18,521	17,169	17,869
LOTTERY	--	--	--	--
PROPERTY ASSISTANCE	8,618	7,247	7,579	7,831
PRISON ENTERPRISES	27,900	28,098	28,766	32,590
REGULATION & OVERSIGHT	48,398	48,703	48,580	49,221
UNEMPLOYMENT INSURANCE	251,285	234,254	236,139	257,726
OPERATING GRANTS AND CONTRIBUTIONS	190,902	168,135	183,245	216,051
CAPITAL GRANTS AND CONTRIBUTIONS	47,847	56,539	67,147	78,919
TOTAL BUSINESS-TYPE ACTIVITIES PROGRAM REVENUES	<u>739,598</u>	<u>712,180</u>	<u>733,538</u>	<u>782,844</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 17,575,209</u>	<u>\$ 18,233,698</u>	<u>\$ 14,486,821</u>	<u>\$ 15,080,711</u>
NET (EXPENSE) REVENUE				
GOVERNMENTAL ACTIVITIES	\$ (11,132,073)	\$ (11,164,416)	\$ (11,136,362)	\$ (11,429,441)
BUSINESS-TYPE ACTIVITIES	<u>(49,124)</u>	<u>(131,364)</u>	<u>(109,876)</u>	<u>(21,445)</u>
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	<u>\$ (11,181,197)</u>	<u>\$ (11,295,780)</u>	<u>\$ (11,246,238)</u>	<u>\$ (11,450,886)</u>

### GENERAL REVENUES AND OTHER CHANGES IN NET POSITION

GOVERNMENTAL ACTIVITIES:				
CORPORATE INCOME TAXES	\$ 348,577	\$ 313,977	\$ 309,499	\$ 226,162
INDIVIDUAL INCOME TAXES	3,439,082	2,873,345	3,020,992	2,856,468
SALES & USE TAXES	4,342,563	4,335,828	3,294,191	3,129,686
SEVERANCE TAXES	460,998	384,866	434,449	710,071
TOBACCO TAXES	296,860	314,307	253,015	153,952
FRANCHISE TAXES	119,403	97,124	77,185	97,831
GAS & FUELS TAXES, restricted for transportation	605,962	639,493	626,618	609,805
TOBACCO SETTLEMENT, restricted for education, health and welfare	--	--	--	--
INSURANCE PREMIUM TAXES	893,076	888,386	528,999	454,795
ALCOHOL TAXES	76,064	77,468	63,520	57,613
OCCUPANCY TAXES	66,329	60,613	58,085	59,150
OTHER TAXES	68,523	56,167	52,022	63,187
UNCLAIMED PROPERTY	49,979	59,637	50,033	32,614
GAMING	887,941	864,754	858,492	892,336
USE OF MONEY & PROPERTY	424,388	536,130	669,883	560,646
MISCELLANEOUS	--	--	--	--
OTHER	--	--	--	--
ADDITIONS TO PERMANENT ENDOWMENTS	--	--	--	--
EXTRAORDINARY ITEM	--	--	1,000,000	--
TRANSFERS	<u>(131,586)</u>	<u>(124,701)</u>	<u>(153,459)</u>	<u>(148,466)</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>11,948,159</u>	<u>11,377,394</u>	<u>11,143,524</u>	<u>9,755,850</u>
BUSINESS-TYPE ACTIVITIES:				
USE OF MONEY & PROPERTY	(663)	595	949	1,188
OTHER	--	--	--	--
TRANSFERS	<u>131,586</u>	<u>124,701</u>	<u>153,459</u>	<u>148,466</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>130,923</u>	<u>125,296</u>	<u>154,408</u>	<u>149,654</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 12,079,082</u>	<u>\$ 11,502,690</u>	<u>\$ 11,297,932</u>	<u>\$ 9,905,504</u>
<b>CHANGE IN NET POSITION *</b>				
GOVERNMENTAL ACTIVITIES	\$ 816,086	\$ 212,978	\$ 7,162	\$ (1,673,591)
BUSINESS-TYPE ACTIVITIES	<u>81,799</u>	<u>(6,068)</u>	<u>44,532</u>	<u>128,209</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 897,885</u>	<u>\$ 206,910</u>	<u>\$ 51,694</u>	<u>\$ (1,545,382)</u>

\* GASB 63 replaced Net Assets with Net Position.

(Concluded)

# State of Louisiana

2014	2013	2012	2011	2010	2009
113,895	107,259	--	--	--	--
19,043	16,770	16,714	18,086	14,553	14,478
--	--	--	--	372,694	378,512
7,547	8,206	8,101	10,692	11,564	10,834
28,105	29,186	27,872	27,203	25,620	32,802
44,157	43,467	42,329	229,344	224,291	38,396
262,738	284,229	266,907	281,951	245,023	227,260
96,002	162,789	212,490	376,724	412,463	99,339
61,802	82,395	49,127	107,519	68,045	86,934
<u>633,289</u>	<u>734,301</u>	<u>623,540</u>	<u>1,051,519</u>	<u>1,374,253</u>	<u>888,555</u>
<u>\$ 15,398,583</u>	<u>\$ 15,829,655</u>	<u>\$ 16,559,699</u>	<u>\$ 18,356,164</u>	<u>\$ 18,455,118</u>	<u>\$ 18,750,930</u>
\$ (10,511,130)	\$ (9,995,555)	\$ (9,653,521)	\$ (8,891,480)	\$ (9,390,356)	\$ (9,953,945)
<u>(198,759)</u>	<u>(211,350)</u>	<u>(21,180)</u>	<u>40,108</u>	<u>(116,703)</u>	<u>97,479</u>
<u>\$ (10,709,889)</u>	<u>\$ (10,206,905)</u>	<u>\$ (9,674,701)</u>	<u>\$ (8,851,372)</u>	<u>\$ (9,507,059)</u>	<u>\$ (9,856,466)</u>
\$ 293,641	\$ 276,031	\$ 402,538	\$ 232,010	\$ 196,241	\$ 663,627
2,744,460	2,626,994	2,473,473	2,433,794	2,294,903	2,966,920
2,969,835	2,858,889	2,860,313	2,821,598	2,560,775	3,016,254
837,130	840,966	850,685	748,355	776,464	876,579
129,338	123,497	133,194	142,064	135,927	105,469
160,178	83,904	83,595	65,577	138,124	212,703
613,917	619,379	596,052	639,452	624,554	599,192
123,828	226,328	146,620	140,978	142,279	71,966
428,815	406,530	346,217	356,089	340,922	305,667
56,968	56,878	56,811	56,001	55,320	56,881
56,682	51,985	48,342	47,093	43,380	42,584
241,807	210,486	191,109	121,230	80,216	144,525
--	--	--	--	--	--
846,045	835,470	828,010	823,418	668,235	715,443
17,429	(23,149)	(80,613)	(4,208)	(9,301)	(12,169)
--	3,303	3,548	3,123	338	330
302	10,838	7,032	7,950	6,873	134,502
66,205	--	--	--	--	--
--	--	--	--	--	(2,406)
<u>(122,171)</u>	<u>(115,210)</u>	<u>77,050</u>	<u>1,609</u>	<u>141,615</u>	<u>142,066</u>
<u>9,464,409</u>	<u>9,093,119</u>	<u>9,023,976</u>	<u>8,636,133</u>	<u>8,196,865</u>	<u>10,040,133</u>
--	--	--	--	--	--
118,928	153,590	3,739	14,483	21,732	7,450
<u>122,171</u>	<u>115,210</u>	<u>(77,050)</u>	<u>(1,609)</u>	<u>(141,615)</u>	<u>(142,066)</u>
<u>241,099</u>	<u>268,800</u>	<u>(73,311)</u>	<u>12,874</u>	<u>(119,883)</u>	<u>(134,616)</u>
<u>\$ 9,705,508</u>	<u>\$ 9,361,919</u>	<u>\$ 8,950,665</u>	<u>\$ 8,649,007</u>	<u>\$ 8,076,982</u>	<u>\$ 9,905,517</u>
\$ (1,046,721)	\$ (902,436)	\$ (629,545)	\$ (255,347)	\$ (1,193,491)	\$ 86,188
<u>42,340</u>	<u>57,450</u>	<u>(94,491)</u>	<u>52,982</u>	<u>(236,586)</u>	<u>(37,137)</u>
<u>\$ (1,004,381)</u>	<u>\$ (844,986)</u>	<u>\$ (724,036)</u>	<u>\$ (202,365)</u>	<u>\$ (1,430,077)</u>	<u>\$ 49,051</u>

# State of Louisiana

## FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>
GENERAL FUND (per GASB 54) *							
NONSPENDABLE	\$ 103,596	\$	97,936	\$	92,904	\$	100,429
RESTRICTED	949,804		995,329		1,228,992		1,448,205
COMMITTED	1,152,626		966,361		965,705		924,421
ASSIGNED	84,121		--		--		282,248
UNASSIGNED	-		(565,349)		(1,002,223)		(658,759)
GENERAL FUND (prior GASB 54) **							
RESERVED	--		--		--		--
UNRESERVED	--		--		--		--
<b>TOTAL GENERAL FUND</b>	<b>\$ <u>2,290,147</u></b>	<b>\$</b>	<b><u>1,494,277</u></b>	<b>\$</b>	<b><u>1,285,378</u></b>	<b>\$</b>	<b><u>2,096,544</u></b>
ALL OTHER GOVERNMENTAL FUNDS (per GASB 54) *							
NONSPENDABLE	\$ 2,690,586	\$	2,663,784	\$	2,634,282	\$	2,596,312
RESTRICTED	814,358		811,329		743,429		765,601
COMMITTED	198,073		194,530		113,443		341,726
UNASSIGNED	(4,928)		(4,508)		(2,750)		--
ALL OTHER GOVERNMENTAL FUNDS (prior GASB 54) **							
RESERVED	--		--		--		--
UNRESERVED, REPORTED IN:							
SPECIAL REVENUE FUNDS	--		--		--		--
DEBT SERVICE FUNDS	--		--		--		--
CAPITAL PROJECTS FUNDS	--		--		--		--
PERMANENT FUNDS	--		--		--		--
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ <u>3,698,089</u></b>	<b>\$</b>	<b><u>3,665,135</u></b>	<b>\$</b>	<b><u>3,488,404</u></b>	<b>\$</b>	<b><u>3,703,639</u></b>

\* With the implementation of GASB 54 in FY 2011, fund balances are reclassified as Nonspendable, Restricted, Committed, Assigned, and Unassigned.

\*\* Prior to FY 2011 and GASB 54, fund balances were classified as Reserved or Unreserved according to GASB 34.

Source: Office of Statewide Reporting and Accounting Policy



# State of Louisiana

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 111,497	\$ 73,780	\$ 70,707	\$ 76,273	\$ --	\$ --
1,479,562	1,270,682	1,405,987	1,439,257	--	--
1,320,903	1,608,089	1,809,517	2,073,954	--	--
190,400	224,672	223,490	234,052	--	--
62,574	36,529	127,508	111,769	--	--
--	--	--	--	1,013,749	856,166
--	--	--	--	(49,333)	802,611
\$ <u>3,164,936</u>	\$ <u>3,213,752</u>	\$ <u>3,637,209</u>	\$ <u>3,935,305</u>	\$ <u>964,416</u>	\$ <u>1,658,777</u>
\$ 2,577,930	\$ 2,511,725	\$ 2,466,207	\$ 2,479,800	\$ --	\$ --
820,023	804,512	932,411	1,056,686	--	--
444,094	342,924	508,847	697,635	--	--
--	--	--	--	--	--
--	--	--	--	3,048,357	3,136,568
--	--	--	--	3,586,804	4,447,259
--	--	--	--	614	1,534
--	--	--	--	243	636
\$ <u>3,842,047</u>	\$ <u>3,659,161</u>	\$ <u>3,907,465</u>	\$ <u>4,234,121</u>	\$ <u>8,067,287</u>	\$ <u>8,955,399</u>

# State of Louisiana

## CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	2018	2017	2016	2015
<b>REVENUES</b>				
INTERGOVERNMENTAL REVENUES	\$ 14,138,100	\$ 14,858,460	\$ 11,043,313	\$ 11,435,410
TAXES	10,698,899	10,000,554	8,648,395	8,467,558
TOBACCO SETTLEMENT	155,071	141,267	137,487	139,124
GAMING	887,941	864,754	858,492	892,336
USE OF MONEY AND PROPERTY	442,439	520,222	655,115	593,682
LICENSES, PERMITS, AND FEES	1,348,734	1,299,999	1,275,285	1,055,348
SALES OF COMMODITIES AND SERVICES	873,355	961,480	1,008,850	996,066
UNCLAIMED PROPERTY	49,979	59,637	50,033	32,614
OTHER SETTLEMENTS	290	5,323	19,128	245,674
GIFTS, DONATIONS, AND CONTRIBUTIONS	146,983	117,427	110,160	67,787
OTHER	108,015	106,011	143,181	253,766
<b>TOTAL REVENUES</b>	<b>28,849,806</b>	<b>28,935,134</b>	<b>23,949,439</b>	<b>24,179,365</b>
<b>EXPENDITURES</b>				
GENERAL GOVERNMENT	2,329,105	1,891,306	2,026,766	2,191,384
CULTURE, RECREATION, AND TOURISM	67,123	67,201	70,084	75,751
TRANSPORTATION AND DEVELOPMENT	412,303	433,428	422,252	432,151
PUBLIC SAFETY	652,535	898,418	879,925	832,434
HEALTH AND WELFARE	13,785,451	13,431,804	10,934,259	10,765,058
CORRECTIONS	635,117	627,210	628,518	643,885
YOUTH DEVELOPMENT	76,169	86,201	83,530	82,701
CONSERVATION AND ENVIRONMENT	269,001	266,212	289,977	274,273
EDUCATION	862,579	794,447	953,550	1,000,636
AGRICULTURE & FORESTRY*	90,979	42,802	49,323	53,338
ECONOMIC DEVELOPMENT*	85,255	82,898	75,849	83,776
MILITARY & VETERANS AFFAIRS*	123,548	132,166	126,860	120,152
WORKFORCE SUPPORT & TRAINING*	171,606	191,460	192,828	193,700
OTHER	--	--	--	--
INTERGOVERNMENTAL	6,383,525	7,438,801	6,046,293	6,372,891
CAPITAL OUTLAY	1,554,562	1,741,572	1,985,318	2,092,773
DEBT SERVICE:				
PRINCIPAL	421,837	381,991	531,969	283,013
INTEREST	328,732	314,769	306,394	311,514
ISSUANCE COSTS & OTHER CHARGES	8,428	5,487	5,916	21,325
<b>TOTAL EXPENDITURES</b>	<b>28,257,855</b>	<b>28,828,173</b>	<b>25,609,611</b>	<b>25,830,755</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	591,951	106,961	(1,660,172)	(1,651,390)
<b>OTHER FINANCING SOURCES (USES)</b>				
TRANSFERS IN	15,963,693	15,587,527	14,741,282	14,637,229
TRANSFERS OUT	(16,095,053)	(15,712,228)	(14,894,793)	(14,784,679)
LONG-TERM DEBT ISSUED	300,090	349,150	537,382	535,648
PREMIUM ON LONG-TERM DEBT ISSUED	41,667	41,722	8,245	69,868
REFUNDING BONDS ISSUED	596,955	415,080	368,585	1,082,590
PREMIUM ON REFUNDING BONDS ISSUED	57,287	39,776	63,865	141,275
PAYMENTS TO REFUNDED BOND ESCROW AGENT	(638,969)	(454,625)	(431,712)	(1,223,400)
SALES OF GENERAL CAPITAL ASSETS	1,241	1,216	1,025	1,324
INSURANCE RECOVERIES	10,316	12,348	8,999	--
OTHER	--	--	--	--
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>237,227</b>	<b>279,966</b>	<b>402,878</b>	<b>459,855</b>
EXTRAORDINARY ITEM	--	--	200,000	--
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 829,178</b>	<b>\$ 386,927</b>	<b>\$ (1,057,294)</b>	<b>\$ (1,191,535)</b>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	2.8%	2.6%	3.6%	2.6%

\* New functions for 2015 formerly General Government

Source: Office of Statewide Reporting and Accounting Policy

# State of Louisiana

	2014	2013	2012	2011	2010	2009
\$	11,553,209	\$ 11,543,881	\$ 12,930,021	\$ 13,823,449	\$ 13,469,624	\$ 14,053,062
	8,692,410	8,152,282	7,927,305	7,668,449	7,462,892	8,936,444
	140,296	210,625	141,240	138,518	146,841	175,503
	848,880	838,500	831,227	810,424	671,527	719,530
	915,701	683,994	844,927	925,682	1,007,980	1,163,356
	897,489	886,465	911,723	775,640	633,600	637,350
	863,538	876,564	948,106	916,938	933,549	1,073,318
	--	--	--	--	--	--
	44,785	87,519	13,996	258,631	--	--
	--	--	--	--	--	--
	606,387	688,113	265,458	308,458	706,121	547,335
	<u>24,562,695</u>	<u>23,967,943</u>	<u>24,814,003</u>	<u>25,626,189</u>	<u>25,032,134</u>	<u>27,305,898</u>
	4,394,827	4,065,713	4,827,035	5,764,484	4,911,766	6,435,832
	83,803	86,857	91,934	82,009	71,088	97,709
	461,917	438,779	455,333	428,301	424,007	438,634
	312,080	312,227	308,651	306,984	296,083	305,054
	10,174,503	10,006,567	9,884,320	9,671,602	9,497,394	9,372,783
	597,220	627,148	601,057	620,948	612,723	666,542
	103,472	98,823	110,992	125,651	138,506	154,821
	240,356	275,245	247,954	259,065	463,913	368,850
	6,128,360	6,334,414	6,312,152	6,293,778	6,319,886	6,713,924
	--	--	--	--	--	--
	--	--	--	--	--	--
	--	--	--	--	--	--
	55	20,884	15,840	70,541	273,669	263,915
	586,420	515,763	505,680	488,336	491,143	584,944
	1,596,212	1,843,811	2,000,974	2,502,456	2,384,130	2,941,236
	1,188,276	329,643	281,575	273,765	268,705	266,108
	324,349	315,377	317,271	304,065	299,609	305,184
	41,271	--	--	--	--	--
	<u>26,233,121</u>	<u>25,271,251</u>	<u>25,960,768</u>	<u>27,191,985</u>	<u>26,452,622</u>	<u>28,915,536</u>
	(1,670,426)	(1,303,308)	(1,146,765)	(1,565,796)	(1,420,488)	(1,609,638)
	14,839,157	14,021,497	13,395,676	13,135,572	17,218,705	18,247,948
	(14,929,078)	(14,121,707)	(13,318,829)	(13,133,963)	(17,077,090)	(18,105,772)
	821,190	385,400	1,814,570	1,169,445	399,019	424,026
	72,385	58,825	253,845	115,999	--	--
	841,145	633,980	--	--	--	--
	45,135	--	--	--	--	--
	--	(645,040)	(1,596,172)	(528,128)	(125,997)	--
	--	--	--	--	--	--
	24,898	221,489	--	--	--	--
	--	--	--	--	--	3,585
	<u>1,714,832</u>	<u>554,444</u>	<u>549,090</u>	<u>758,925</u>	<u>414,637</u>	<u>569,787</u>
	--	--	--	--	--	--
\$	<u>44,406</u>	<u>(748,864)</u>	<u>(597,675)</u>	<u>(806,871)</u>	<u>(1,005,851)</u>	<u>(1,039,851)</u>
	2.5%	2.8%	2.5%	2.4%	2.5%	2.3%

# State of Louisiana

## INDIVIDUAL INCOME TAX

(by adjusted gross income bracket)

### LAST TEN FISCAL YEARS

ADJUSTED GROSS INCOME CLASS	FISCAL YEAR 2017			
	NUMBER OF RETURNS	PERCENT OF TOTAL	TAX LIABILITY	PERCENT OF TOTAL
LESS THAN \$0	7,236	0.34%	\$ 37,018	0.00%
\$0	75,644	3.61%	1,143,444	0.04%
\$1 - 25,000	731,019	34.86%	84,079,108	3.01%
\$25,001 - 50,000	487,629	23.25%	320,371,379	11.48%
\$50,001 - 75,000	272,068	12.97%	334,463,867	11.99%
\$75,001 - 100,000	175,482	8.37%	322,333,694	11.55%
\$100,001 - 200,000	251,348	11.99%	788,049,649	28.24%
GREATER THAN \$200,000	96,760	4.61%	940,366,591	33.69%
TOTALS	2,097,186	100.00%	\$ 2,790,844,750	100.00%

ADJUSTED GROSS INCOME CLASS	FISCAL YEAR 2016			
	NUMBER OF RETURNS	PERCENT OF TOTAL	TAX LIABILITY	PERCENT OF TOTAL
LESS THAN \$0	5,800	0.27%	\$ 53,006	0.00%
\$0	52,262	2.41%	1,000,176	0.03%
\$1 - 25,000	794,218	36.59%	116,236,583	3.94%
\$25,001 - 50,000	500,950	23.08%	344,084,347	11.66%
\$50,001 - 75,000	278,993	12.85%	353,249,342	11.97%
\$75,001 - 100,000	181,088	8.34%	344,165,577	11.66%
\$100,001 - 200,000	257,452	11.86%	828,328,426	28.07%
GREATER THAN \$200,000	99,840	4.60%	963,943,188	32.67%
TOTALS	2,170,603	100.00%	\$ 2,951,060,645	100.00%

ADJUSTED GROSS INCOME CLASS	FISCAL YEAR 2015			
	NUMBER OF RETURNS	PERCENT OF TOTAL	TAX LIABILITY	PERCENT OF TOTAL
LESS THAN \$0	6,095	0.29%	\$ 324,080	0.01%
\$0	52,466	2.48%	2,617,563	0.09%
\$1 - 25,000	760,228	35.98%	108,698,011	3.78%
\$25,001 - 50,000	487,785	23.09%	332,509,517	11.57%
\$50,001 - 75,000	278,694	13.19%	351,388,226	12.22%
\$75,001 - 100,000	178,993	8.47%	337,942,950	11.76%
\$100,001 - 200,000	251,183	11.89%	796,707,504	27.71%
GREATER THAN \$200,000	97,495	4.61%	944,759,421	32.86%
TOTALS	2,112,939	100.00%	\$ 2,874,947,272	100.00%

ADJUSTED GROSS INCOME CLASS	FISCAL YEAR 2014			
	NUMBER OF RETURNS	PERCENT OF TOTAL	TAX LIABILITY	PERCENT OF TOTAL
LESS THAN \$0	6,962	0.33%	\$ 478,127	0.02%
\$0	72,171	3.42%	771,101	0.03%
\$1 - 25,000	761,728	36.15%	109,556,041	3.96%
\$25,001 - 50,000	487,644	23.14%	331,047,654	11.98%
\$50,001 - 75,000	275,417	13.07%	345,454,498	12.50%
\$75,001 - 100,000	176,689	8.39%	332,844,053	12.04%
\$100,001 - 200,000	237,021	11.25%	744,864,927	26.95%
GREATER THAN \$200,000	89,600	4.25%	899,167,023	32.52%
TOTALS	2,107,232	100.00%	\$ 2,764,183,424	100.00%

Source: Louisiana Department of Revenue and Taxation

# State of Louisiana

## FISCAL YEAR 2013

ADJUSTED GROSS INCOME CLASS	NUMBER OF RETURNS	PERCENT OF TOTAL	TAX LIABILITY	PERCENT OF TOTAL
LESS THAN \$0	7,843	0.38%	\$ 496,698	0.02%
\$0	72,786	3.51%	520,046	0.02%
\$1 - 25,000	762,108	36.71%	109,414,235	4.19%
\$25,001 - 50,000	482,484	23.24%	326,181,219	12.49%
\$50,001 - 75,000	272,110	13.11%	340,680,470	13.05%
\$75,001 - 100,000	173,014	8.33%	324,573,105	12.43%
\$100,001 - 200,000	223,791	10.78%	690,480,649	26.45%
GREATER THAN \$200,000	81,757	3.94%	818,468,588	31.35%
TOTALS	2,075,893	100.00%	\$ 2,610,815,010	100.00%

## FISCAL YEAR 2012

ADJUSTED GROSS INCOME CLASS	NUMBER OF RETURNS	PERCENT OF TOTAL	TAX LIABILITY	PERCENT OF TOTAL
LESS THAN \$0	10,623	0.51%	\$ 409,631	0.02%
\$0	96,253	4.62%	873,373	0.03%
\$1 - 25,000	765,855	36.71%	110,999,615	4.40%
\$25,001 - 50,000	485,511	23.27%	327,227,612	12.97%
\$50,001 - 75,000	271,278	13.00%	339,429,023	13.46%
\$75,001 - 100,000	170,533	8.18%	321,449,617	12.74%
\$100,001 - 200,000	211,191	10.12%	647,777,431	25.68%
GREATER THAN \$200,000	74,931	3.59%	774,484,609	30.70%
TOTALS	2,086,175	100.00%	\$ 2,522,650,911	100.00%

## FISCAL YEAR 2011

ADJUSTED GROSS INCOME CLASS	NUMBER OF RETURNS	PERCENT OF TOTAL	TAX LIABILITY	PERCENT OF TOTAL
LESS THAN \$0	8,738	0.42%	\$ 92,453	0.00%
\$0	100,398	4.86%	1,006,349	0.04%
\$1 - 25,000	757,376	36.68%	111,535,118	4.45%
\$25,001 - 50,000	489,950	23.73%	333,260,114	13.30%
\$50,001 - 75,000	271,009	13.12%	343,648,035	13.72%
\$75,001 - 100,000	168,833	8.18%	323,064,252	12.89%
\$100,001 - 200,000	199,537	9.66%	616,660,125	24.61%
GREATER THAN \$200,000	69,137	3.35%	776,510,880	30.99%
TOTALS	2,064,978	100.00%	\$ 2,505,777,326	100.00%

## FISCAL YEAR 2010

ADJUSTED GROSS INCOME CLASS	NUMBER OF RETURNS	PERCENT OF TOTAL	TAX LIABILITY	PERCENT OF TOTAL
LESS THAN \$0	7,651	0.38%	\$ 110,127	0.00%
\$0	104,399	5.12%	5,196,829	0.20%
\$1 - 25,000	755,861	37.07%	109,180,282	4.24%
\$25,001 - 50,000	484,343	23.75%	330,222,000	12.82%
\$50,001 - 75,000	267,195	13.10%	342,076,594	13.29%
\$75,001 - 100,000	164,539	8.07%	320,572,328	12.45%
GREATER THAN \$100,000	255,282	12.51%	1,468,034,921	57.00%
TOTALS	2,039,270	100.00%	\$ 2,575,393,081	100.00%

# State of Louisiana

<b>FISCAL YEAR 2009</b>				
<u>ADJUSTED GROSS INCOME CLASS</u>	<u>NUMBER OF RETURNS</u>	<u>PERCENT OF TOTAL</u>	<u>TAX LIABILITY</u>	<u>PERCENT OF TOTAL</u>
LESS THAN \$0	7,023	0.35%	\$ 92,927	0.00%
\$0	90,927	4.58%	2,792,336	0.09%
\$1 - 25,000	752,959	37.89%	108,193,148	3.67%
\$25,001 - 50,000	463,147	23.30%	358,010,146	12.13%
\$50,001 - 75,000	258,947	13.03%	389,736,911	13.21%
\$75,001 - 100,000	160,734	8.09%	378,927,045	12.84%
GREATER THAN \$100,000	253,658	12.76%	1,713,765,336	58.06%
<b>TOTALS</b>	<b>1,987,395</b>	<b>100.00%</b>	<b>\$ 2,951,517,849</b>	<b>100.00%</b>

<b>FISCAL YEAR 2008</b>				
<u>ADJUSTED GROSS INCOME CLASS</u>	<u>NUMBER OF RETURNS</u>	<u>PERCENT OF TOTAL</u>	<u>TAX LIABILITY</u>	<u>PERCENT OF TOTAL</u>
LESS THAN \$0	6,413	0.32%	\$ 206,752	0.00%
\$0	96,901	4.87%	1,469,695	0.05%
\$1 - 25,000	777,344	39.08%	109,120,876	3.76%
\$25,001 - 50,000	462,103	23.24%	357,596,517	12.31%
\$50,001 - 75,000	255,880	12.87%	389,125,059	13.39%
\$75,001 - 100,000	155,809	7.83%	373,887,537	12.87%
GREATER THAN \$100,000	234,532	11.79%	1,674,295,571	57.62%
<b>TOTALS</b>	<b>1,988,982</b>	<b>100.00%</b>	<b>\$ 2,905,702,007</b>	<b>100.00%</b>

# State of Louisiana

## PERSONAL INCOME - EARNINGS BY MAJOR INDUSTRY LAST TEN CALENDAR YEARS

(EXPRESSED IN THOUSANDS)

	2017	2016	2015	2014	2013
<b>PRIVATE EARNINGS:</b>					
HEALTH CARE AND SOCIAL ASSISTANCE	\$ 16,929,400	\$ 16,862,968	\$ 15,715,551	\$ 15,050,009	\$ 14,207,471
PROFESSIONAL, SCIENTIFIC, AND TECHNICAL	9,738,967	10,053,953	10,139,344	9,859,591	9,378,961
MINING	6,097,983	9,215,144	8,071,426	8,234,447	7,757,339
CONSTRUCTION	13,377,156	12,785,829	13,290,199	13,237,980	11,833,726
RETAIL TRADE	9,091,195	9,268,112	9,055,372	8,814,700	8,576,112
TRANSPORTATION AND WAREHOUSING	5,840,500	6,251,606	7,473,896	7,349,838	6,912,864
MANUFACTURING - DURABLE GOODS	4,960,925	5,165,986	5,670,417	5,925,487	5,559,024
MANUFACTURING - NONDURABLE GOODS	7,962,627	7,993,534	8,058,119	7,678,061	7,351,905
WHOLESALE TRADE	5,980,898	6,045,026	6,026,901	6,069,106	5,849,153
FARM	366,421	763,631	929,160	1,373,639	1,673,965
FINANCE AND INSURANCE	5,334,686	5,425,402	5,259,144	5,319,813	5,093,069
OTHER SERVICES	27,885,689	28,203,521	29,650,736	28,402,242	27,287,269
<b>GOVERNMENT AND GOVERNMENT ENTERPRISES:</b>					
FEDERAL, CIVILIAN	3,276,979	3,085,766	3,031,110	2,878,289	2,869,756
MILITARY	2,168,453	2,149,151	2,129,276	2,275,155	2,356,097
STATE AND LOCAL	18,462,667	17,668,004	17,717,917	17,443,316	18,060,939
<b>TOTAL PERSONAL INCOME - EARNINGS BY MAJOR INDUSTRY</b>	<b>\$ 137,474,546</b>	<b>\$ 140,937,633</b>	<b>\$ 142,218,568</b>	<b>\$ 139,911,673</b>	<b>\$ 134,767,650</b>

	2012	2011	2010	2009	2008
<b>PRIVATE EARNINGS:</b>					
HEALTH CARE AND SOCIAL ASSISTANCE	\$ 13,837,762	\$ 13,699,150	\$ 13,029,493	\$ 12,247,791	\$ 11,635,605
PROFESSIONAL, SCIENTIFIC, AND TECHNICAL	8,925,518	8,730,072	8,339,346	8,156,865	8,312,362
MINING	7,882,683	6,124,611	5,096,485	7,222,814	8,119,855
CONSTRUCTION	10,995,566	10,191,916	9,561,405	9,552,079	9,993,692
RETAIL TRADE	8,244,257	8,087,269	7,770,214	7,326,500	7,535,722
TRANSPORTATION AND WAREHOUSING	6,359,258	6,559,286	6,016,411	5,625,326	5,920,279
MANUFACTURING - DURABLE GOODS	5,438,151	5,257,344	4,825,233	4,996,495	5,468,365
MANUFACTURING - NONDURABLE GOODS	7,528,374	7,380,719	6,758,768	6,501,021	6,494,728
WHOLESALE TRADE	5,666,896	5,479,840	5,157,434	5,065,263	5,318,695
FARM	1,575,546	953,157	836,006	833,800	786,867
FINANCE AND INSURANCE	4,714,445	4,981,990	4,557,147	4,294,107	4,399,740
OTHER SERVICES	25,601,221	24,239,200	23,239,428	22,324,192	22,951,905
<b>GOVERNMENT AND GOVERNMENT ENTERPRISES:</b>					
FEDERAL, CIVILIAN	2,912,019	3,199,357	3,208,297	3,139,003	3,055,825
MILITARY	2,426,059	3,187,955	3,093,552	2,733,951	2,553,824
STATE AND LOCAL	18,623,299	17,587,770	18,095,539	17,656,744	17,068,069
<b>TOTAL PERSONAL INCOME - EARNINGS BY MAJOR INDUSTRY</b>	<b>\$ 130,731,054</b>	<b>\$ 125,659,636</b>	<b>\$ 119,584,758</b>	<b>\$ 117,675,951</b>	<b>\$ 119,615,533</b>

Source: Survey of Current Business, U.S. Department of Commerce, Bureau of Economic Analysis

# State of Louisiana

## TAX RATE BY MAJOR SOURCES OF REVENUE

TAX TYPE	COLLECTION UNIT	RATE/DESCRIPTION
<u>Alcoholic Beverage Taxes</u>		
Beer Tax	Department of Revenue	\$12.50 per 31-gallon barrel. This includes all alcoholic beverages with alcohol content of 6% or less and malt beverages with alcohol content more than 6%.
Liquor and Wine Tax	Department of Revenue	\$0.80 per liter on liquor; \$0.55 per liter on sparkling wine and still wines with alcoholic content more than 24%; \$0.20 per liter on still wine with alcoholic content not more than 14%; \$0.35 per liter on still wine with alcoholic content over 14% but not more than 24%.
<u>Corporation Franchise Tax</u>	Department of Revenue	The tax is currently assessed on the taxable base at the rate of \$1.50 per \$1,000 on the first \$300,000 and \$3.00 per \$1,000 over \$300,000. The minimum tax of \$10 per year was repealed effective for franchise taxable period beginning on or after January 1, 2010.
<u>Gasoline Tax</u>	Department of Revenue	\$0.20 per gallon. Petroleum Products Testing Fee – the fee for testing the quality and quantity of petroleum products is 4/32 cent per gallon.
<u>Hazardous Waste Disposal Tax</u>	Department of Revenue	\$30 per dry-weight ton for waste disposed of on-site, \$40 per dry-weight ton for waste disposed of off-site from where generated, and \$100 per dry-weight ton on extremely hazardous waste disposed of in Louisiana.
<u>Income Tax</u>		
Corporate Income Tax	Department of Revenue	4% on the first \$25,000 of net taxable income; 5% on the next \$25,000; 6% on the next \$50,000; 7% on the next \$100,000; and 8% on all net taxable income in excess of \$200,000.
Individual Income Tax	Department of Revenue	For taxable periods beginning after December 31, 2008, the rate of tax for taxpayers filing as single, married filing separately, or head of household is: 2% on the first \$12,500; 4% on the next \$37,500, and 6% on the taxable income above \$50,000. Married persons filing a joint return or qualifying surviving spouse are taxed at the following rates: 2% on the first \$25,000; 4% on the next \$75,000; and 6% on the taxable income above \$100,000. The combined personal exemption and standard deduction is \$4,500 for single individuals and married persons filing separately; \$9,000 for married couples filing jointly, qualified surviving spouses, and heads of households. A dependency deduction of \$1,000 is allowed for each dependent, each taxpayer and/or spouse who is 65 years of age or older, and for each taxpayer and/or spouse who is blind.
<u>Inheritance Tax</u>	Department of Revenue	Inheritance tax was repealed effective January 1, 2010.
<u>Insurance Excise License Tax</u>	Department of Insurance	<p>A. The tax rate for life, accident, health and service is \$140 for annual premiums up to \$7,000 and \$225 for each additional \$10,000 or fraction thereof.</p> <p>B. The rate for fire, marine, transportation and casualty and surety is \$185 for annual premiums up to \$6,000 and \$300 for each additional \$10,000 or fraction thereof.</p> <p>C. The annual tax rate for Health Maintenance Organizations (HMO) is \$550 for every \$10,000 of gross annual premium collected in lieu of state income tax and corporation franchise tax.</p>
<u>Mineral Resources -</u>		
Royalties and Bonuses	Department of Natural Resources	These are not taxes. However, all oil and gas leases provide for a bonus, which is bid on at the time the lease is given. Leasehold payments, such as "delay rentals," "in-lieu royalty," and "deferred development" payments are also provided for in the lease. Annual rentals cannot, by statutory law, be less than one-half the cash bonus amount. Royalty which is bid on at the lease sale cannot, by statutory law, be less than 1/8th of the value of production. Mineral leases for solid mineral, such as sulfur, potash, salt, or lignite, provide for a royalty based on tonnage production at a market price paid per ton.



# State of Louisiana

TAX TYPE	COLLECTION UNIT	RATE/DESCRIPTION
<u>Motor Vehicle - Licenses and Fees</u>	Department of Public Safety	<p>A. (1) For each passenger-carrying automobile, van, low-speed vehicle as defined in R.S. 32:1(40), or other motor vehicle carrying only persons and their personal effects exclusively, not meeting the requirements of R.S. 47:463.5 or using or operating upon rails or upon permanent tracks and operated only for private use, an annual registration license shall be collected each two years in advance in amounts fixed by the following schedule: (a) For an automobile having an actual value of ten thousand dollars or less, the annual license tax shall be ten dollars. (b) For an automobile having an actual value of greater than ten thousand dollars, the annual license tax shall be the base tax of ten dollars plus an additional tax of one dollar per each one thousand dollars of actual value above ten thousand dollars. In addition, truck fees are established in La. R.S. 47:462. The max weight a truck can be registered for is 88,000 lbs at a rate of \$563.20 annually.</p> <p>B. Personal driver's license fees range from \$6.75 to \$54.00 and are valid for six years. Fees vary based on class of license, age of applicant, and office of issuance. Other driver's license fees may vary. In addition to the license fees stated, a handling fee and service fee may be assessed.</p> <p>C. LRS 32:429 authorizes the collection of a fee not to exceed \$4.50 at a local field office, \$6.00 if within the parishes of Orleans or Jefferson, per service or transaction. This fee is used solely to defray cost of operations of that office not fully funded by the State.</p>
<u>Natural Gas Franchise</u>	Department of Revenue	1% of the gross receipts from the operation of franchises or charters in the State.
<u>Sales Tax</u>	Department of Revenue	Effective April 1, 2016, 5% sales tax is collected on the sale, use, consumption, distribution, or storage for use or consumption of any tangible personal property, on retail sales, leases, and rentals, and on certain sales of services including repairs of tangible personal property; 4% aggregate sales tax is collected on intrastate telecommunications and certain prepaid telephone services; effective April 1, 2016, the sales tax rate on interstate telecommunication services was increased to 3%. Many statutory exemptions are partially suspended and are currently taxed at the suspended rates of 1%, 2%, 3%, and 4%.
<u>Severance Tax</u>	Department of Revenue	<p>A. The tax on oil/condensate is based on the value. The full rate of oil/condensate is 12.5% of the value. The incapable oil rate is 6.25% of the value. The stripper oil rate is 3.125% of the value. Stripper oil is exempt as long as the average value is less than \$20 per barrel.</p> <p>B. The severance tax on natural gas is based on per thousand cubic feet. The full rate is adjusted annually on July 1, and may never be less than 7 cents per thousand cubic feet. As of July 1, 2017, the full rate is \$0.111 per thousand cubic feet at 15.025 pounds per square inch absolute. The rate on incapable oil well gas is \$0.03 per thousand cubic feet. The rate on incapable gas well gas is \$0.013 per thousand cubic feet.</p> <p>C. The tax rate on sulfur is \$1.03 per long-ton (2,240 pounds).</p> <p>D. The tax rate on salt is \$0.06 per ton.</p> <p>E. The tax rates on timber are 2.25% of stumpage value and 5% of stumpage value of pulpwood.</p> <p>F. The tax rate on shell and sand is \$0.06 per ton.</p> <p>G. The tax rate on stone is \$0.03 per ton.</p> <p>H. The tax rate on lignite is \$0.12 per ton.</p> <p>I. The tax rate on marble is \$0.20 per ton.</p>
<u>Special Fuels Tax</u>	Department of Revenue	The tax on diesel is levied at a rate of \$0.20 per gallon. It is subject to the Petroleum Products Testing Fee of 4/32 cents per gallon effective September 1, 2003. Effective January 1, 2016, a tax of \$0.20 per gallon is levied on compressed natural gas (CNG) and liquefied natural gas (LNG) and a tax of \$0.146 per gallon is levied on liquefied petroleum gas (LPG) when used to power a motor fuels vehicle. Prior to January 1, 2016, the tax had been collected by the purchase/issuance of an annual special fuels decal obtained for each vehicle operating on one of these fuels.
<u>Surface Mining and Reclamation Fee</u>	Department of Revenue	The fee on coal and lignite mined in Louisiana is \$0.08 per ton.
<u>Tobacco Tax</u>	Department of Revenue	An excise tax is imposed on the first dealer who handles a tobacco product in the State. Cigars invoiced up to \$120 per thousand are taxed at 8% of the manufacturer's net invoice price, whereas cigars invoiced over \$120 per thousand are taxed at 20% on the net invoice price. The tax rate on smoking tobacco is computed at 33% of the invoice price to wholesalers. The tax rate on smokeless tobacco is 20% of the invoice price. The tax rate on cigarettes is \$0.054 per cigarette. Effective August 1, 2015, an excise tax is levied at \$0.05 per milliliter of consumable liquid solution or other material containing nicotine that is depleted as a vapor product.
<u>Transportation and Communications Utilities Tax</u>	Department of Revenue	2% of the gross receipts from intrastate business.

# State of Louisiana

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

(EXPRESSED IN THOUSANDS EXCEPT PERCENTAGE OF PERSONAL INCOME AND TOTAL DEBT PER CAPITA)

### GOVERNMENTAL ACTIVITIES

FISCAL YEAR	GENERAL OBLIGATION BONDS (1)	TOTAL GENERAL OBLIGATION PER CAPITA **	TIMED AND STATE HIGHWAY IMPROVEMENT BONDS	TOBACCO SETTLEMENT FINANCING CORPORATION	OTHER (2)
2018	\$ 4,870,460	\$ * 1,032	\$ 4,902,797	\$ 705,359	\$ 388,378
2017	4,831,735	1,032	5,133,638	823,011	447,609
2016	4,610,809	985	5,274,066	928,140	512,040
2015	4,672,593	1,001	5,439,029	1,065,093	441,436
2014	4,223,157	908	5,736,939	1,101,290	487,092
2013	3,838,301	830	5,554,414	1,837,083	689,595
2012	3,689,767	802	5,634,181	2,049,027	719,959
2011	3,449,859	754	5,884,637	2,178,345	787,416
2010	3,667,101	807	5,138,234	1,173,903	863,655
2009	3,691,879	822	4,958,754	1,264,174	945,415

### BUSINESS-TYPE ACTIVITIES

FISCAL YEAR	OTHER (3)	LOUISIANA TRANSPORTATION AUTHORITY	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	TOTAL DEBT PER CAPITA** (4)
2018	\$ 568,584	\$ 256,932	\$ 11,692,510	* 8.82	* 2,588
2017	621,930	263,153	12,121,076	8.82	2,588
2016	670,412	269,278	12,264,745	8.70	2,620
2015	710,051	275,234	12,603,436	8.86	2,699
2014	477,428	281,439	12,307,345	8.80	2,647
2013	509,462	325,344	12,754,199	9.46	2,758
2012	--	328,604	12,421,538	9.50	2,699
2011	--	330,758	12,631,015	10.05	2,761
2010	--	335,609	11,178,502	9.35	2,460
2009	--	251,041	11,111,263	9.44	2,474

(1) General Obligation Bonds less Reimbursable Contracts

(2) Includes LA Correctional Facilities Corporation, Public Safety LPFA, Department of Corrections, Office Facilities Corporation, and Unclaimed Property Special Revenue Bonds

(3) Includes LA Community and Technical Colleges and LA Agricultural Finance Authority (2013-2017)

(4) Debt Per Capita = Total Primary Government / Population

\* Information not yet available

\*\* Expressed in whole dollars



# State of Louisiana

## LEGAL DEBT MARGIN AND DEBT LIMITATIONS LAST TEN FISCAL YEARS

(EXPRESSED IN THOUSANDS)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>LEGAL DEBT MARGIN</b>			
BOND AUTHORIZATION LIMITATION	\$ 27,482,964	\$ 26,095,025	\$ 25,523,769
TOTAL NET DEBT APPLICABLE TO LIMITATION	<u>3,413,625</u>	<u>3,326,290</u>	<u>3,225,275</u>
LEGAL DEBT MARGIN	<u>\$ 24,069,339</u>	<u>\$ 22,768,735</u>	<u>\$ 22,298,494</u>
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	12.42%	12.75%	12.64%

### LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2018

BSRF REVENUES (3 YEARS)	\$ 41,224,446
DEBT LIMIT CALCULATION (Revenues divided by 3 times 2)	27,482,964
DEBT APPLICABLE TO LIMIT:	
GENERAL OBLIGATION BONDS	<u>3,413,625</u>
LEGAL DEBT MARGIN	<u>\$ 24,069,339</u>

### TAX-SUPPORTED DEBT LIMITATION

ESTIMATED GENERAL FUND AND DEDICATED FUND REVENUE PER REVENUE ESTIMATING	\$ 12,110,200	\$ 11,795,800	\$ 11,265,700
PERCENTAGE ESTABLISHED PER LRS 39:1367	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>
NET STATE TAX-SUPPORTED DEBT LIMIT	<u>726,612</u>	<u>707,748</u>	<u>675,942</u>
TOTAL NET STATE TAX-SUPPORTED DEBT PAID	<u>\$ 659,078</u>	<u>\$ 637,090</u>	<u>\$ 470,575</u>
PERCENTAGE OF ESTIMATED GENERAL FUND AND DEDICATED FUND REVENUES PER REVENUE ESTIMATING	5.44%	5.40%	4.18%

### GENERAL OBLIGATION DEBT LIMITATION

THREE YEAR AVERAGE BOND SECURITY REVENUES	\$ 13,741,482	\$ 13,047,513	\$ 12,761,884
PERCENTAGE DEBT LIMITATION	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>
GENERAL OBLIGATION DEBT LIMITATION	<u>1,374,148</u>	<u>1,304,751</u>	<u>1,276,188</u>
HIGHEST CURRENT OR FUTURE ANNUAL GENERAL OBLIGATION DEBT SERVICE REQUIREMENT	<u>\$ 368,626</u>	<u>\$ 356,113</u>	<u>\$ 583,994</u>
PERCENTAGE OF THE GENERAL OBLIGATION DEBT SERVICE REQUIREMENT	26.83%	27.29%	45.76%

# State of Louisiana

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$	25,110,650	\$ 24,492,802	\$ 23,292,744	\$ 22,551,477	\$ 23,423,522	\$ 25,194,775	\$ 26,856,498
	<u>3,129,840</u>	<u>2,817,410</u>	<u>2,524,325</u>	<u>2,543,225</u>	<u>2,205,655</u>	<u>2,099,285</u>	<u>2,076,570</u>
\$	<u><u>21,980,810</u></u>	<u><u>21,675,392</u></u>	<u><u>20,768,419</u></u>	<u><u>20,008,252</u></u>	<u><u>21,217,867</u></u>	<u><u>23,095,490</u></u>	<u><u>24,779,928</u></u>
	12.46%	11.50%	10.80%	11.28%	9.42%	8.33%	7.73%
\$	10,523,400	\$ 10,314,000	\$ 9,852,700	\$ 9,926,000	\$ 9,486,200	\$ 9,868,300	\$ 11,144,900
	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>
	<u>631,404</u>	<u>618,840</u>	<u>591,162</u>	<u>595,560</u>	<u>569,172</u>	<u>592,098</u>	<u>668,694</u>
\$	<u><u>607,318</u></u>	<u><u>594,468</u></u>	<u><u>566,762</u></u>	<u><u>518,024</u></u>	<u><u>509,161</u></u>	<u><u>483,010</u></u>	<u><u>421,408</u></u>
	5.77%	5.76%	5.75%	5.22%	5.37%	4.89%	3.78%
\$	12,555,325	\$ 12,246,401	\$ 11,646,372	\$ 11,275,738	\$ 11,711,761	\$ 12,597,387	\$ 13,428,249
	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>
	<u>1,255,533</u>	<u>1,224,640</u>	<u>1,164,637</u>	<u>1,127,574</u>	<u>1,171,176</u>	<u>1,259,739</u>	<u>1,342,825</u>
\$	<u><u>360,575</u></u>	<u><u>332,153</u></u>	<u><u>316,019</u></u>	<u><u>298,833</u></u>	<u><u>281,732</u></u>	<u><u>322,987</u></u>	<u><u>265,315</u></u>
	28.72%	27.12%	27.10%	26.50%	24.06%	25.64%	19.76%

# State of Louisiana

## PLEGGED REVENUE BOND COVERAGE LAST TEN FISCAL YEARS

(EXPRESSED IN THOUSANDS EXCEPT COVERAGE RATIO)

	FISCAL YEAR ENDED JUNE 30	GROSS REVENUE	DIRECT OPERATING EXPENSES	AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	ANNUAL DEBT SERVICE	COVERAGE RATIO
Louisiana Agricultural Finance Authority *	2018	\$ 5,706	\$ 4,295	\$ 1,411	\$ 8,735	\$ 229	\$ 8,964	0.16
	2017	4,035	3,024	1,011	13,805	784	14,589	0.07
	2016	13,985	3,442	10,543	8,285	1,216	9,501	1.11
	2015	13,745	4,159	9,586	8,105	1,626	9,731	0.99
	2014	13,904	4,616	9,288	7,785	1,927	9,712	0.96
	2013	21,402	4,889	16,513	13,577	3,712	17,289	0.96
	2012	15,437	69,006	(53,569)	9,197	2,507	11,704	(4.58)
	2011	16,282	5,186	11,096	9,082	3,034	12,116	0.92
	2010	12,284	5,106	7,178	2,222	3,300	5,522	1.30
	2009	14,764	6,980	7,784	17,222	10,976	28,198	0.28
Louisiana Transportation Authority	2018	\$ 4,931	\$ 23	\$ 4,908	\$ 855	\$ 5,365	\$ 6,220	0.79
	2017	4,327	23	4,304	735	5,391	6,126	0.70
	2016	5,281	22	5,259	545	5,411	5,956	0.88
	2015	6,135	22	6,113	170	6,035	6,205	0.99
	2014	5,816	2	5,814	--	14,815	14,815	0.39
	2013	3,637	2	3,635	--	5,530	5,530	0.66
	2012	3,803	12	3,791	--	3,708	3,708	1.02
	2011	4,562	13	4,549	645	6,315	6,960	0.65
	2010	2,853	23	2,830	--	13,632	13,632	0.21
	2009	--	12	(12)	--	6,624	6,624	0.00
Tobacco Settlement Financing Corporation	2018	\$ 93,967	\$ 98	\$ 93,869	\$ 67,880	\$ 27,445	\$ 95,325	0.98
	2017	85,123	119	85,004	56,455	30,268	86,723	0.98
	2016	82,738	108	82,630	75,870	33,851	109,721	0.75
	2015	83,603	140	83,463	--	32,796	32,796	2.54
	2014	85,008	3,256	81,752	--	36,416	36,416	2.24
	2013	129,785	172	129,613	84,800	47,856	132,656	0.98
	2012	89,598	89	89,509	39,835	50,047	89,882	1.00
	2011	87,258	100	87,158	36,110	52,033	88,143	0.99
	2010	92,281	111	92,170	38,960	51,311	90,271	1.02
	2009	109,983	127	109,856	53,675	57,746	111,421	0.99
State Highway Improvement Bonds	2018	\$ 57,817	\$ --	\$ 57,817	\$ 10,210	\$ 12,782	\$ 22,992	2.51
	2017	58,255	--	58,255	9,755	13,240	22,995	2.53
	2016	58,412	--	58,412	9,320	13,676	22,996	2.54
	2015	53,070	--	53,070	6,225	16,771	22,996	2.31
	2014	52,645	--	52,645	1,950	4,932	6,882	7.65
	2013	--	--	--	--	--	--	--
	2012	--	--	--	--	--	--	--
	2011	--	--	--	--	--	--	--
	2010	--	--	--	--	--	--	--
	2009	--	--	--	--	--	--	--
Transportation Infrastructure Model for Economic Development	2018	\$ 601,841	\$ 4,711	\$ 597,130	\$ 26,870	\$ 114,248	\$ 141,118	4.23
	2017	634,884	224	634,660	23,705	116,239	139,944	4.54
	2016	622,234	300	621,934	21,450	123,580	145,030	4.29
	2015	606,410	11,845	594,565	18,875	123,401	142,276	4.18
	2014	588,830	15,970	572,860	17,375	112,246	129,621	4.42
	2013	582,760	473	582,287	14,430	140,054	154,484	3.77
	2012	530,700	4,160	526,540	8,270	118,569	126,839	4.15
	2011	488,520	15	488,505	6,090	113,266	119,356	4.09
	2010	489,235	20	489,215	5,880	100,788	106,668	4.59
	2009	498,625	20	498,605	5,685	92,634	98,319	5.07

# State of Louisiana

	FISCAL YEAR ENDED JUNE 30	GROSS REVENUE	DIRECT OPERATING EXPENSES	AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	ANNUAL DEBT SERVICE	COVERAGE RATIO
LPFA-Department of Public Safety	2018	\$ 17,934	\$ --	\$ 17,934	\$ 5,720	\$ 1,006	\$ 6,726	2.67
	2017	17,238	--	17,238	5,440	1,314	6,754	2.55
	2016	17,134	--	17,134	5,185	1,579	6,764	2.53
	2015	15,099	--	15,099	4,930	1,832	6,762	2.23
	2014	14,931	--	14,931	4,705	1,073	5,778	2.58
	2013	18,973	--	18,973	4,480	2,303	6,783	2.80
	2012	16,589	--	16,589	4,265	2,521	6,786	2.44
	2011	13,410	--	13,410	4,065	2,730	6,795	1.97
	2010	13,555	--	13,555	3,870	2,928	6,798	1.99
	2009	13,205	--	13,205	2,400	3,085	5,485	2.41
Unclaimed Property Special Revenue Bonds	2018	\$ 47,425	\$ --	\$ 47,425	\$ 6,315	\$ 8,513	\$ 14,828	3.20
	2017	40,991	--	40,991	6,150	8,729	14,879	2.75
	2016	43,021	--	43,021	3,825	7,085	10,910	3.94
	2015	15,000	--	15,000	--	5,358	5,358	2.80
	2014	15,000	--	15,000	--	3,691	3,691	4.06
	2013	--	--	--	--	--	--	--
	2012	--	--	--	--	--	--	--
	2011	--	--	--	--	--	--	--
	2010	--	--	--	--	--	--	--
	2009	--	--	--	--	--	--	--

\* In Fiscal Year 2013, Louisiana Agricultural Finance Authority moved to Primary Government - Proprietary Funds.

See Note 8, Section J, for additional information on Pledged Revenues

Source: Office of Statewide Reporting and Accounting Policy

# State of Louisiana

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

YEAR	POPULATION	PERSONAL INCOME	PER CAPITA PERSONAL INCOME	MEDIAN AGE
	(A)(B)(1)	(A)(1)	(C)(1)	(2)
2017	4,684	\$ 203,725,026	\$ 43,491	38.1
2016	4,682	198,025,102	42,298	37.9
2015	4,670	200,594,438	42,947	36.4
2014	4,650	195,426,167	42,030	36.3
2013	4,625	190,589,832	41,204	36.1
2012	4,602	184,340,179	40,057	35.9
2011	4,575	176,356,255	38,549	35.9
2010	4,544	168,230,509	37,021	35.8
2009	4,492	168,544,450	37,520	35.4
2008	4,411	160,658,930	36,424	35.6

YEAR	CIVILIAN LABOR FORCE	LOUISIANA UNEMPLOYMENT RATE	U.S. UNEMPLOYMENT RATE
	(A)(3)	(3)	(3)
2017	2,112	5.1%	4.4%
2016	2,120	6.1	4.9
2015	2,159	6.3	5.3
2014	2,154	6.4	6.2
2013	2,099	6.2	7.4
2012	2,084	6.4	8.1
2011	2,060	7.3	8.9
2010	2,082	7.5	9.6
2009	2,068	6.8	9.3
2008	2,079	4.6	5.8

(A) Expressed in thousands

(B) Population figures are estimated and are revised yearly;  
however, only the original estimates are reported here

(C) Expressed in dollars

Sources: (1) Survey of Current Business, U.S. Department of Commerce, Bureau of Economic Analysis  
(2) U.S. Census Bureau  
(3) U.S. Department of Labor, Bureau of Labor Statistics



## PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

2018 EMPLOYERS	RANGE
STATE OF LOUISIANA (1)	40,000+
OCHSNER HEALTH SYSTEM	19,000+
LOUISIANA STATE UNIVERSITY SYSTEM (2)	13,000+
UNIVERSITY OF LOUISIANA SYSTEM (2)	8,000+
OUR LADY OF THE LAKE MEDICAL CENTER	5,000 - 9,999
INGALLS SHIPBUILDING	5,000 - 9,999
TULANE UNIVERSITY	5,000 - 9,999
HILTON-NEW ORLEANS RIVERSIDE	5,000 - 9,999
LAFAYETTE GENERAL HEALTH	5,000 - 9,999
WILLIS KNIGHTON MEDICAL CENTER	5,000 - 9,999
LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM (1)	5,000 - 9,999
SOUTHERN UNIVERSITY SYSTEM (2)	1,000 - 4,999
U.S. POST OFFICE	1,000 - 4,999
PARISH OF JEFFERSON	1,000 - 4,999
ACADIAN AMBULANCE	1,000 - 4,999

### 2009 EMPLOYERS \*

STATE OF LOUISIANA (1)	50,000+
LOUISIANA STATE UNIVERSITY SYSTEM (2)	25,000+
OCHSNER HEALTH SYSTEM	10,000+
UNIVERSITY OF LOUISIANA SYSTEM (2)	5,000-9,999
NORTHROP GRUMMAN SHIP SYSTEMS	5,000-9,999
LAFAYETTE MEDICAL CENTER	5,000-9,999
EAST JEFFERSON HOSPITAL	5,000-9,999
TULANE UNIVERSITY	5,000-9,999
LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM (2)	5,000-9,999
WILLIS KNIGHTON HEALTH SYSTEM	1,000-4,999
U.S. POST OFFICE	1,000-4,999
OUR LADY OF THE LAKE MEDICAL CENTER	1,000-4,999
SOUTHERN UNIVERSITY SYSTEM (2)	1,000-4,999
HARRAH'S ENTERTAINMENT	1,000-4,999
NORTH OAKS HEALTH SYSTEM	1,000-4,999

\* 2009 employer list is from Louisiana's Comprehensive Annual Financial Report for the year ended June 30, 2009

(1) Government - Primary

(2) Government - Component Unit

Note: Louisiana Workforce Commission is no longer able to provide largest employer information due to tighter confidentiality regulations of the Bureau of Labor Statistics.

# State of Louisiana

## LOUISIANA STATE EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
GENERAL GOVERNMENT				
CLASSIFIED	3,881	3,850	4,122	3,954
UNCLASSIFIED	1,581	1,521	1,529	1,587
CULTURE, RECREATION, AND TOURISM				
CLASSIFIED	658	705	675	670
UNCLASSIFIED	439	428	432	412
TRANSPORTATION AND DEVELOPMENT				
CLASSIFIED	4,202	4,258	4,237	4,220
UNCLASSIFIED	125	127	115	117
PUBLIC SAFETY				
CLASSIFIED	2,619	2,568	2,525	2,522
UNCLASSIFIED	467	458	463	499
HEALTH AND WELFARE				
CLASSIFIED	10,785	10,508	10,194	10,551
UNCLASSIFIED	684	902	786	843
CORRECTIONS				
CLASSIFIED	4,903	4,795	4,833	4,915
UNCLASSIFIED	117	114	106	104
YOUTH DEVELOPMENT				
CLASSIFIED	733	737	735	739
UNCLASSIFIED	71	77	86	79
CONSERVATION AND ENVIRONMENT				
CLASSIFIED	1,913	1,946	1,891	1,951
UNCLASSIFIED	157	147	145	124
EDUCATION				
CLASSIFIED	801	797	763	781
UNCLASSIFIED	677	666	648	815
AGRICULTURE*				
CLASSIFIED	546	528	500	479
UNCLASSIFIED	52	60	65	78
WORKFORCE DEVELOPMENT*				
CLASSIFIED	900	894	943	1,023
UNCLASSIFIED	58	58	68	84
ECONOMIC DEVELOPMENT*				
CLASSIFIED	60	61	59	57
UNCLASSIFIED	57	50	55	58
MILITARY AND VETERANS AFFAIRS*				
CLASSIFIED	826	888	820	793
UNCLASSIFIED	809	783	826	855
COLLEGES AND UNIVERSITIES				
CLASSIFIED	5,443	5,625	5,810	6,135
UNCLASSIFIED	23,744	25,001	23,088	22,279
OTHER				
CLASSIFIED	1,548	1,540	1,577	1,564
UNCLASSIFIED	861	861	863	862
TOTAL	<u>69,717</u>	<u>70,953</u>	<u>68,959</u>	<u>69,150</u>

\* New Functions for 2015 formerly within General Government

Source: Louisiana Department of State Civil Service

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<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
6,525	6,011	6,315	6,422	6,691	6,410
3,283	3,661	3,772	3,814	3,850	4,056
852	603	595	604	659	667
443	641	579	532	525	567
4,235	4,336	4,441	4,466	4,479	4,668
134	96	101	91	98	144
2,446	2,536	2,548	2,645	2,811	2,836
141	213	239	173	156	111
10,465	10,002	12,200	13,346	15,084	16,965
912	1,168	1,238	1,142	1,368	1,455
4,827	4,758	5,075	5,179	5,684	6,145
77	175	186	142	140	147
800	843	918	916	971	1,012
80	106	110	110	93	155
1,818	1,850	1,928	1,971	2,006	2,166
124	152	145	138	160	183
759	779	922	1,011	1,004	1,140
1,041	1,871	2,058	2,302	2,446	2,923
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6,533	10,059	15,563	16,603	17,478	18,209
22,074	22,978	24,428	24,717	26,899	27,807
1,558	1,525	1,526	1,567	1,545	1,794
900	963	976	983	953	926
<u>70,027</u>	<u>75,326</u>	<u>85,863</u>	<u>88,874</u>	<u>95,100</u>	<u>100,486</u>

# State of Louisiana

## OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
GENERAL GOVERNMENT				
AGRICULTURE - CROPS (in thousands) - [1]	*	\$1,997,566	\$1,780,005	\$2,024,038
AGRICULTURE - LIVESTOCK (in thousands) - [1]	*	\$1,096,216	\$1,029,661	\$1,273,555
AGRICULTURE - TIMBER (in thousands) - [1]	*	\$490,527	\$415,123	\$463,747
ELECTIONS - REGISTERED VOTERS (in thousands) - [1]	*	2,977	2,976	2,910
REVENUE - TAX RETURNS FILED (in thousands) - [2]	4,170	3,871	3,808	2,858
REVENUE - TAX RETURNS FILED ELECTRONICALLY - [2]	79%	80%	80%	80%
CULTURE, RECREATION, AND TOURISM				
STATE PARKS VISITORS (in thousands) - [2]	1,641	1,772	1,994	1,899
TRANSPORTATION AND DEVELOPMENT				
NUMBER OF BRIDGES - [1]	12,629	12,741	12,748	12,907
PUBLIC SAFETY				
STATE POLICE ROAD PATROL MILEAGE (in thousands) - [2]	13,687	9,855	13,425	12,788
HEALTH AND WELFARE				
LDH - MEDICAID CLAIMS PROCESSED (in thousands) - [2]	89,280	77,196	61,836	57,690
LDH - CHILDREN IMMUNIZED - [3]	*	92%	95%	96%
CORRECTIONS				
AVERAGE DAILY COST PER INMATE BED - [2]	\$60.67	\$55.39	\$53.74	\$53.79
CONSERVATION AND ENVIRONMENT				
WLF - FISH AND SHELLFISH (in thousands) - [1]	*	\$308,519	\$384,260	\$384,519
WLF - ALLIGATOR AND GAME (in thousands) - [1, 6]	*	\$87,697	\$83,393	\$84,381
WLF - HUNTER DAYS ANNUALLY (in millions) - [1]	*	5.9	5.9	6.0
WLF - LICENSED COMMERCIAL FISHERMEN - [1]	*	11,879	13,430	13,929
EDUCATION				
GRADES K-12 (number of students) - [3]	*	687,644	688,319	690,267
AVERAGE ACT SCORE - [4]	19.3	19.6	19.5	19.2
START PRINCIPAL DEPOSITS (in thousands, cumulative) - [1]	*	\$86,625	\$75,152	\$72,618
TOPS TUITION AWARDS (in thousands) - [2]	\$293,562	\$201,627	\$262,489	\$249,995
TOPS AWARDS RECIPIENTS (number of students) - [2]	51,961	50,858	51,106	48,790
COLLEGES & UNIVERSITIES (number of students) - [5]	*	212,361	211,248	215,200

\* Information for this year is not yet available

Sources: [1] based on calendar years

[2] based on fiscal years

[3] based on school year reported on October 1

[4] based on graduating class

[5] based on preliminary amounts reported on September 1

[6] 2013 was a transition year to coincide tag year with fiscal year

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<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$2,649,907	\$2,766,125	\$2,962,500	\$2,402,228	\$1,935,528	\$1,761,590
\$1,342,101	\$1,159,661	\$1,165,382	\$1,058,342	\$977,025	\$777,568
\$386,975	\$425,046	\$337,288	\$446,905	\$417,493	\$408,112
2,948	2,918	2,920	2,861	2,941	2,916
3,517	3,577	3,952	4,332	4,538	4,663
77%	74%	61%	48%	53%	48%
1,747	1,967	2,151	2,242	2,069	2,079
12,982	12,955	13,095	13,016	13,166	13,154
8,555	8,958	11,305	13,055	13,615	14,373
53,814	56,395	60,498	64,703	62,618	57,261
94%	94%	93%	95%	95%	99%
\$50.21	\$53.43	\$54.82	\$55.77	\$55.54	\$61.49
\$413,854	\$317,515	\$265,092	\$238,481	\$188,355	\$241,611
\$97,431	\$39,106	\$84,738	\$66,418	\$38,523	\$51,234
7.0	7.0	5.4	5.8	5.0	4.9
13,651	13,272	13,629	14,301	14,396	12,266
717,896	713,110	707,464	673,968	666,901	656,696
19.1	20.3	20.3	20.2	20.1	20.1
\$71,619	\$64,111	\$62,913	\$52,720	\$50,852	\$45,575
\$244,627	\$192,085	\$166,886	\$144,450	\$129,868	\$123,032
48,224	46,263	44,433	43,782	42,375	43,203
216,123	216,613	221,831	225,835	225,198	220,381

# State of Louisiana

## CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>CULTURE, RECREATION, AND TOURISM</b>					
STATE PARKS	24	25	25	25	25
STATE PARKS (ACREAGE)	29,819	32,047	32,047	32,047	32,047
STATE HISTORIC SITES	21	21	21	21	21
STATE HISTORIC SITES (ACREAGE)	2,855	2,850	2,850	2,850	2,567
<b>TRANSPORTATION AND DEVELOPMENT</b>					
STATE HIGHWAYS (MILES)	16,679	16,679	16,698	16,699	16,634
PARISH ROADS (MILES)	32,729	32,729	32,729	32,729	32,735
CITY STREETS (MILES)	11,297	11,297	11,297	11,297	11,936
BRIDGES ON STATE HIGHWAYS	7,834	7,828	7,932	8,002	7,887
BRIDGES OFF STATE HIGHWAYS	4,795	4,761	4,829	4,905	4,934
<b>PUBLIC SAFETY</b>					
TROOPS	9	9	9	9	9
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>CULTURE, RECREATION, AND TOURISM</b>					
STATE PARKS	25	26	26	26	25
STATE PARKS (ACREAGE)	32,271	34,215	34,639	34,215	32,428
STATE HISTORIC SITES	21	22	22	22	20
STATE HISTORIC SITES (ACREAGE)	2,573	2,676	2,676	2,676	2,557
<b>TRANSPORTATION AND DEVELOPMENT</b>					
STATE HIGHWAYS (MILES)	16,606	16,655	16,667	16,678	16,682
PARISH ROADS (MILES)	32,729	32,589	33,375	33,580	31,560
CITY STREETS (MILES)	11,311	11,335	11,559	11,056	12,836
BRIDGES ON STATE HIGHWAYS	7,906	8,013	7,983	7,984	7,934
BRIDGES OFF STATE HIGHWAYS	4,999	5,030	5,033	5,182	5,220
<b>PUBLIC SAFETY</b>					
TROOPS	9	9	9	9	9

- Sources: 1. Louisiana Department of Culture, Recreation, and Tourism,  
Office of Tourism and Office of State Parks
2. Louisiana Department of Transportation and Development,  
Traffic and Planning Section and Bridge Maintenance Section
3. Louisiana Department of Public Safety and Corrections,  
Office of State Police

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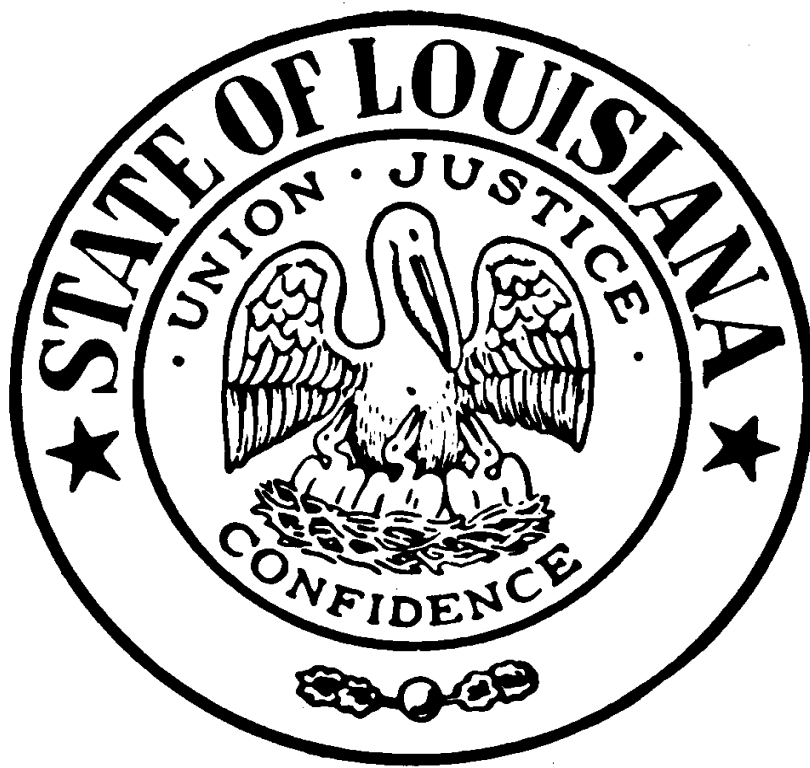
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