

**State of Louisiana
Comprehensive Annual Financial Report
for the Year Ended June 30, 1998**

M. J. "MIKE" FOSTER, JR.

Governor



Prepared By
DIVISION OF ADMINISTRATION
MARK C. DRENNEN
Commissioner

GOVERNOR



M. J. "Mike" Foster, Jr., the Louisiana businessman-turned-governor, has completed the first three years of his administration, which was founded on his promise of restoring pride in Louisiana. As evidenced by his first three years, he is a man who lives up to his promises. Early on in his administration, Governor Foster determined that, to make Louisiana a great place to live, he and his staff would have to work hard and in unison with the legislature and people of the state to fundamentally change the way state government operated. He determined that spending priorities must be established by listening to the people of our state and significant efforts must be made to educate our citizens and diversify our economy. Since then, the administration has resolved the Medicaid budget crisis, saving hundreds of millions of dollars; reduced overall state debt; invested hundreds of millions of dollars in education, road improvements, and state parks; and moved Louisiana from the last to the top in school technology and higher education funding. This has been accomplished while cutting sales taxes, eliminating inheritance taxes, and phasing out video poker revenues.

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STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF THE COMMISSIONER

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

February 5, 1999

To: The Governor,
Members of the Legislature, and the
People of the State of Louisiana

It is my privilege to present the Louisiana Comprehensive Annual Financial Report (CAFR) on the financial condition of the State of Louisiana for the fiscal year ended June 30, 1998. The report is prepared in conformity with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The CAFR was prepared by the Division of Administration, Office of Statewide Reporting and Accounting Policy, pursuant to Section 80 of Title 39 of the Louisiana Revised Statutes, which requires the preparation of a comprehensive annual financial report in conformity with generally accepted accounting principles.

The Division of Administration is responsible for the accuracy of the data presented and the completeness and fairness of its presentation, including all disclosures. To the best of our knowledge and belief, the data presented are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the State of Louisiana. All disclosures necessary to enable the reader to gain an understanding of the State's financial activities have been included.

The State's General Purpose Financial Statements include all funds and account groups comprised in the State's legal entity or primary government. The State's reporting entity also comprises its component units for which the elected officials of the state's primary government are financially accountable. We followed the criteria established in GASB Statement No. 14, The Financial Reporting Entity, to determine the organizations for which the State is financially accountable. Note 1A to the financial statements explains the financial activities included in the State's reporting entity.

The CAFR includes the following: an introductory section; a financial section that presents the General Purpose Financial Statements, combining financial statements, supporting schedules, and fund descriptions; and a statistical section that presents financial, economic, and demographic data for Louisiana.

FINANCIAL PRESENTATION

The fund classification used to present the data in the financial statements is prescribed by the GASB. This system was developed to improve the comparability of financial reports of different governmental units. Four categories are used to classify the funds of the State's primary government and its component units: governmental, proprietary, fiduciary, and college and university. Each category reported for the primary government is divided into the following "fund types."

Governmental fund types are those through which State functions are financed. Governmental fund types include the General Fund, special revenue, debt service, and capital projects funds.

Proprietary fund types account for activities that are commercial in nature--similar to those often found in the private sector. Proprietary fund types include the enterprise and internal service funds.

Fiduciary fund types include trust funds, which account for assets held by the primary government in a trustee capacity; agency funds, which account for assets held by the primary government as an agent for individuals, private organizations, other governments and/or other funds; and pension trust funds, which account for the activities of the various state administered retirement systems.

INDEPENDENT AUDIT

The accompanying financial statements have been audited by the Office of Legislative Auditor. Their examination was conducted in accordance with generally accepted governmental auditing standards and Governmental Auditing Standards, issued by the Comptroller General of the United States. Its opinion appears at the beginning of the financial section.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The State's management is responsible for establishing and maintaining internal controls designed to ensure that the State's assets are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow 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 the State's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The State's accounting records for general governmental funds, as well as the accounting records for expendable trust and agency funds, are maintained on the modified accrual basis of accounting. Revenues are recorded when measurable and available; expenditures are recorded when services or goods are received and the liability incurred. The accrual basis is used to account for proprietary, nonexpendable trust, pension trust, and college and university funds. This means that revenues are recognized when earned and expenses are recognized when incurred. Additional discussions of the budgetary and GAAP bases of accounting are presented in Note 1D to the financial statements.

Final financial control is exercised under the budgetary system. Statements are presented in conformity with GAAP and are also presented on a non-GAAP budgetary basis to demonstrate legal compliance. Differences between the two bases of accounting (GAAP vs. Non-GAAP budgetary) include: (1) entity differences--the GAAP reporting entity may include organizations such as component units that are not included in the State's budget; (2) basis differences--the GAAP basis results in the reporting of accruals whereas non-GAAP budgetary basis results in the reporting of cash transactions; and (3) timing differences--the legal basis may include continuing appropriations, project appropriations, or automatic reappropriations. A reconciliation between the GAAP basis and non-GAAP budgetary basis fund balances is presented in Note 1D to the financial statements.

CASH MANAGEMENT

In Louisiana, with the exception of certain organizations within the State's reporting entity that have independent powers to manage and invest their funds, the State Treasurer is responsible for managing the State's cash and investments. During fiscal year 1998, cash management and investment transactions made by the State Treasurer included checking accounts, certificates of deposit with qualified depositories, U.S. government and agency obligations, commercial paper, repurchase agreements, and security lending agreements. Legal requirements for the investment of funds maintained by the State Treasurer are discussed in Note 3 to the financial statements.

For fiscal year 1998, the Treasury earned \$138,534,410 on its fixed-income investments for the General Fund. The investments earned a rate of return of 5.72%, which represents a 5.5% increase over the previous year. This compares with the fiscal year 1997 return of 5.42%, with earnings of \$117,169,914. By comparison, the three-month Treasury Bill yield averaged 5.53% and the six-month Treasury Bill averaged 5.65%.

The fixed income and equity investments of the Louisiana Education Quality Trust Fund (LEQTF) earned a total rate of return of 11.4% for the 1998 fiscal year, compared with 10.5% for the 1997 fiscal year. This represents an 8.6% increase over the previous year. These higher returns represent the more diversified investments included in LEQTF.

GENERAL GOVERNMENTAL FUNCTIONS

The following schedule presents a summary of revenues, recorded on the modified accrual basis, for the governmental fund types (General, special revenue, debt service, and capital projects) for the fiscal year ended June 30, 1998, and the amount and percentage increases and decreases in relation to prior year's revenues (in millions).

<i>Revenues</i>	<i>FY 1998 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease) from FY 1997</i>	<i>Percentage Increase/(Decrease) from FY 1997</i>
<i>Income Taxes</i>	\$ 1,783	14.3%	\$ 134	8.1%
<i>Sales Taxes</i>	2,240	18.0	26	1.2
<i>Corporate and Public Utility Taxes</i>	254	2.0	7	2.8
<i>Motor Vehicle Fuel Taxes</i>	460	3.7	29	6.7
<i>Other Taxes</i>	774	6.2	(51)	(6.2)
<i>Gaming</i>	423	3.4	14	3.4
<i>Licenses, Permits and Fees</i>	467	3.8	2	0.4
<i>Sales, Services and Charges</i>	574	4.6	77	15.5
<i>Federal Government</i>	4,545	36.3	(245)	(5.1)
<i>Royalties & Rentals on State Lands</i>	242	2.0	(90)	(27.1)
<i>Interest Income</i>	169	1.3	20	13.4
<i>Other</i>	<u>549</u>	<u>4.4</u>	<u>56</u>	<u>11.4</u>
<i>Total</i>	<u>\$12,480</u>	<u>100.0%</u>	\$ <u>(21)</u>	<u>(0.2)</u>

Louisiana's improving economy and the growth of individual salaries are the main reasons for the increase in income taxes. The decrease in Federal revenues reflects the continued decline in Medicaid payments to the state. The decrease in royalties and rentals on state lands is due to the major decline in the price of oil and natural gas and the resultant reduction in production.

Expenditures for governmental fund types, presented on the modified accrual basis, for the fiscal year ended June 30, 1998, and the amount and percentage increases and decreases in relation to prior year's expenditures are shown below for the functions of general government (in millions).

<i>Expenditures</i>	<i>FY 1998 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease) from FY 1997</i>	<i>Percentage Increase/(Decrease) from FY 1997</i>
<i>General Government</i>	\$ 805	7.1%	\$ 80	11.0%
<i>Culture, Recreation and Tourism</i>	45	0.4	4	9.8
<i>Transportation and Development</i>	277	2.4	32	13.1
<i>Public Safety</i>	170	1.5	15	9.7
<i>Health and Welfare</i>	4,092	36.0	(535)	(11.6)
<i>Corrections</i>	437	3.9	30	7.4
<i>Conservation</i>	193	1.7	27	16.3
<i>Education</i>	3,054	26.9	200	7.0
<i>Intergovernmental</i>	416	3.7	(15)	(3.4)
<i>Other</i>	30	0.3	1	3.5
<i>Capital Outlay</i>	833	7.3	191	29.8
<i>Debt Service</i>	427	3.8	(592)	(58.1)
<i>Insurance Operations</i>	<u>578</u>	<u>5.0</u>	<u>(33)</u>	<u>(5.4)</u>
<i>Total</i>	<u>\$ 11,357</u>	<u>100%</u>	<u>\$ (595)</u>	<u>(5.0)</u>

Decreases in the adjusted expenditures in the Health and Welfare category continue to reflect the decrease in Medicaid funding. More important for fiscal year 1998, the majority of the decrease is due to moving the State's charity hospitals from the General Fund to the College and University Fund type. This change was authorized by Act 3 of 1997, effective July 1, 1997. Additionally, Louisiana completed the implementation of electronic benefit transfers for the food stamp program. Reflecting goals and initiatives of the current administration, education expenditures have continued to increase. Using the unreserved, undesignated fund balance from fiscal year 1997, plus additional General Fund resources, approximately \$144 million in general obligation bonds were defeased and the liability removed from the books of the state. Additional information on the early retirement of state debt can be found in Note 10 to the financial statements.

An additional analysis of revenues and expenditures for all governmental funds reported for fiscal year 1998 is shown in the graphic presentations that follow this letter.

GENERAL FUND

Many State programs are accounted for in the General Fund, which reported the following (in thousands):

	<i>Balance as of June 30, 1998</i>	<i>Increase (Decrease) from FY 1997</i>	<i>Percentage Increase/(Decrease) from FY 1997</i>
<i>Unreserved/Undesignated Fund Balance</i>	<i>94,163</i>	<i>(40,851)</i>	<i>(30.3)%</i>
<i>Total Fund Balance</i>	<i>437,552</i>	<i>(119,760)</i>	<i>(21.5)</i>
<i>Total Revenues</i>	<i>4,272,740</i>	<i>(264,670)</i>	<i>(5.8)</i>
<i>Total Expenditures</i>	<i>10,148,424</i>	<i>(407,251)</i>	<i>(3.9)</i>

The General Fund unreserved/undesignated fund balance declined from Fiscal Year 1997, but remained a healthy \$94 million. The decline in the General Fund revenues and expenditures, as well as the decline in the total fund balance, is reflective of the previously mentioned move of the State charity hospitals from the General Fund to the College and University Fund type.

PROPRIETARY AND FIDUCIARY FUNDS

The State's enterprise funds reported retained earnings of \$210 million, as of June 30, 1998, compared with \$168 million in retained earnings, as of June 30, 1997, an increase of 25%. These changes are primarily the result of improved operations for the Municipal Facilities Revolving Loan Fund, the Louisiana Agriculture Finance Authority, and the Louisiana Office Facilities Corporation.

Internal service funds reported retained earnings of \$29 million, at June 30, 1998, compared with retained earnings of \$27 million, reported at June 30, 1997, an increase of approximately 7%. Operating revenues for the internal service funds increased to \$80.7 million in fiscal year 1998 from \$78.4 million in fiscal year 1997, whereas operating expenses increased to \$79.0 million in fiscal year 1998 from \$77.8 million in fiscal year 1997.

Fund balances in the expendable trust funds increased approximately 14%, to \$1,540 million, as of June 30, 1998, from \$1,355 million, as of June 30, 1997. Revenue for the expendable trust funds rose to \$309 million in fiscal year 1998 from \$287 million in fiscal year 1997, and expenditures decreased to \$136 million for fiscal year 1998, compared with \$151 million in fiscal year 1997.

Fund balances in the nonexpendable trust funds increased approximately 5%, to \$779 million, as of June 30, 1998, from \$742 million, as of June 30, 1997. Revenue for the nonexpendable trust funds rose to \$23 million in fiscal year

1998 from \$1.8 million in fiscal year 1997; operating expenses increased by a little more than \$600,000 from the prior year.

The pension and investment trust funds' net assets held in trust for pension benefits and investment pool participants totaled \$18.1 billion at June 30, 1998, compared with approximately \$15.4 billion at June 30, 1997, an 18% increase. Of this increase, \$340 million was contributed by the Louisiana Asset Management Pool (LAMP), an external investment pool offered to local governments. In accordance with the provisions of GASB 31, LAMP has been reclassified from an agency fund to a pension and investment trust fund.

DEBT ADMINISTRATION

Louisiana Revised Statutes (LRS) 39:1365(25) and 39:1402(D) limit the authorization and issuance, respectively, of general obligation bonds. This serves as a legal debt limit. As of June 30, 1998, Louisiana's authorized limit was \$14,724,210,000; total general obligation bonds authorized totaled \$1,898,683,000, or 12.89% of the bond authorization limit. LRS 39:1367 requires the State Bond Commission to establish an annual limit on the issuance of net state tax-supported debt. For fiscal year 1998, the limit on net state tax-supported debt is 10.20% of estimated General Fund and dedicated funds revenues, as established by the Revenue Estimating Conference. At June 30, 1998, total net state tax-supported debt was \$301,183,210, or 4.62%. Additional information on the derivation of the issuance and debt limits is provided in Note 7 to the financial statements.

The ratios of general obligation bond debt service requirements to assessed property value, to market value of taxable property, and to the total state population are considered useful indicators of the State's debt position. Data shown below do not include self-supporting general obligation debt, and have been reduced for reimbursements from colleges and local governments. Based on an estimate of projected population, we anticipate the debt service per capita for fiscal year 1998 to be approximately \$615. This represents a decrease in debt service of approximately \$518 per person in Louisiana since 1987. Expressed as a percentage, the debt per Louisianian has decreased 45% in 12 years!

Year	State-Supported General Obligation Debt Service Requirements to Maturity	General Obligation Debt Service Per Capita	Ratio of General Obligation Debt Service to Assessed Value of Taxable Property	Ratio of General Obligation Debt Service to Fair Market Value of Taxable Property
1998	\$2,677,781	*615.02	**	**
1997	2,723,231	625.74	19.2%	1.7%
1996	2,941,714	676.10	22.2	2.0
1995	3,377,945	777.97	27.9	2.6
1994	3,494,583	809.87	29.2	2.7
1993	3,560,631	829.02	32.0	2.8
1992	3,687,077	860.06	34.1	3.0
1991	3,753,844	882.84	34.8	3.0
1990	3,871,193	917.34	36.3	3.1
1989	4,278,095	976.29	39.8	3.4

* Based upon an estimated projected population of 4,354,000.
 ** Current year estimates are unavailable at this time.

Louisiana's bond ratings for general obligation debt are A- from Standard and Poor's; A2 from Moody's, which represents an upgrade from last year's rating of A3; and A from Fitch Investors Service, L.P.

RETIREMENT SYSTEMS

State employees may be eligible to participate in the Louisiana State Employees' Retirement System, the Teachers' Retirement System of Louisiana, the Louisiana School Employees' Retirement System, or the Louisiana State Police Retirement System, depending on their employing agency. Further information on the State's retirement systems can be found in Note 4 to the financial statements.

RISK MANAGEMENT

The State's primary government, through the Office of Risk Management, retains risk for property, casualty, and worker's compensation insurance, as well as coverage for all state property, with virtually no upper limits. Auto liability, comprehensive, and collision coverage is provided for the state's fleet. Other coverage, such as bonds, crime, aviation, and marine insurance, is provided as needed. Note 16A to the financial statements provides additional information about the State's risk management operations.

ECONOMIC OVERVIEW AND OUTLOOK This economic discussion is from the executive summary of The Louisiana Economic Outlook: 1998 and 1999, by Loren C. Scott, James A. Richardson and A.M.M. Jamal, published in September 1998.

This is the eleventh consecutive year in which Louisiana has experienced employment growth; the last six of those years have shown record-setting employment, and though not ideal, conditions are such that this upward trend is

expected to continue, but at a somewhat slower pace. Continued growth in the real gross domestic product for the United States is producing the longest peacetime boom in the country's history. This expansion should have little impact on Inflation rates, which should stay below 3%, or on interest rates, which should rise only slightly. A decline in the exchange value of the dollar and rising growth rates for the rest of the world should create good international markets for U.S. goods and services.

The recent decline in oil and natural gas prices will impact both the extraction industry and its associated industries. Based on this and other factors, employment in the oil and gas extraction sector will drop initially and remain essentially flat over the next two years. Continued expansion in the chemical industry should make it and industrial construction the most significant sources of new jobs. The shipbuilding industry is now the fastest growing sector of the economy because of large defense contracts. A small revival in offshore drilling because of new technology has also contributed to the boom in shipbuilding. Manufacturing employment is also predicted to rise over the next two years, but the biggest increases will be in the services and trades sectors. The textile and apparel sectors continue to be the Louisiana industries most adversely affected by the North American Free Trade Agreement (NAFTA) and the General Agreements on Tariffs and Trade (GATT).

As a result of continuing gains in employment, Louisiana's population continues to increase, at the rate of about one-third percent per year, compared with the one-half percent increase in recent years. Population information is based on estimates from the U.S. Census Bureau, and we are still concerned that the figures for Louisiana are significantly understated. Until the census of 2000, we will not know.

As reported in previous years, Louisiana's personal income continues to grow and is projected to continue this rise for the next two years. Total personal income in Louisiana exceeds that of 26 other states. This upward movement is also reflected in the per capita income of Louisiana residents. In 1997, Louisiana was ranked 40th in per capita income. This is quite remarkable considering that during the recessionary years of the 1980s, real per capita income in Louisiana declined about 4.4%.

MAJOR INITIATIVES AND PROJECTS

"Louisiana: Vision 2020" is a 20-year strategic plan for economic development in this state developed by the Louisiana Economic Development Council. This plan envisions Louisiana with a vibrant, balanced economy; a fully

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engaged, well-educated workforce; and a quality of life that places it among the top ten states in the nation in which to live, work, and do business by the Year 2020. Emphasis will be placed on the plan recommendations in the upcoming legislative session.

In an effort to enhance the productivity of state employees and in recognition that a better trained workforce is a more productive workforce, state agencies are now using cost-effective opportunities for using technology to deliver training. Further, six state departments have undergone training needs assessments, and five departments are currently undergoing assessments, in an effort to design the most effective training programs possible for state employees.

The Louisiana DataBase Commission was established in 1998 to enhance access to official state data. Official data of the state is now being identified and made available through the Louisiana DataBase on a continuing basis. The Louisiana Technology Innovations Fund was established in the 1997 Legislative Session. Of the \$10 million fund, \$4.2 million has been awarded to state agencies for acquisition of innovative technology to enhance delivery of services to the people of our state.

The Louisiana Year 2000 Coordination Project Task Force has been established to monitor and to report on the progress of Louisiana state government year 2000 readiness.

Act 998 of the 1997 Legislative Session created the Commission for Review and Improvement of Services Procurement (CRISP), which calls for state agencies to review contractual and procurement practices in an effort to improve the Request for Proposal (RFP) and contractual processes.

Design is underway on three new state office buildings for the Capitol Complex. Construction will begin on two of the buildings in the spring of 1999, and construction is scheduled to begin on the third building in the spring of 2000. By constructing state-owned buildings instead of leasing office space for state agencies, the state is projected to save more than \$300 million over 35 years.

The modules for the Human Resources (HR) elements of the Integrated Statewide Information System (ISIS) were purchased this year. This element of ISIS is intended to ultimately include all employees and positions, classified and unclassified, in primarily the executive branch of government. This will not include payroll processing for higher education. This project encompasses the

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human resources functions of the state, (personnel, position, and payroll) and will eliminate the three central systems currently in use. The new system will support single entry of data; will maintain data that is current, timely, and accurate; and can be easily accessed for ad hoc reporting, budget projections, and other analysis. A Request for Proposal was released in November to select a business implementation partner to assist with design and implementation of the system.

ADDITIONAL INFORMATION

The Office of Statewide Reporting and Accounting Policy, in cooperation with the Office of Information Services, provides access to the Louisiana Comprehensive Annual Financial Report on the Internet. Currently, the four most recent years are already available at <http://www.state.la.us/osrap/cafr.htm>. The 1998 CAFR should be available on the Internet in February or March, 1999.

ACKNOWLEDGMENTS

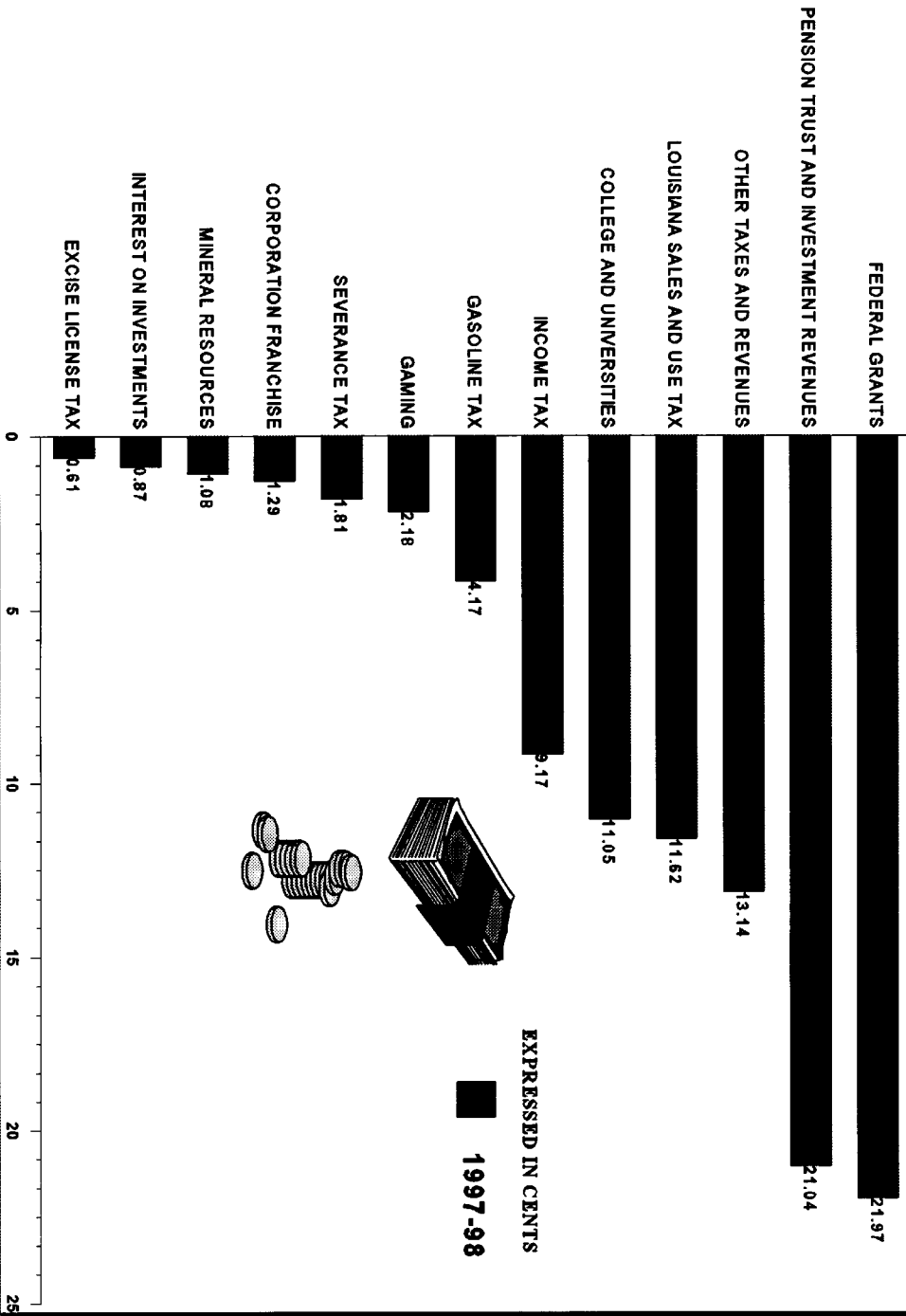
In conclusion, I wish to express my appreciation to the financial officers and accountants throughout State government, whose cooperation and assistance have made this report possible. In addition, the staff of the Office of Statewide Reporting and Accounting Policy deserve a special acknowledgment for their professionalism, dedication, and expertise in preparing this report, as well as their commitment to maintaining the highest standards of accountability in financial reporting.

Sincerely yours,

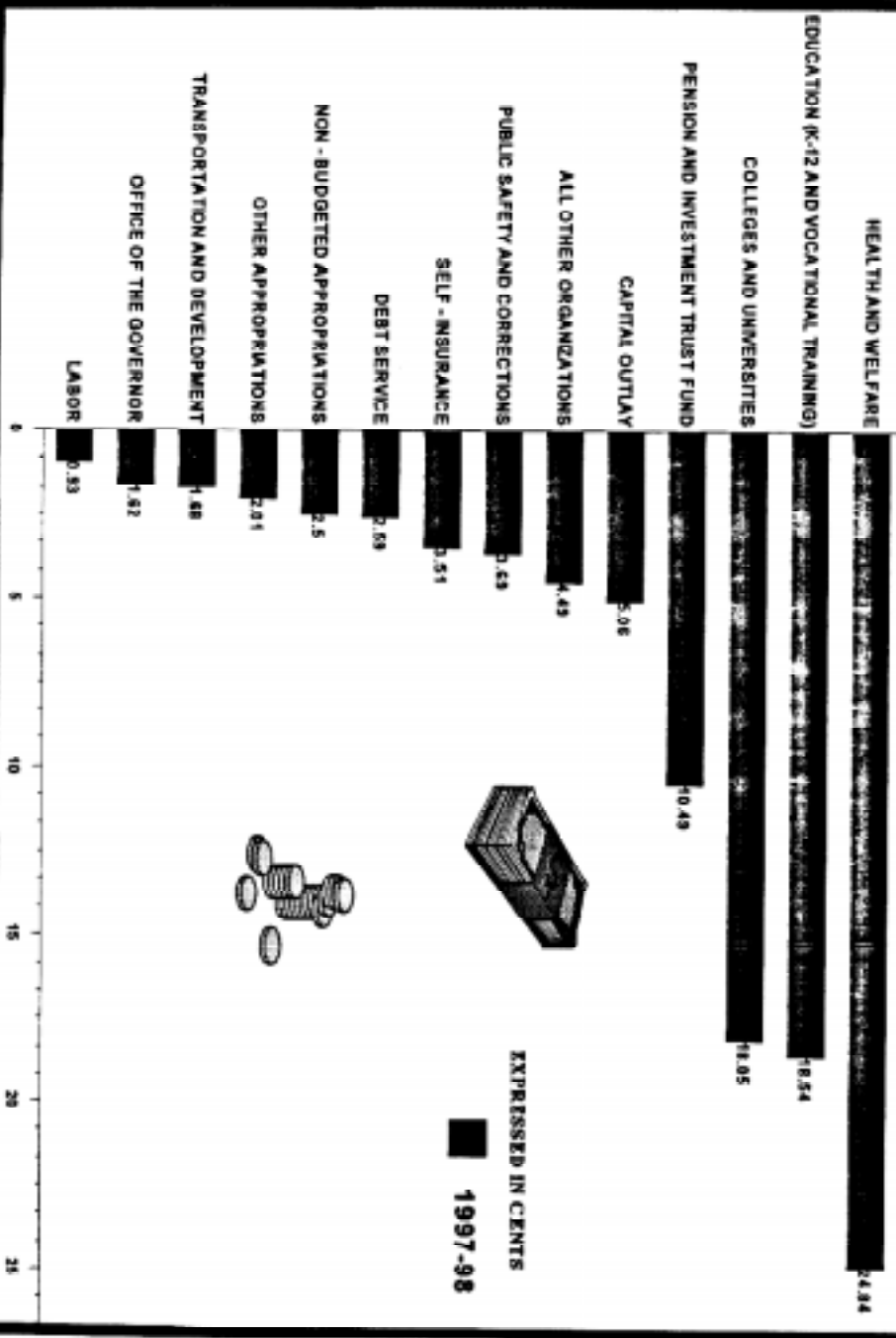
Mark C. Drennen
Commissioner of Administration

MCD:WJK:fhk

REVENUE DOLLAR - WHERE THE MONEY CAME FROM DURING THE FISCAL YEAR 1997- 98



EXPENDITURE DOLLAR - WHERE THE MONEY WAS SPENT DURING THE FISCAL YEAR 1997- 98



State of Louisiana

PRINCIPAL OFFICIALS

Executive (Elected)

M. J. (Mike) Foster, Jr.
Governor
Kathleen B. Blanco
Lieutenant Governor
W. Fox McKeithen
Secretary of State
Richard P. Ieyoub
Attorney General
Ken Duncan
Treasurer
Bob Odom
Commissioner of Agriculture
James H. (Jim) Brown
Commissioner of Insurance
Jerry M. Fowler
Commissioner of Elections
Lawrence St. Blanc
Executive Secretary of Public
Service Commission

Legislative (Elected)

H. B. (Hunt) Downer, Jr.
Speaker of the House of Representatives
Randy L. Ewing
President of the Senate

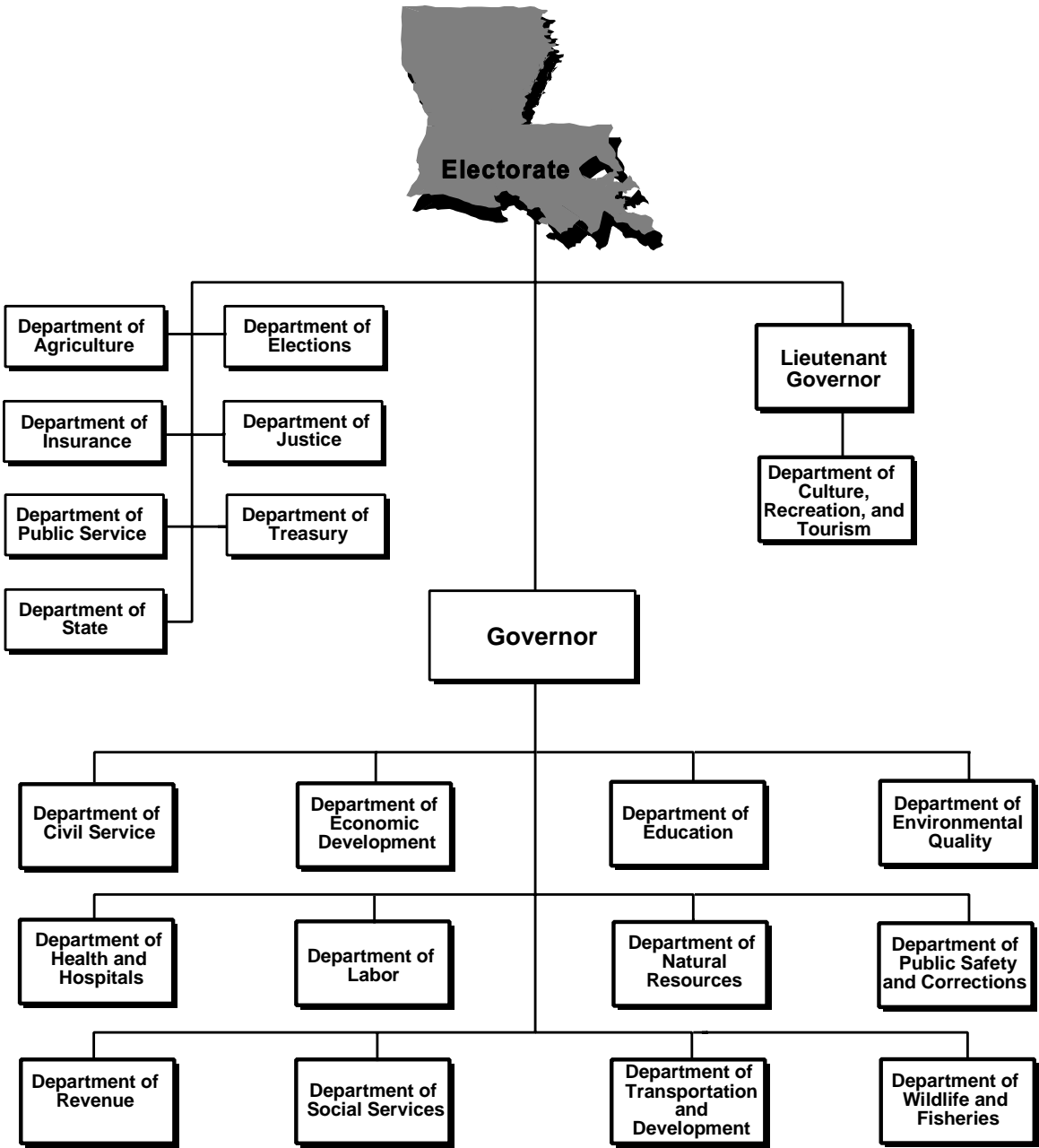
Judicial (Elected)

Pascal F. Calogero, Jr.
Chief Justice of the Supreme
Court of Louisiana

Executive (Appointed)

Cecil J. Picard
State Superintendent of Education
Kevin P. Reilly, Sr.
Secretary of Economic Development
Philip J. Jones
Secretary of Culture, Recreation, and Tourism
J. Dale Givens
Secretary of Environmental Quality
David W. Hood
Secretary of Health and Hospitals
Madlyn B. Bagneris
Secretary of Social Services
Garey J. Forster
Secretary of Labor
Jack C. Caldwell
Secretary of Natural Resources
Richard L. Stalder
Secretary of Public Safety and Corrections
John N. Kennedy
Secretary of Revenue
Dr. Kam K. Movassaghi
Secretary of Transportation and Development
James H. Jenkins, Jr.
Secretary of Wildlife and Fisheries
Allen Reynolds
Director of State Civil Service

ORGANIZATIONAL CHART







OFFICE OF
LEGISLATIVE AUDITOR
 STATE OF LOUISIANA
 BATON ROUGE, LOUISIANA 70804-9397

DANIEL G. KYLE, PH.D., CPA, CFE
 LEGISLATIVE AUDITOR

1600 NORTH THIRD STREET
 POST OFFICE BOX 94397
 TELEPHONE: (225) 339-3800
 FACSIMILE: (225) 339-3870

February 24, 1999

Independent Auditor's Report

Honorable Murphy J. "Mike" Foster, Jr., Governor
 Honorable Randy L. Ewing, President, and
 Members of the Senate
 Honorable H. B. "Hunt" Downer, Jr., Speaker, and
 Members of the House of Representatives
 State of Louisiana

We have audited the accompanying general purpose financial statements of the State of Louisiana, as of and for the year ended June 30, 1998, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of management of the State of Louisiana. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the general purpose financial statements of certain component units of government included within the general purpose financial statements of the State of Louisiana, which represent the following percentages of total assets and revenues and other financing sources:

<u>Fund</u>	<u>Percentage of Total Assets</u>	<u>Percentage of Total Revenues and Other Financing Sources</u>
Special Revenue	1.1%	0.8%
Pension Trust	100%	100%
Discretely Presented Component Units	85.2%	83%

Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the previously mentioned funds, is based solely upon the reports of the other auditors.

Except as discussed in the following paragraphs, we conducted our audit in accordance with generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and

LEGISLATIVE AUDITOR

February 24, 1999

Page Two

significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

Government Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the Year 2000 issue. The State of Louisiana has included such disclosures in note 17 to the general purpose financial statements. Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the State of Louisiana's disclosures with respect to the Year 2000 issue made in note 17. Furthermore, we do not provide assurance that the State of Louisiana is or will be Year 2000 ready, that the State of Louisiana's Year 2000 remediation efforts will be successful in whole or in part, or that parties with which the State of Louisiana does business will be Year 2000 ready.

The state's General Fund financial statements include an unexplained reconciling item of approximately \$2.4 million that is adjusted through revenue to make the Combined Balance Sheet and the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances reconcile. Because this item cannot be identified, its effect on assets, liabilities, fund balance, revenues, and expenditures cannot be determined.

In our opinion, based on our audit and the reports of other auditors, except for the effects of the unexplained General Fund reconciling item discussed in the previous paragraph, and the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding Year 2000 disclosures, the general purpose financial statements referred to previously present fairly, in all material respects, the financial position of the State of Louisiana as of June 30, 1998, and the results of its operations; the cash flows of its proprietary fund types, nonexpendable trust funds, and discretely presented component units; the changes in plan net assets of its pension trust funds and investment trust fund; and the changes in fund balances of the college and university funds for the year then ended, in conformity with generally accepted accounting principles.

As discussed in notes 1.G. and 3.B. to the general purpose financial statements, the State of Louisiana implemented Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, in fiscal year 1998.

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 grants will be issued under separate cover. Included in this separate report is the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, which is not a required part of the state's general purpose financial statements.

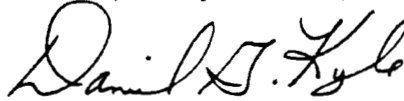
LEGISLATIVE AUDITOR

February 24, 1999
Page Three

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying combining and individual fund financial statements and related schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the State of Louisiana. Except for the matter discussed previously relating to an unexplained reconciling item in the General Fund, such information has been subjected to the procedures applied in the audit of the general purpose financial statements. In our opinion, based on our audit and the reports of the other auditors, except for the effects of the unexplained General Fund reconciling item, as described previously, such information is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The introductory section and the statistical section listed in the table of contents were not audited by us, and, accordingly, we do not express an opinion thereon.

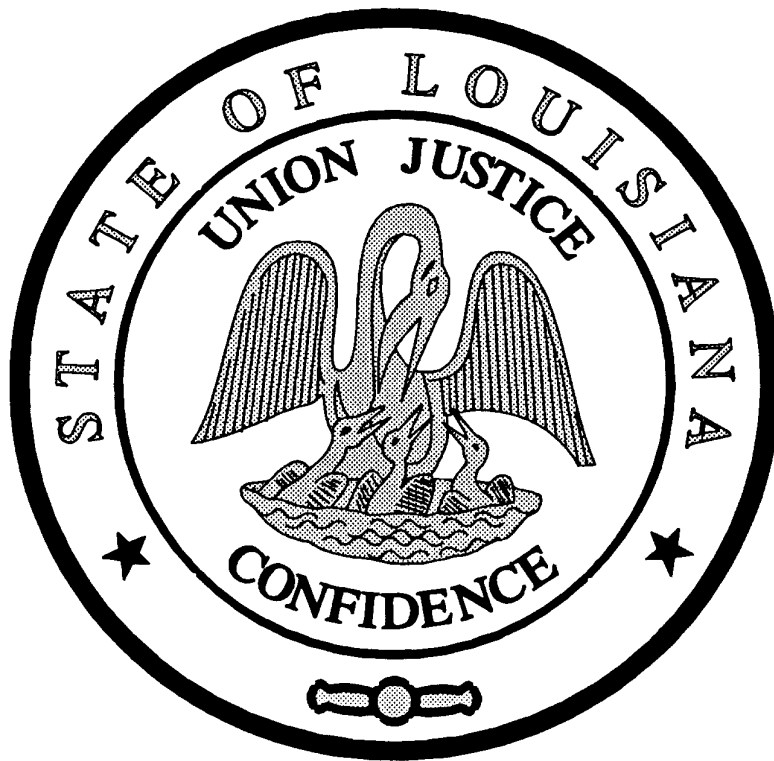
Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

MWB:PEP:AJR:dl

[CAFR98]





State of Louisiana

COMBINED BALANCE SHEET

ALL FUND TYPES, ACCOUNT GROUPS, AND DISCRETELY PRESENTED COMPONENT UNITS

JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS AND OTHER DEBITS				
ASSETS:				
CASH AND CASH EQUIVALENTS (NOTE 3A)	\$ 223,517	\$ 933,940	\$ 219,346	\$ 586,727
INVESTMENTS (NOTE 3B)	9,558	84,543	44,873	1,252
RECEIVABLES	57,277	13,730	707,796	2,183
NOTES RECEIVABLE	--	--	--	--
DUE FROM OTHER FUNDS (NOTE 2A)	777,808	177,540	205,721	129,659
DUE FROM FEDERAL GOVERNMENT	502,909	30,171	--	--
PREPAYMENTS	--	--	--	--
INVENTORIES (NOTE 1E)	47,304	5	--	--
OTHER ASSETS	445	1,089	--	2,674
RESTRICTED ASSETS:				
CASH	--	--	--	--
INVESTMENTS	--	--	--	--
RECEIVABLES	--	--	--	--
DIRECT FINANCING LEASE PAYMENTS RECEIVABLE	--	--	--	--
PROPERTY, PLANT AND EQUIPMENT (NET WHERE APPLICABLE) (NOTE 13)	--	--	--	--
ASSETS UNDER CAPITAL LEASES	--	--	--	--
OTHER DEBITS:				
AMOUNT AVAILABLE FOR DEBT SERVICE	--	--	--	--
AMOUNT TO BE PROVIDED FOR COMPENSATED ABSENCES	--	--	--	--
AMOUNT TO BE PROVIDED FOR RETIREMENT OF GENERAL LONG TERM DEBT	--	--	--	--
TOTAL ASSETS AND OTHER DEBITS	\$ 1,618,818	\$ 1,241,018	\$ 1,177,736	\$ 722,495
LIABILITIES, EQUITY, AND OTHER CREDITS				
LIABILITIES:				
ACCOUNTS PAYABLE AND ACCRUALS	\$ 744,363	\$ 954	\$ 27	\$ 1,134
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	86,855
COMPENSATED ABSENCES PAYABLE (NOTE 1F)	--	--	--	--
INVESTMENT COMMITMENTS PAYABLE	--	--	--	--
NOTES PAYABLE	--	--	--	--
OTHER PAYABLES	7,835	--	225,817	--
DUE TO FEDERAL GOVERNMENT	33,557	--	100	--
DUE TO OTHER FUNDS (NOTE 2A)	310,858	162,253	720,321	587
DEFERRED REVENUES	20,519	--	--	--
DUE TO LOCAL GOVERNMENTS	--	28,324	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	--
OBLIGATIONS UNDER SECURITIES LENDING PROGRAMS	--	--	--	--
LIABILITIES PAYABLE FROM RESTRICTED ASSETS	--	--	--	--
OBLIGATIONS UNDER CAPITAL LEASE (NOTE 6C)	--	--	--	--
BONDS PAYABLE	--	--	2,037	--
ESTIMATED LIABILITIES FOR CLAIMS	64,134	--	--	--
OTHER LIABILITIES	--	5,772	--	34
TOTAL LIABILITIES	1,181,266	197,303	948,302	88,610
EQUITY AND OTHER CREDITS:				
INVESTMENT IN FIXED ASSETS	--	--	--	--
CONTRIBUTED CAPITAL	--	--	--	--
RETAINED EARNINGS: RESERVED	--	--	--	--
UNRESERVED	--	--	--	--
FUND BALANCES:				
RESERVED FOR DEBT SERVICE	--	--	33,421	--
RESERVED FOR INVENTORIES	47,304	5	--	--
RESERVED FOR PENSION BENEFITS	--	--	--	--
RESERVED FOR ENCUMBRANCES	27,034	78,099	--	--
RESERVED FOR CONSTRUCTION	--	--	195,201	633,885
OTHER RESERVES (NOTE 5)	260,742	326,718	--	--
UNRESERVED: DESIGNATED (NOTE 5)	8,309	11,668	812	--
UNDESIGNATED	94,163	627,225	--	--
TOTAL EQUITY AND OTHER CREDITS	437,552	1,043,715	229,434	633,885
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 1,618,818	\$ 1,241,018	\$ 1,177,736	\$ 722,495

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

State of Louisiana

PRIMARY GOVERNMENT							
PROPRIETARY		FIDUCIARY		ACCOUNT GROUPS			
FUND TYPES	INTERNAL	TRUST AND	GENERAL	GENERAL	LONG	COLLEGE AND	COMPONENT
ENTERPRISE	SERVICE	AGENCY FUNDS	FIXED ASSETS (NOTE 13)	TERM DEBT (NOTE 11)	UNIVERSITY FUNDS	FUNDS	UNITS
\$ 47,033	\$ 16,345	\$ 1,870,486	\$ --	\$ --	\$ 315,758	\$ 144,926	
277,483	--	21,172,910	--	--	214,312	881,454	
13,473	7,255	716,505	--	--	243,393	126,733	
138,628	--	--	--	--	57,080	969	
--	--	33,279	--	--	189,711	786	
--	--	75	--	--	--	679	
--	--	--	--	--	14,411	45	
--	6,392	--	--	--	54,481	3,881	
8,392	254	12	--	--	5,140	16,600	
--	--	--	--	--	--	20,719	
2,500	--	--	--	--	--	8,539	
--	--	--	--	--	--	36,504	
--	--	--	--	--	--	2,000	
10,455	14,172	22,727	2,068,930	--	3,580,337	941,163	
--	--	--	--	--	6,480	--	
--	--	--	--	33,421	--	49,628	
--	--	--	--	148,491	--	3,042	
--	--	--	--	4,208,439	--	306,872	
<u>\$ 497,964</u>	<u>\$ 44,418</u>	<u>\$ 23,815,994</u>	<u>\$ 2,068,930</u>	<u>\$ 4,390,351</u>	<u>\$ 4,681,103</u>	<u>\$ 2,544,540</u>	
\$ 3,538	\$ 3,309	\$ 23,944	\$ --	\$ --	\$ 132,474	\$ 22,479	
229	972	--	--	--	--	18,220	
--	--	890,114	--	148,491	129,758	5,767	
--	--	4,493	--	--	36,237	--	
--	--	--	--	--	--	--	
14,585	862	64,660	--	--	240,378	--	
--	--	3,039	--	--	53,993	6,438	
--	--	897,638	--	--	9,872	350	
--	--	1,557,887	--	--	--	516	
--	--	--	--	--	--	2,823	
--	--	--	--	88,199	3,370	207	
6,540	--	--	--	2,155,244	137,760	431,276	
--	--	--	--	1,998,417	--	440,706	
258,928	302	2,571	--	--	9,279	99,560	
<u>283,820</u>	<u>5,445</u>	<u>3,444,346</u>	<u>--</u>	<u>4,390,351</u>	<u>753,121</u>	<u>1,028,342</u>	
--	--	--	2,068,930	--	3,420,502	218,238	
4,533	10,154	--	--	--	--	523,894	
2,907	--	--	--	--	--	61,875	
206,704	28,819	--	--	--	--	486,242	
--	--	--	--	--	17,887	50,590	
--	--	--	--	--	38,187	876	
--	--	17,712,143	--	--	--	--	
--	--	27,901	--	--	31,908	4,075	
--	--	--	--	--	--	54,359	
--	--	2,525,231	--	--	--	9,291	
--	--	15,698	--	--	419,498	18,119	
--	--	90,675	--	--	--	88,639	
<u>214,144</u>	<u>38,973</u>	<u>20,371,648</u>	<u>2,068,930</u>	<u>--</u>	<u>3,927,982</u>	<u>1,516,198</u>	
<u>\$ 497,964</u>	<u>\$ 44,418</u>	<u>\$ 23,815,994</u>	<u>\$ 2,068,930</u>	<u>\$ 4,390,351</u>	<u>\$ 4,681,103</u>	<u>\$ 2,544,540</u>	

State of Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS, AND DISCRETELY PRESENTED COMPONENT UNITS FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	PRIMARY GOVERNMENT					COMPONENT UNITS
	GOVERNMENTAL FUND TYPE				FIDUCIARY	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	FUND TYPE EXPENDABLE TRUST	
REVENUES:						
INTERGOVERNMENTAL REVENUES	\$ 4,245,166	\$ 283,306	\$ 12,966	\$ 24,275	\$ 2,922	\$ 27,839
TAXES	--	18,246	5,561,417	--	191,738	53,087
GAMING	--	--	423,112	--	--	--
USE OF MONEY AND PROPERTY	19,138	78,918	474,877	4,697	113,556	35,662
LICENSES, PERMITS, AND FEES	--	43,251	439,525	--	--	5,337
SALES OF COMMODITIES AND SERVICES	--	1,695	573,465	--	--	--
OTHER	8,436	4,092	263,036	--	841	4,226
TOTAL REVENUES	4,272,740	429,508	7,748,398	28,972	309,057	126,151
EXPENDITURES:						
CURRENT:						
GENERAL GOVERNMENT	1,379,171	--	--	--	--	25,919
CULTURE, RECREATION, AND TOURISM	45,426	--	--	--	--	--
TRANSPORTATION AND DEVELOPMENT	276,679	--	--	--	--	--
PUBLIC SAFETY	170,055	--	--	--	--	--
HEALTH AND WELFARE	4,092,231	--	--	--	--	32,031
CORRECTIONS	437,170	--	--	--	--	--
CONSERVATION	193,317	--	--	--	--	--
EDUCATION	3,055,941	--	--	--	--	--
UNEMPLOYMENT INSURANCE BENEFITS	--	--	--	--	136,424	--
OTHER	2,863	30,295	2,886	--	--	14,392
INTERGOVERNMENTAL	328,561	84,260	--	--	--	13,965
CAPITAL OUTLAY	--	--	--	833,602	--	75,634
DEBT SERVICE:						
PRINCIPAL RETIREMENT	157,190	--	136,221	--	--	6,932
INTEREST AND FISCAL CHARGES	9,820	--	121,664	--	--	20,858
TOTAL EXPENDITURES	10,148,424	114,555	260,771	833,602	136,424	189,731
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,875,684)	314,953	7,487,627	(804,630)	172,633	(63,580)
OTHER FINANCING SOURCES (USES):						
PAYMENT TO REFUNDED BOND ESCROW AGENT	--	--	(350,620)	--	--	--
BOND PROCEEDS	--	--	352,405	211,470	--	--
OPERATING TRANSFERS IN - PRIMARY GOVERNMENT	7,636,966	1,487,646	226,290	682,507	56,881	24,283
OPERATING TRANSFERS OUT - PRIMARY GOVERNMENT	(1,727,290)	(1,773,724)	(7,692,028)	(21,346)	(58,407)	--
OPERATING TRANSFERS IN - COMPONENT UNIT	9,500	10,935	--	--	--	224
OPERATING TRANSFERS OUT - COMPONENT UNIT	(26,868)	--	--	(4,415)	--	(524)
OTHER	7,390	--	--	--	--	773
TOTAL OTHER FINANCING SOURCES (USES)	5,899,698	(275,143)	(7,463,953)	868,216	(1,526)	24,756
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	24,014	39,810	23,674	63,586	171,107	(38,824)
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED						
FUND EQUITY TRANSFERS	567,399	1,003,905	205,760	570,299	1,374,085	264,766
INCREASES (DECREASES) IN RESERVE FOR INVENTORIES	(155,179)	--	--	--	(5,653)	--
	1,318	--	--	--	--	7
FUND BALANCES AT END OF YEAR	\$ 437,552	\$ 1,043,715	\$ 229,434	\$ 633,885	\$ 1,539,539	\$ 225,949

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

State of Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS) - GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	GENERAL FUND			SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:									
INTERGOVERNMENTAL REVENUES	\$ 4,259,691	\$ 4,005,802	\$(253,889)	\$ 380,979	\$ 278,244	\$(102,735)	\$ 33,219	\$ 11,080	\$ (22,139)
TAXES	--	--	--	15,000	17,911	2,911	5,465,800	5,558,042	92,242
GAMING	--	--	--	--	--	--	541,729	544,331	2,602
USE OF MONEY AND PROPERTY LICENSES, PERMITS, AND FEES	85	19,138	19,053	65,575	49,814	(15,761)	394,447	425,129	30,682
SALES OF COMMODITIES AND SERVICES	1,338	--	(1,338)	39,904	40,112	208	260,202	308,346	48,144
OTHER	448,460	411,041	(37,419)	31	107	76	851,038	864,538	13,500
INTERAGENCY RECEIPTS	6,697	8,846	2,149	361	2,823	2,462	310,140	279,909	(30,231)
	179,499	177,669	(1,830)	--	--	--	1,230,106	1,166,897	(63,209)
TOTAL REVENUES	4,895,770	4,622,496	(273,274)	501,850	389,011	(112,839)	9,086,681	9,158,272	71,591
EXPENDITURES:									
GENERAL GOVERNMENT CULTURE, RECREATION, AND TOURISM	1,730,308	1,426,740	303,568	--	--	--	--	--	--
TRANSPORTATION AND DEVELOPMENT	51,463	47,900	3,563	--	--	--	--	--	--
PUBLIC SAFETY	349,855	315,218	34,637	--	--	--	--	--	--
HEALTH AND WELFARE	225,293	189,786	35,507	--	--	--	--	--	--
CORRECTIONS	4,757,131	4,625,970	131,161	--	--	--	--	--	--
CONSERVATION	476,646	459,123	17,523	--	--	--	--	--	--
EDUCATION	340,276	238,305	101,971	--	--	--	--	--	--
OTHER	5,515,383	5,307,923	207,460	--	--	--	--	--	--
INTERGOVERNMENTAL DEBT SERVICE	--	--	--	14,284	13,353	931	--	--	--
	337,638	345,961	(8,323)	78,718	81,457	(2,739)	--	--	--
	169,893	167,010	2,883	--	--	--	228,282	222,211	6,071
TOTAL EXPENDITURES	13,953,886	13,123,936	829,950	93,002	94,810	(1,808)	228,282	222,211	6,071
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,058,116)	(8,501,440)	556,676	408,848	294,201	(114,647)	8,858,399	8,936,061	77,662
OTHER FINANCING SOURCES (USES):									
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--	--	--	--	(350,620)	(350,620)
BOND PROCEEDS	--	--	--	--	--	--	--	352,405	352,405
OPERATING TRANSFERS IN	8,713,889	8,960,608	246,719	477,200	532,148	54,948	--	--	--
OPERATING TRANSFERS OUT	(271,068)	(275,098)	(4,030)	(885,656)	(825,079)	60,577	(8,858,399)	(8,937,846)	(79,447)
OTHER	--	--	--	--	--	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	8,442,821	8,685,510	242,689	(408,456)	(292,931)	115,525	(8,858,399)	(8,936,061)	(77,662)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	(615,295)	184,070	799,365	392	1,270	878	--	--	--
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	567,399	567,399	--	524,853	524,853	--	--	--	--
INCREASE IN RESERVE FOR INVENTORY	--	1,318	1,318	--	--	--	--	--	--
EQUITY TRANSFERS	--	(155,179)	(155,179)	--	--	--	--	--	--
FUND BALANCES AT END OF YEAR	\$(47,896)	\$ 597,608	\$ 645,504	\$ 525,245	\$ 526,123	\$ 878	\$ --	\$ --	\$ --

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

State of Louisiana

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCES - ALL PROPRIETARY FUND TYPES, SIMILAR TRUST FUNDS, AND DISCRETELY PRESENTED COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	PRIMARY GOVERNMENT			
	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	COMPONENT UNITS
OPERATING REVENUES:				
INTERGOVERNMENTAL REVENUES	\$ 244	\$ --	\$ --	\$ --
CONTRIBUTIONS	--	--	--	258
USE OF MONEY AND PROPERTY	8,857	--	23,036	69,373
LICENSES, PERMITS, AND FEES	34	--	--	19,147
SALES OF COMMODITIES AND SERVICES	292,896	80,696	--	6,717
OTHER	3,993	--	--	183,008
TOTAL OPERATING REVENUES	<u>306,024</u>	<u>80,696</u>	<u>23,036</u>	<u>278,503</u>
OPERATING EXPENSES:				
COST OF SALES AND SERVICES	171,912	52,424	--	71
PERSONAL SERVICES	5,998	11,174	--	36,624
CONTRACTUAL SERVICES	312	--	--	11,696
TRAVEL	--	128	--	348
OPERATING SERVICES	13,625	3,024	--	21,338
SUPPLIES	570	3,746	--	3,337
PROFESSIONAL SERVICES	611	190	--	3,352
ADMINISTRATIVE	76	--	--	332
DEPRECIATION	1,364	2,623	--	31,556
AMORTIZATION	49	--	--	--
BAD DEBT EXPENSE	49	--	--	1
RETIREMENT BENEFITS	--	--	--	964
REFUNDS	--	--	--	72
OTHER	907	5,693	1,209	181,270
TOTAL OPERATING EXPENSES	<u>195,473</u>	<u>79,002</u>	<u>1,209</u>	<u>290,961</u>
OPERATING INCOME (LOSS)	<u>110,551</u>	<u>1,694</u>	<u>21,827</u>	<u>(12,458)</u>
NONOPERATING REVENUES (EXPENSES):				
DISPOSAL OF FIXED ASSETS	(70)	(409)	--	71
INTEREST REVENUE	4,261	579	--	46,915
FEDERAL GRANTS	27,006	--	--	10,087
INTEREST EXPENSE	(2,052)	(13)	--	(3,815)
OTHER	1,727	90	--	4,662
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>30,872</u>	<u>247</u>	<u>--</u>	<u>57,920</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>141,423</u>	<u>1,941</u>	<u>21,827</u>	<u>45,462</u>
OPERATING TRANSFERS:				
OPERATING TRANSFERS IN - PRIMARY GOVERNMENT	7,465	--	17,365	7,000
OPERATING TRANSFERS OUT - PRIMARY GOVERNMENT	(108,038)	--	(1,755)	(20,435)
OPERATING TRANSFERS IN - COMPONENT UNIT	--	--	--	524
OPERATING TRANSFERS OUT - COMPONENT UNIT	--	--	--	(224)
NET OPERATING TRANSFERS	<u>(100,573)</u>	<u>--</u>	<u>15,610</u>	<u>(13,135)</u>
NET INCOME (LOSS)	40,850	1,941	37,437	32,327
RETAINED EARNINGS/FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	168,761	26,878	748,308	515,790
FUND EQUITY TRANSFERS	--	--	(6,303)	--
RETAINED EARNINGS/FUND BALANCES AT END OF YEAR	<u>\$ 209,611</u>	<u>\$ 28,819</u>	<u>\$ 779,442</u>	<u>\$ 548,117</u>

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

State of Louisiana

COMBINED STATEMENT OF CASH FLOWS ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUNDS, AND DISCRETELY PRESENTED COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	PRIMARY GOVERNMENT			
	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	COMPONENT UNITS
OPERATING INCOME (LOSS)	\$ 110,551	\$ 1,694	\$ 21,827	\$ (12,458)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
REFUNDS AND LEASE SETTLEMENTS	\$ --	\$ --	\$ --	\$ 34
DEPRECIATION AND AMORTIZATION	1,413	2,623	--	31,556
PROVISION FOR DOUBTFUL ACCOUNTS	1	(7)	--	339
CHANGES IN ASSETS AND LIABILITIES:				
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	(1,181)	1,960	181	(19,819)
(INCREASE)/DECREASE IN NOTES RECEIVABLE	(24,890)	--	--	--
(INCREASE)/DECREASE IN DUE FROM OTHER FUNDS	--	--	144	(2,590)
(INCREASE)/DECREASE IN DUE FROM FEDERAL GOVERNMENT	--	--	--	(484)
(INCREASE)/DECREASE IN INVENTORIES	--	116	--	(371)
(INCREASE)/DECREASE IN OTHER ASSETS	(653)	(145)	--	(1,753)
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE AND ACCRUALS	58	(801)	(70)	(2,617)
INCREASE/(DECREASE) IN COMPENSATED ABSENCES	9	59	--	50
INCREASE/(DECREASE) IN DUE TO OTHER FUNDS	(1,079)	--	30,792	830
INCREASE/(DECREASE) IN DEFERRED REVENUES	--	--	--	(471)
INCREASE/(DECREASE) IN OTHER LIABILITIES	17,310	(47)	12	37,162
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 101,539	\$ 5,452	\$ 52,886	\$ 29,408
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
PROCEEDS FROM SALE OF BONDS	\$ 3,961	\$ --	\$ --	\$ --
PRINCIPAL PAID ON BONDS	(10,335)	--	--	--
INTEREST PAID ON BOND MATURITIES	(985)	--	--	--
OPERATING GRANTS RECEIVED	27,005	--	--	4,911
DONATIONS RECEIVED	--	--	--	(113)
INTERGOVERNMENTAL REVENUE	1,763	--	--	13,202
OPERATING TRANSFERS-IN FROM OTHER FUNDS	7,465	--	17,365	7,524
OPERATING TRANSFERS-OUT TO OTHER FUNDS	(108,039)	--	(6,057)	(20,659)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ (79,165)	\$ --	\$ 11,308	\$ 4,865
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
PROCEEDS FROM SALE OF BONDS	\$ --	\$ --	\$ --	\$ 1,000
PRINCIPAL PAID ON BOND MATURITIES	--	--	--	(4,827)
INTEREST PAID ON BONDS	(1,067)	--	--	(4,950)
REPAYMENT OF NOTES PAYABLE	--	(428)	--	(350)
INTEREST PAID ON NOTES PAYABLE	--	(13)	--	--
ACQUISITION/CONSTRUCTION OF CAPITAL ASSETS	(4,152)	(2,623)	--	(48,465)
PROCEEDS FROM SALE OF CAPITAL ASSETS	28	370	--	74
CAPITAL CONTRIBUTIONS	1,248	--	--	14,647
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$ (3,943)	\$ (2,694)	\$ --	\$ (42,871)
CASH FLOWS FROM INVESTING ACTIVITIES:				
PURCHASE OF INVESTMENT SECURITIES	\$ (24,223)	\$ --	\$ (69,244)	\$ (323,888)
PROCEEDS FROM SALE OF INVESTMENT SECURITIES	14,286	--	1,589	256,227
INTEREST AND DIVIDENDS ON INVESTMENTS	4,087	579	(41)	42,479
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ (5,850)	\$ 579	\$ (67,696)	\$ (25,182)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 12,581	\$ 3,337	\$ (3,502)	\$ (33,780)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR AS RESTATED	<u>34,452</u>	<u>13,008</u>	<u>6,298</u>	<u>153,423</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u>47,033</u>	\$ <u>16,345</u>	\$ <u>2,796</u>	\$ <u>119,643</u>

(Continued)

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

State of Louisiana

COMBINED STATEMENT OF CASH FLOWS ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUNDS, AND DISCRETELY PRESENTED COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

LOUISIANA LOTTERY CORPORATION	
DISPOSAL OF FIXED ASSETS	\$ 96

ENTERPRISE FUNDS

LOUISIANA PROPERTY ASSISTANCE AGENCY	
CONTRIBUTION OF FIXED ASSETS	\$ 17
OFFICE OF TELECOMMUNICATIONS MANAGEMENT	
ASSETS TRADE-INS	(1,220)
DISPOSAL OF FIXED ASSETS	7
OFF-SYSTEM ADJUSTMENTS TO ASSETS	132

INTERNAL SERVICE FUNDS

CHARITY HOSPITAL NONEXPENDABLE TRUST FUND	
NONCASH PORTION OF RESIDUAL EQUITY TRANSFER	\$ 2,001

NONEXPENDABLE TRUST FUNDS

LAKE CHARLES PORT, HARBOR AND TERMINAL DISTRICT	
ADJUSTMENT TO GRANTS RECEIVABLE	\$ (47)
DISPOSAL OF FIXED ASSETS	(197)
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION	
CONVERSION OF LOAN RECEIVABLE TO COMMON STOCK	370
LOUISIANA STADIUM AND EXPOSITION DISTRICT	
CONTRIBUTED BUILDING IMPROVEMENTS	282
ORLEANS LEVEE DISTRICT	
ASSETS ACQUIRED BY TRANSFER	10
ASSETS TRANSFERRED TO OTHER FUNDS	(8)
ASSETS WRITTEN OFF	(4)
SABINE RIVER AUTHORITY	
DEBT FORGIVEN	342

DISCRETELY REPORTED
COMPONENT UNITS

SCHEDULE OF RECONCILIATION BETWEEN THE COMBINED BALANCE SHEET AND THE COMBINED STATEMENT OF CASH FLOWS

	ENTERPRISE	INTERNAL SERVICE	FIDUCIARY FUND TYPE	TOTAL PRIMARY GOVERNMENT	DISCRETE COMPONENT UNITS
CASH AND CASH EQUIVALENTS (FROM COMBINED BALANCE SHEET)	\$47,033	\$16,345	\$1,870,486	\$1,933,864	\$144,926
RESTRICTED CASH (FROM COMBINED BALANCE SHEET)	--	--	--	--	20,719
LESS: EXPENDABLE TRUST FUNDS	--	--	1,384,723	1,384,723	--
PENSION AND INVESTMENT	--	--	36,755	36,755	--
TRUST FUNDS	--	--	446,212	446,212	--
AGENCY FUNDS	--	--	--	--	--
OTHER NONPROPRIETARY TYPE	--	--	--	--	--
DISCRETE FUNDS	--	--	--	--	46,002
COMBINED STATEMENT OF CASH FLOWS	<u>\$47,033</u>	<u>\$16,345</u>	<u>\$ 2,796</u>	<u>\$ 66,174</u>	<u>\$119,643</u>

(Concluded)

State of Louisiana

STATEMENT OF CHANGES IN PLAN NET ASSETS PENSION AND INVESTMENT TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE POLICE RETIREMENT SYSTEM	TEACHERS' RETIREMENT SYSTEM OF LOUISIANA	LOUISIANA ASSET MANAGEMENT POOL *	TOTAL JUNE 30, 1998
ADDITIONS						
CONTRIBUTIONS:						
EMPLOYER	\$ 13,534	\$ 219,681	\$ 3,381	\$ 417,028	--	\$ 653,624
MEMBERS	14,353	129,724	2,368	208,275	--	354,720
POOL PARTICIPANTS (DEPOSITS)	--	--	--	--	573,364	573,364
TOTAL CONTRIBUTIONS	<u>27,887</u>	<u>349,405</u>	<u>5,749</u>	<u>625,303</u>	<u>573,364</u>	<u>1,581,708</u>
INVESTMENT INCOME:						
NET APPRECIATION IN FAIR VALUE OF INVESTMENTS						
INTEREST AND DIVIDENDS	163,863	416,577	21,424	1,339,549	5,642	1,947,055
OTHER INVESTMENT INCOME	64,523	202,066	8,619	281,146	14,486	570,840
LESS INVESTMENT EXPENSE	113	3,736	--	85,872	--	89,721
	(16,539)	(17,163)	(686)	(99,826)	--	(134,214)
NET INVESTMENT INCOME	<u>211,960</u>	<u>605,216</u>	<u>29,357</u>	<u>1,606,741</u>	<u>20,128</u>	<u>2,473,402</u>
OTHER INCOME	--	6,064	--	28,061	--	34,125
TOTAL ADDITIONS	<u>\$ 239,847</u>	<u>\$ 960,685</u>	<u>\$ 35,106</u>	<u>\$ 2,260,105</u>	<u>\$ 593,492</u>	<u>\$ 4,089,235</u>
DEDUCTIONS						
RETIREMENT BENEFITS	\$ 60,676	\$ 359,626	\$ 16,982	\$ 664,147	--	\$ 1,101,431
REFUNDS OF MEMBER CONTRIBUTIONS	2,329	32,156	75	21,361	--	55,921
ADMINISTRATIVE EXPENSES	1,641	6,054	316	6,174	747	14,932
DEPRECIATION EXPENSE	180	649	10	531	--	1,370
DISTRIBUTIONS TO POOL PARTICIPANTS	--	--	--	--	550,793	550,793
OTHER	--	2,502	--	--	--	2,502
TOTAL DEDUCTIONS	<u>64,826</u>	<u>400,987</u>	<u>17,383</u>	<u>692,213</u>	<u>551,540</u>	<u>1,726,949</u>
NET INCREASE BEFORE TRANSFERS	175,021	559,698	17,723	1,567,892	41,952	2,362,286
TRANSFERS	--	4,114	18,498	5,425	--	28,037
NET INCREASE AFTER TRANSFERS	175,021	563,812	36,221	1,573,317	41,952	2,390,323
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND INVESTMENT POOL PARTICIPANTS AS RESTATED - BEGINNING OF YEAR						
	<u>1,271,086</u>	<u>5,044,596</u>	<u>173,490</u>	<u>8,874,600</u>	<u>298,572</u>	<u>15,662,344</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND INVESTMENT POOL PARTICIPANTS - END OF YEAR						
	<u>\$ 1,446,107</u>	<u>\$ 5,608,408</u>	<u>\$ 209,711</u>	<u>\$10,447,917</u>	<u>\$ 340,524</u>	<u>\$ 18,052,667</u>

* For the period ending December 31, 1997.

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

State of Louisiana

COMBINED STATEMENT OF CURRENT FUNDS' REVENUES, EXPENDITURES, AND OTHER CHANGES

COLLEGES AND UNIVERSITIES

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	CURRENT FUNDS			TOTAL JUNE 30, 1998
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED FUND	
REVENUES				
Tuition And Fees	\$ 347,039	\$ 17,531	\$ 36,122	\$ 400,692
State Appropriations	508	--	298	806
Federal Appropriations	11,996	--	3,991	15,987
Governmental Grants And Contracts:				
Federal	434	--	246,652	247,086
State	2,566	--	64,759	67,325
Local	1,017	--	3,241	4,258
Private Gifts, Grants, And Contracts	41	822	70,537	71,400
Sales And Services Of Education Departments	13,895	--	147,073	160,968
Investment Income	5,275	626	5,874	11,775
Endowment Income	--	--	2,246	2,246
Hospital Income - Restricted	86,371	--	172,752	259,123
Auxiliary Enterprise Revenues	43	221,905	13	221,961
Other Sources	25,330	2,466	25,113	52,909
Total Revenues	494,515	243,350	778,671	1,516,536
EXPENDITURES AND TRANSFERS:				
Educational And General:				
Instruction	507,770	--	89,539	597,309
Research	104,679	--	132,053	236,732
Public Service	38,282	--	134,753	173,035
Academic Support	111,915	--	43,504	155,419
Student Services	42,026	--	26,773	68,799
Institutional Support	131,255	--	36,929	168,184
Operations And Maintenance Of Plant	106,979	--	8,876	115,855
Scholarships And Fellowships	45,471	649	127,002	173,122
Other	9,698	207	14,913	24,818
Total Educational And General Expenditures	1,098,075	856	614,342	1,713,273
Mandatory Transfers For:				
Principal And Interest	225	386	3,498	4,109
Loan Fund Matching Grants	346	--	55	401
Other	64,660	--	(64,646)	14
Non-mandatory Transfers For:				
Capital Improvements	2,682	917	6,265	9,864
Renewals And Replacements	--	--	58	58
Other	16,351	(4,685)	(4,646)	7,020
Total Expenditures And Transfers	1,182,339	(2,526)	554,926	1,734,739
Hospital Expenditures	745,449	--	134,396	879,845
Auxiliary Enterprises:				
Expenditures	2,283	232,905	360	235,548
Mandatory Transfers For:				
Principal And Interest	--	9,017	--	9,017
Renewals And Replacement	--	15	--	15
Other	--	297	(4)	293
Non-mandatory Transfers For:				
Capital Improvements	--	3,859	--	3,859
Renewals And Replacements	--	2,214	--	2,214
Other	--	(8,418)	(3)	(8,421)
Total Auxiliary Enterprises	2,283	239,889	353	242,525
Total Expenditures And Transfers	1,930,071	237,363	689,675	2,857,109
Operating Transfers In - Other State Funds	1,360,211	48	3,012	1,363,271
Operating Transfers Out - Other State Funds	(87,563)	--	(30,821)	(118,384)
Other Additions (Deductions):				
Excess Of Restricted Receipts Over				
Transfers To Revenues	--	--	40,798	40,798
Inventory Increase (Decrease)	(947)	(308)	(241)	(1,496)
Refunded To Grantors	--	--	(996)	(996)
Other	155,121	(1,813)	(20,131)	133,177
Net Increase (Decrease) In Fund Balances	\$(8,734)	\$3,914	\$80,617	\$75,797

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



State of Louisiana

COMBINED STATEMENT OF CHANGES IN FUND BALANCES

COLLEGES AND UNIVERSITIES

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	CURRENT FUNDS			STUDENT LOAN FUNDS	ENDOWMENT FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED		
REVENUES AND OTHER ADDITIONS:					
UNRESTRICTED CURRENT FUND REVENUES	\$ 408,152	\$ 24,389	\$ --	\$ --	--
TUITION AND FEES - RESTRICTED	--	--	42,560	94	16
GOVERNMENTAL GRANT AND CONTRACTS:					
FEDERAL	--	--	270,367	4,895	--
STATE	--	--	73,265	--	480
LOCAL	--	--	3,307	--	--
PRIVATE GIFTS, GRANTS, AND CONTRACTS	--	--	76,089	1	861
SALES AND SERVICES OF EDUCATIONAL DEPARTMENTS	--	--	147,660	--	--
INVESTMENT INCOME - RESTRICTED	--	--	6,053	269	1,020
ENDOWMENT INCOME	--	--	3,553	--	16,171
HOSPITAL INCOME - RESTRICTED	86,371	--	167,277	--	50
AUXILIARY ENTERPRISE REVENUES	--	218,957	13	--	--
INTEREST ON LOANS RECEIVABLE	--	--	--	1,216	--
RETIREMENT OF INDEBTEDNESS	--	--	--	--	--
ADDITIONS TO PLANT FACILITIES	--	--	--	--	--
OTHER SOURCES	218	23	31,313	728	831
TOTAL REVENUES AND OTHER ADDITIONS	494,741	243,369	821,457	7,203	19,429
EXPENDITURES AND OTHER DEDUCTIONS:					
EDUCATIONAL AND GENERAL	1,089,357	649	616,152	--	135
HOSPITAL	745,449	--	134,396	10	--
AUXILIARY ENTERPRISES	2,283	234,656	360	--	--
EXPENDED FOR PLANT FACILITIES	--	(237)	--	--	--
INDIRECT COSTS RECOVERED	--	--	27,025	10	--
LOAN CANCELLATIONS AND WRITE-OFFS	--	--	--	984	--
RETIREMENT OF INDEBTEDNESS	--	--	--	--	--
INTEREST ON INDEBTEDNESS	--	--	--	--	--
DISPOSAL OF PLANT FACILITIES	--	--	--	--	--
OTHER	9,002	524	(67)	4,401	119
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	1,846,091	235,592	777,866	5,405	254
TRANSFERS AMONG FUNDS - ADDITIONS (DEDUCTIONS):					
MANDATORY:					
PRINCIPAL AND INTEREST	(225)	(9,404)	(3,498)	--	(4)
OTHER	(65,006)	(312)	64,595	401	--
NONMANDATORY:					
CAPITAL IMPROVEMENTS	(2,682)	(4,776)	(6,265)	--	--
OTHER	(16,351)	10,889	4,591	(183)	(39)
TOTAL TRANSFERS AMONG FUNDS	(84,264)	(3,603)	59,423	218	(43)
INVENTORY (DECREASE)	(947)	(308)	(241)	--	--
OPERATING TRANSFERS IN - OTHER STATE FUNDS	1,360,211	48	3,012	--	--
OPERATING TRANSFERS OUT - OTHER STATE FUNDS	(87,563)	--	(30,821)	--	--
NET INCREASE (DECREASE) FOR THE YEAR	(163,913)	3,914	74,964	2,016	19,132
FUND BALANCES AT JULY 1, 1997, AS RESTATED	(81,095)	32,718	194,432	61,462	71,137
Fund Equity Transfer	155,179	--	5,653	--	6,303
FUND BALANCES AT JUNE 30, 1998	\$ (89,829)	\$ 36,632	\$ 275,049	\$ 63,478	\$ 96,572

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

State of Louisiana

PLANT FUNDS				
UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	TOTAL JUNE 30, 1998
\$ --	\$ --	\$ --	\$ --	432,541
4,353	161	2,861	--	50,045
203	--	205	--	275,670
596	--	--	--	74,341
--	--	--	--	3,307
--	--	--	--	76,951
--	--	--	--	147,660
4,432	280	--	--	12,054
--	--	1,063	--	20,787
--	--	--	--	253,698
--	--	--	--	218,970
--	--	--	--	1,216
--	--	--	19,021	19,021
--	--	--	525,640	525,640
<u>9,772</u>	<u>--</u>	<u>3,146</u>	<u>2,256</u>	<u>48,287</u>
<u>19,356</u>	<u>441</u>	<u>7,275</u>	<u>546,917</u>	<u>2,160,188</u>
677	--	--	--	1,706,970
--	--	--	--	879,855
--	1,108	--	--	238,407
26,545	2,951	--	475	29,734
--	--	--	--	27,035
--	--	--	--	984
376	--	12,509	3,002	15,887
211	--	7,796	--	8,007
--	--	--	34,732	34,732
<u>584</u>	<u>--</u>	<u>224</u>	<u>16,070</u>	<u>30,857</u>
<u>28,393</u>	<u>4,059</u>	<u>20,529</u>	<u>54,279</u>	<u>2,972,468</u>
(1,457)	(923)	15,507	--	(4)
(4)	15	7	--	(304)
13,625	148	(51)	--	(1)
<u>(376)</u>	<u>2,879</u>	<u>(1,385)</u>	<u>--</u>	<u>25</u>
<u>11,788</u>	<u>2,119</u>	<u>14,078</u>	<u>--</u>	<u>(284)</u>
--	--	--	--	(1,496)
--	--	--	--	1,363,271
<u>(5,456)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(123,840)</u>
(2,705)	(1,499)	824	492,638	425,371
<u>87,960</u>	<u>13,186</u>	<u>28,103</u>	<u>2,927,573</u>	<u>3,335,476</u>
--	--	--	--	167,135
<u>\$ 85,255</u>	<u>\$ 11,687</u>	<u>\$ 28,927</u>	<u>\$ 3,420,211</u>	<u>\$ 3,927,982</u>



NOTES TO THE COMBINED FINANCIAL STATEMENTS JUNE 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. SCOPE OF REPORTING ENTITY

The accompanying financial statements include the various departments, agencies, activities, and organizational units that are within the control and authority of the Legislature and/or constitutional officers of the State of Louisiana. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by Statement 14, "The Financial Reporting Entity," of the Governmental Accounting Standards Board (GASB). Status as a component unit was determined by the primary government's financial accountability, selection of the governing authority, imposition of will, and financial benefit and/or burden. Based on these criteria, an entity will be judged to be: part of the primary government, blended with the primary government, discretely reported, a related organization warranting note disclosure only, or not a component unit of the state.

Because they do not meet the criteria established for component units, the following organizations are not included in the state reporting entity: various statewide retirement systems and pension and relief funds, certain parish and regional economic and/or industrial development districts, certain port commissions and waterway districts, and certain commissions. Also among the agencies that are not included as part of the state reporting entity are: the New Orleans Regional Recycling and Resource Recovery Authority, the Research Park Corporation, various insurance guaranty associations and underwriting plans, the Louis Armstrong Park Authority and Historic Jazz District, the South Louisiana Port Commission, the Red River Waterway and Cane River Waterway Districts, the Louisiana Insurance Guaranty Association, the Louisiana Health Insurance Association, the Louisiana Life and Health Insurance Guaranty Association and the Louisiana Airport Authority.

Blended Component Units

To be considered blended, the primary government appoints a voting majority of the entity's board, and the state either imposes its will on the entity or there is a benefit/burden relationship between the two. A brief description of the blended component units follows. Included with the narratives are the addresses for each

entity. Notations are included for organizations whose fiscal

years are different from the state's.

Ascension-St. James Bridge and Ferry Authority (Governmental), P.O. Box 1566, Donaldsonville, LA 70346, was established to construct, maintain, and operate bridges and ferries across the Mississippi River between the parishes of Ascension and St. James. The Authority has an October 31 fiscal year end.

Barber Examiners Board (Special Revenue), P.O. Box 14029, Baton Rouge, LA 70898-4029, was created to license barbers, instructors and apprentices throughout the state. The board has a December 31 fiscal year end.

Certified Stress Analyst Board (Special Revenue), P. O. Box 870994, New Orleans, LA 70187-0994, was created to regulate all persons who are certified to be able to detect deception or to verify truth of statement through the use of emotional stress detectors. The board has a December 31 fiscal year end.

Crescent City Connection Division (Governmental), 2001 Mardi Gras Blvd., New Orleans, LA 70114, was created to construct, maintain, and operate bridges and ferries across the Mississippi River at New Orleans. The Division has an October 31 fiscal year end.

Louisiana Asset Management Pool (LAMP) (Investment Trust), 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130, is a cooperative endeavor to establish a local government investment pool administered by the State Treasurer. LAMP is reported this year as an Investment Trust Fund as a separate column with the four pension trust funds. LAMP has a December 31 fiscal year end.

Louisiana Agricultural Finance Authority (Special Revenue and Enterprise), P.O. Box 3481, Baton Rouge, LA 70821-3481, 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.

Louisiana Cemetery Board (Special Revenue), 2901 Ridgelake Drive, Suite 101, Metairie, LA 70002, is a

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regulatory agency that is responsible for licensing and regulating cemeteries and cemetery sales and management organizations. The board also monitors over \$52 million in perpetual care and merchandise trust funds in the state. The board has a December 31 fiscal year end.

Louisiana Correctional Facilities Corporation (Enterprise), P. O. Box 94095, Baton Rouge, LA 70804-9095, a nonprofit corporation, acquires and finances correctional facilities for lease to the State of Louisiana and is authorized to issue revenue bonds for its purposes.

Louisiana Lottery Corporation (Enterprise), 11200 Industriplex Blvd, Baton Rouge, LA 70809, 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.

Louisiana Office Building Corporation (Enterprise), P.O. Box 94095, Baton Rouge, LA 70804-9095, a nonprofit, quasi-public corporation, was created to construct or acquire and lease buildings and facilities on behalf of and for the benefit of the state and may finance such acquisitions by issuing revenue bonds.

Louisiana Office Facilities Corporation (Enterprise), 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.

Louisiana Public Employees Deferred Compensation Plan (Agency), 2237 South Acadian Thruway, Suite 702, Baton Rouge, LA 70804-9397, was established to allow employees to voluntarily elect to contribute, through payroll deduction, a portion of their compensation into the plan to defer the payment of federal and state income taxes on the contribution until withdrawn by the employees. Copies of statements may be obtained from the Office of the Legislative Auditor. The Plan has a December 31 fiscal year end.

Louisiana Serve Commission (Special Revenue), P.O. Box 44243, Baton Rouge, LA 70804-4243, encourages community service, promotes and supports citizen involvement in government, and acts as the state's policy-making body for the Corporation for National and Community Service.

Louisiana State Board of Optometry Examiners (Special Revenue), P. O. Box 555, Oakdale, LA 71463, was established to regulate the profession of optometry. The board has a December 31 fiscal year end.

Louisiana State Medical Examiners Board (Special Revenue), P. O. Box 30250, New Orleans, LA 70190-0250, was established to protect the health, safety, and welfare of the people of Louisiana. The board has a December 31 fiscal year end.

Louisiana Tourism Promotion District (Special Revenue), P.O. Box 94361, Baton Rouge, LA 70804-9361, was created to promote and develop tourism in the state. Taxes collected by the district provide funding for the Department of Culture, Recreation, and Tourism and the state General Fund.

Office of the Custodian of Notarial Records of Orleans Parish (Special Revenue), 421 Loyola Ave., Room B4, New Orleans, LA 70112, preserves the records of notaries in Orleans Parish whose records are not now in the custody of some other notary.

The four statewide pension systems are fiscally dependent on the state since the legislature must approve the rates and charges of each system. The four systems are:

Louisiana School Employees' Retirement System (Pension), P.O. Box 44516, Baton Rouge, LA 70804-4516, was established in 1947 for the benefit of persons employed as school bus drivers, school janitors, school custodians, and school maintenance employees.

Louisiana State Employees' Retirement System (Pension), P.O. Box 44213, Baton Rouge, LA 70804-4213, was established in 1947 to benefit all state employees except those excluded by statute.

Louisiana State Police Retirement System (Pension), 3101 Brentwood, Suite B, Baton Rouge, LA 70809, was established in 1938 for the benefit of commissioned law enforcement officers and the Superintendent of the Office of State Police.

Teachers' Retirement System of Louisiana (Pension), P.O. Box 94123, Baton Rouge, LA 70804-9123, was established in 1936 for the benefit of public school teachers.

Discretely Presented Component Units

These component units are legally separate from the state, but are financially accountable to the state, or their relationship with the state is such that exclusion would cause the state's financial statements to be misleading or incomplete. The "Component Unit" columns on the combined financial statements include the financial data of these governmental boards and commissions. Following

are brief descriptions of these entities, including addresses at which financial statements may be obtained. Notations are included for organizations whose fiscal years are different from the state's.

Capital Area Human Services District (Governmental), 4615 Government Street, Baton Rouge, LA 70806, was established to direct the operation of community-based programs and services to public health, mental health, developmental disabilities, and substance abuse services.

Greater Baton Rouge Port Commission (Proprietary), P. O. Box 380, Port Allen, LA 70767-0380, regulates commerce and traffic within the port area. The port commission's fiscal year end is October 31.

Greater Krotz Springs Port Commission (Proprietary), P.O. Box 155, Krotz Springs, LA 70750, regulates commerce and traffic within the port area. The relationship to the state is such that to exclude it from the financial statements would be misleading.

Greater New Orleans Expressway Commission (Governmental and Proprietary), P.O. Box 7656, Metairie, LA 70010, was created to construct, operate, and maintain the Greater New Orleans Expressway. The commission has an October 31 fiscal year end.

Jefferson Parish Human Services Authority (Governmental), 3101 W. Napoleon Avenue, Suite 229, Metairie, LA 70001, was established to provide the operations of mental health, developmental disabilities, and substance abuse services for the residents of Jefferson Parish.

Kenner Naval Museum Commission (Proprietary), 624 Williams Blvd., Suite 109, Kenner, LA 70065, was created to establish a naval museum in Rivertown, Kenner, Louisiana, with naval artifacts on display.

Lake Charles Harbor and Terminal District (Proprietary), P.O. Box 3753, Lake Charles, LA 70602, was created to regulate the commerce and traffic of the harbor and terminal district in the public interest. The relationship to the state is such that to exclude it from the financial statements would be misleading. The district has a December 31 fiscal year end.

Louisiana Economic Development Corporation (Proprietary), P.O. Box 44153, Baton Rouge, LA 70804-4153, is the financial assistance division of the Department

of Economic Development and administers programs such as loan guarantees and venture capital, for small- and

medium-sized businesses.

Louisiana Egg Commission (Governmental), P.O. Box 3098, Baton Rouge, LA 70821-3098, was created to promote the use of eggs in the state.

Louisiana Housing Finance Agency (Proprietary), 200 Lafayette St., Suite 300, Baton Rouge, LA 70801, is authorized to undertake various programs to assist in financing housing needs of persons of low and moderate incomes and may issue bonds or other evidence of indebtedness to accomplish its purposes. The relationship to the state is such that to exclude it from the financial statements would be misleading.

Louisiana Maritime Development Authority (Proprietary), P.O. Box 94185, Baton Rouge, LA 70804-9185, is a special statewide district created to stimulate and encourage the development of maritime facilities for economic development.

Louisiana Motor Vehicle Commission (Governmental), 3519 12th Street, Metairie, LA 70002, regulates all areas of the new car industry, including motor vehicle sales finance companies in Louisiana.

Louisiana Naval War Memorial Commission (Governmental and Proprietary), 305 S. River Rd., Baton Rouge, LA 70802, is responsible for the maintenance and exhibition of the destroyer U.S.S. Kidd museum and related facilities. The commission's fiscal year end is December 31.

Louisiana Stadium and Exposition District (Governmental and Proprietary), Sugar Bowl Drive, New Orleans, LA 70112, 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 public meetings.

Louisiana State Board of Private Investigator Examiners (Governmental), 2051 Silverside Dr., Suite 190, Baton Rouge, LA 70808, regulates and licenses persons and businesses providing private investigative services.

Louisiana State Board of Private Security Examiners (Governmental), P.O. Box 86510, Baton Rouge, LA 70879-6510, regulates and licenses companies engaged in providing private security services and private security guards.

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Louisiana Used Vehicle and Parts Commission (Governmental), 3132 Valley Creek Dr., Baton Rouge, LA

70808, administers and enforces statutory provisions regarding the sale of used motor vehicles and parts.

Louisiana Workers' Compensation Corporation (Proprietary), 2237 S. Acadian Thruway, Suite 102, Baton Rouge, LA 70808, is a nonprofit corporation created to provide a residual market for those unable to obtain workers' compensation insurance in the voluntary market and to provide a competitive market for preferred risk policies. The Louisiana Workers' Compensation Corporation has a December 31 fiscal year end.

New Orleans Port Commission (Proprietary), P.O. Box 60046, New Orleans, LA 70160, is responsible for regulating the commerce and traffic of the port and harbor of New Orleans.

Orleans Levee District (Governmental and Proprietary), 6001 Stars and Stripes Blvd., Suite 202, Admin. Bldg., New Orleans, LA 70126, primarily operates and maintains flood protection for the city of New Orleans, the southern shores of Lake Pontchartrain, and along the Mississippi River. It also operates and maintains public parks, beaches, the New Orleans and South Shore Harbors and Marinas, and the New Orleans Lakefront Airport.

State Licensing Contractors Board (Governmental), P.O. Box 14419, Baton Rouge, LA 70898-4419, is the licensing and regulatory board dealing with persons engaged in the contracting vocation. The board has a December 31 fiscal year end.

State Plumbing Board of Louisiana (Governmental), 2714 Canal St., Suite 512, New Orleans, LA 70119, regulates and licenses persons engaged in all types of plumbing work and medical gas piping installation in the state.

Other Levee Districts and Port Commissions (Governmental) include: Atchafalaya Basin, P.O. Box 170, Port Allen, LA 70767; Amite River Basin Drainage and Water Conservation District, 207 Florida Blvd., Baton Rouge, LA 70801; Bossier, P.O. Box 189, Benton, LA 71006; Caddo, P.O. Box 78282, Shreveport, LA 71137; East Jefferson, 203 Plaque Ct., Harahan, LA 70123; Fifth Louisiana, 222 N. Cedar St., Tallulah, LA 71282; Lafourche Basin, P.O. Box 670, Vacherie, LA 70090; Lake Borgne Basin, P.O. Box 216, Violet, LA 70092; Natchitoches Levee and Drainage District, P.O. Box 1209, Natchitoches, LA 71458; Nineteenth Louisiana, P.O. Box 267, Colfax, LA 71417; North Bossier, P.O. Box 342,

Plain Dealing, LA 71064; North Lafourche Conservation, Levee and Drainage District, P.O. Box 230, Raceland, LA 70394; Pontchartrain,

P.O. Box 426, Lutcher, LA 70071; Red River, Atchafalaya, and Bayou Boeuf, P.O. Box 8235, Alexandria, LA 71306; Red River Levee and Drainage District, P.O. Box 433, Coushatta, LA 71019; South Lafourche, P.O. Box 426, Galliano, LA 70354; Tensas Basin, P.O. Box 68, Rayville, LA 71269; West Jefferson, P.O. Box 608, Marrero, LA 70072; and Bayou D'Arbonne Lake Watershed District, P.O. Box 1613, Ruston, LA 71273-1613. All provide services necessary to ensure adequate drainage control and to protect lands within the respective districts from damage by flood. Bayou D'Arbonne Lake Watershed District, Lake Borgne Basin Levee District, and the North Lafourche Conservation, Levee and Drainage District have a December 31 fiscal year end.

Morgan City Harbor and Terminal District (Governmental), P.O. Box 1460, Morgan City, LA 70381, and South Tangipahoa Parish Port Commission (Governmental), 163 W. Hickory St., Ponchatoula, LA 70454, regulate the commerce and traffic of, as well as construct and maintain all facilities within the boundaries of, their respective district or port. South Tangipahoa Parish Port Commission's fiscal year end is December 31.

Poverty Point Reservoir District (Governmental), P.O. Box 811, Delhi, LA 71232, was created to develop a multi-faceted water resource and recreation lake. The relationship to the state is such that to exclude it from the financial statements would be misleading.

Sabine River Authority (Proprietary), 15091 Texas Highway, Many, LA 71449, is charged with the development of Toledo Bend resources within the state.

St. Bernard Port, Harbor, and Terminal District (Proprietary), P. O. Box 1331, Chalmette, LA 70044-1331, regulates the commerce and traffic of the district for the public interest.

Related Organizations

The governor is responsible for appointing the members of the governing authorities of other organizations, but the state's accountability for these organizations is limited to making these appointments. These related organizations are not part of the accompanying statements and include the Ascension-St. James Airport and Transportation Authority, River Parishes Transit Authority, the Louisiana Public Facilities Authority, North Terrebonne Parish Tidewater Management and Conservation District, South

Terrebonne Parish Tidewater Management and Conservation District, Grand Isle Independent Levee District, River Region Cancer Screening and Early Detection District,

the Louisiana Airport Authority, the Ernest N. Morial New Orleans Exhibition Hall Authority, Chaplin Lake District, Grand Bayou Reservoir, Seventh Ward Neighborhood Development District, Terrebonne Levee and Conservation District, Twelfth and Thirteenth Wards Neighborhood Development District, and Fourteenth and Sixteenth Wards Neighborhood Development District.

Joint Venture

The Sabine River Authority participates equally with the Sabine River Authority of Texas in the Sabine River Compact Administration (Compact), 15091 Texas Highway, Many, LA 71449, and, through the Sabine River Authority, with the Sabine River Authority of Texas in the Toledo Bend Joint Operation (Joint Operation), Rt. 1, Box 270, Burkeville, TX 75932. 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. It is administered by 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. 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. It is 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 United States 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.

Jointly Governed Organizations

Jointly governed organizations are governed by representatives from each of the governments creating the organization and in which the participants do not retain an ongoing financial interest or financial burden. Louisiana participates in the Gulf States Marine Fisheries Commission and the Southern Rapid Rail Transit Commission.

B. BASIS OF PRESENTATION - FUND ACCOUNTING

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the GASB. Financial statements

for the College and University Funds have been prepared in conformity with generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants (AICPA) College Guide. Financial activities of the state are organized on the basis of funds and account groups, each considered a separate accounting entity. Fund categories include governmental funds, proprietary funds, fiduciary funds, and college and university funds. Account groups are presented for general long-term debt and general fixed assets. The financial position and operations of each fund are accounted for in a separate set of self-balancing accounts that represent each fund's assets, liabilities, equity, revenues, and expenditures or expenses. Government resources are allocated to and accounted for in the individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The reported funds were established constitutionally, by statute enacted by the legislature or administratively. Because of the large number of Special Revenue funds, individual presentation has been replaced by a functional categorization. Individual reporting is included in the Supplementary Information available on request from the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy. General descriptions of the major funds precede their statement presentation, and segment information of material Special Revenue funds is shown in Note 14.

Governmental Funds

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 accounted for in the General Fund. Revenues originate from 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.

Special Revenue Funds. These funds account for the proceeds of special revenue sources that are legally restricted to expenditures for specified purposes. The Constitution of 1974 requires that all revenues deposited in the State Treasury, with certain exceptions, be credited first

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to the Bond Security and Redemption Fund. After a sufficient amount is allocated to pay all obligations secured by the full faith and credit of the state becoming due and payable within the current fiscal year, transfers are made to the special revenue funds in the amounts specified. The

amounts are then expended for purposes provided for by law.

Capital Projects Funds. These funds account for all financial resources segregated for the acquisition or construction of major general government capital projects.

Debt Service Funds. These funds account for the accumulation of revenues for the payment of bond principal and interest.

Proprietary Funds

Enterprise Funds. These funds are used to account for: (a) operations that are financed and operated similarly to private business enterprises [the intent of the governing body is that costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges]; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds. These funds are used to account for financing goods or services provided by one department or agency to other departments or agencies of the state, or to other governments, on a cost-reimbursement basis.

Activities accounted for in the state's proprietary, non-expendable trust and pension trust funds and component units follow all applicable GASB pronouncements as well as applicable Financial Accounting Standards Board pronouncements issued on or before November 30, 1989.

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 governments, and/or funds. Fiduciary funds include expendable trust, nonexpendable trust, pension and investment trust, and agency funds. Expendable trust funds account for the activities of trusts whose principal and income may be used for purposes of the trusts. Nonexpendable trust funds account for the activities of trusts whose principal must be maintained and whose income funds activities of the trusts. Pension and

investment trust funds account for the activities of the various state administered retirement systems. In addition, beginning in fiscal year 1998, the activity of the Louisiana Asset Management Pool, an external investment pool, is

also included. Agency funds account for amounts held in trust for others. Nonexpendable trust and pension trust funds are accounted for in essentially the same manner as proprietary funds, whereas expendable trusts are accounted for essentially in the same manner as governmental funds. Agency funds are custodial in nature and do not involve measurement of results of operations.

Account Groups

General Fixed Assets. The general fixed assets account group accounts for all fixed assets acquired or constructed for the state, except those accounted for in proprietary, fiduciary, and university funds.

General Long-Term Debt. The general long-term debt account group accounts for general obligation bonds, limited obligation bonds, compensated absences, and other long-term obligations not recorded in proprietary, fiduciary, and university funds.

College and University Funds

College and University Funds account for all transactions relating to public institutions of higher education and include current funds, fiduciary funds, and plant funds. Current funds account for resources that will be expended in the near term for operating purposes. Current funds comprise: (a) unrestricted funds that include all funds for operating purposes on which there are no restrictions, except budgetary control provisions included in the annual legislative appropriation act, and (b) restricted funds that may be used only in accordance with externally restricted purposes. Fiduciary funds account for assets held by loan, endowment, and agency funds in which the universities act in a fiduciary capacity. Plant funds account for institutional property acquisition, renewal, replacement, and debt service. The state uses the AICPA College Guide model for accounting and reporting guidance for its colleges and universities.

The following governing boards are responsible for the operations of the institutions: Board of Regents for Higher Education, Board of Supervisors of Louisiana State University System, Board of Supervisors of Southern University System, and Board of Trustees for the Louisiana University Systems.

C. BASIS OF ACCOUNTING - MEASUREMENT FOCUS

Basis of accounting refers to when revenues and expenditures (or expenses) are recognized in the accounts

and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. All

governmental funds and expendable trust funds are accounted for using a financial resources measurement focus whereby only current assets and current liabilities generally are included on the balance sheet, and increases or decreases in net current assets are presented in the operating statements. These, as well as agency funds, use the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available to finance expenditures of the current period, generally considered 45 days after the end of the fiscal year. Major revenues such as sales tax, general severance tax, gasoline tax, inspection fees, tobacco tax, etc., are assessed and collected so they can be accrued appropriately. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except principal and interest on general long-term obligations, which are recognized when due. Also, expenditures for accrued compensated absences are not recognized until payable from current available financial resources.

Proprietary funds, nonexpendable trust funds, and pension trust funds are accounted for and reported using a flow of economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity consists of contributed capital and retained earnings. Additionally, operating statements for proprietary funds present increases or decreases in net total assets and are reported using the full accrual basis of accounting. Nonexpendable and pension and investment trust funds apply the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. College and university funds are also accounted for and reported using the accrual basis of accounting, except depreciation is not recognized, and summer school tuition, fees, and faculty salaries and related benefits for June are not prorated, but deferred to the succeeding year.

D. BUDGETS AND BUDGETARY ACCOUNTING

Legislation 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 [Louisiana Revised Statutes (LRS) 39:33]. 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. The State Constitution prohibits the passage of an unbalanced budget (Article VII, Section 10). The Governor may veto

any line item appropriation, subject to legislative override. Generally, revenues and expenditures are budgeted using

the modified accrual basis of accounting. The budget is prepared for each budget unit primarily at the program level. During the current fiscal year, Act 6 of the 1998 Regular Session of the Legislature provided additional sources of funding totaling \$94,720,112, for various agencies so their operational needs for the current fiscal year could be met. The act also reduced appropriations of certain agencies by \$1,385,455.

LRS 39:73 authorizes the transfer of funds. However, by unilateral action, the Commissioner of Administration is authorized to approve the transfer of funds from one expenditure category to another and transfers between programs if the request is supported by sufficient evidence and does not exceed certain limits. The Commissioner of Administration may approve a transfer of funds between expenditure categories when in aggregate the transfers do not exceed the budget by more than \$50,000. Transfer of funds between programs within a budget unit may be approved by the Commissioner when in aggregate the transfers are not more than 1% of the total appropriation to the budget unit and sufficient evidence is presented. Finally, the Commissioner of Administration, with the approval of the Joint Legislative Committee on the Budget, may approve the transfer of funds between expenditure categories when transfers exceed \$50,000, and 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.

The Governor is also 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. If a cash deficit exists or may occur, the Governor may direct the Commissioner of Administration to reduce or disapprove warrants to prevent a cash deficit.

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Encumbrance accounting is used in the general, special revenue, capital projects, expendable trust, and college and university funds to ensure budgetary control. Encumbrances outstanding at year end are reported as reservations of fund balance in the applicable funds.

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 of 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.

The accompanying financial statements include a combined budgetary comparison statement for all governmental fund types for which a legal budget is adopted. Those funds for which budgets are legally adopted include: General Fund, Bond Security and Redemption, and certain Special Revenue Funds. Included in the Special Revenue Budgetary Comparison by function of government is the Federal Energy Settlement Fund shown as General Government; Louisiana Tourism Promotion District, as Culture, Recreation, and Tourism; Transportation Trust Fund, as Transportation and Development; Marsh Island Operating Fund, Rockefeller Refuge Fund, and Wetlands Conservation and Restoration Fund, as Conservation and Environment; Retirement Systems Insurance Proceeds Fund, as Other; and certain boards and commissions, Parish Road Royalty Fund, Port

of New Orleans Gas Tax Fund, Severance Tax Fund, and State Highway Fund Number Two, as Intergovernmental. The Legislature also adopts authorizations for the issuance of general obligation bonds. Expenditure of these funds are accounted for in the capital projects fund. Because capital projects fund authorizations are not part of the annual budget, capital projects fund activities are not presented in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis) - General, Special Revenue, and Debt Service Funds.

Each year, the Legislature enacts an appropriation bill to establish and re-establish ancillary funds to include certain enterprise and internal service funds. Re-established funds are allowed to retain any fund equity resulting from prior year operations. These and all monies from self-generated revenues are available for expenditure in the amounts appropriated. Increases from self-generated revenues, not exceeding in aggregate 5% of appropriated self-generated revenues, may be approved by the Commissioner of Administration. 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.

Supplementary information is prepared in book form and is available on request. Included are General Fund budget detail by appropriation and program; Special Revenue budget detail for each individual fund for which a legal budget is adopted; financial and budget detail for boards and commissions, levee districts, and harbor and port facilities; detailed transfer activity; interfund liabilities; revenues and expenditures by organization and type; and expanded debt information.

The following funds had deficit fund balances/retained earnings (expressed in thousands):

Primary Government:	
Natural Resources Copy and Publications Center	\$ 101
Donald J. Thibodeaux Training Complex	2,738
Discrete Component Units:	
Louisiana Naval War Memorial Commission	1,282
Orleans Levee District	23,915
Sabine River Authority	2,213

REASON FOR DEFICIT FUND BALANCES/RETAINED EARNINGS

Primary Government

The Department of Natural Resources Copy and Publications Center deficit of \$101,000 resulted from operating revenues insufficient to cover depreciation

expenses. Management anticipates increased operating revenues will cover the deficit.

The Donald J. Thibodeaux Training Complex deficit of \$2,738,000 resulted from operating revenues insufficient to cover depreciation expenses. The oversight board has not yet decided on a course of action to recover the deficit.

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Discrete Component Units

The \$1,282,000 deficit of the Louisiana Naval War Memorial Commission is reflective of comparing the operating revenues and expenses of a museum that is not designed to be self-supporting. The deficit is a result of not amortizing depreciation of contributed capital. A portion of the deficit has been and will continue to be reduced by donations from the City of Baton Rouge and the non-profit foundation overseeing the operations of the commission.

The deficit in retained earnings of \$23,915,000 for the Orleans Levee District is the result of operations of two of the four enterprise funds reporting deficits. These operations are relatively new and have issued bonded debt, which has not yet been paid off. The South Shore Harbor and Marina awarded leases for steamboat casino gaming

and anticipates net gaming income and lease revenues will be adequate to retire outstanding debt and to cover operations.

The New Orleans Lakefront Airport anticipates sufficient revenues from aviation fuel sales operations to retire outstanding debt and to realize fuel commission revenues. Increased commercial ground operations and landing fees are expected as a result of gaming boat development.

The Sabine River Authority reported a deficit of \$2,213,000 as a result of not amortizing depreciation of contributed capital. Financial statements of the Authority were restated to add debt that was not previously reported by the Authority and that must be paid to the State Treasurer. Increased fees from recreation area expansions are anticipated to cover the deficit.

Budget Reconciliation to GAAP

A reconciliation of basis and timing differences in the excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources for each fund type for the year ended June 30, 1998, is presented below (expressed in thousands).

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses (<u>Budgetary Basis</u>)	184,070	1,270	
Reconciling Adjustments:			
Basis Differences:			
To Adjust for Revenue Accruals and Deferrals	(113,508)		
To Adjust for Capital Leases	7,390		
To Adjust for Expenditure Accruals	(53,938)		
To Delete IAT Related Transfers In	1,226,556		
To Delete IAT Expenditures	(1,226,556)		
Entity Differences:			
To Adjust for Nonbudgeted Funds (Net)	<u> </u>	<u>38,540</u>	<u>23,674</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses (<u>GAAP Basis</u>)	<u>\$ 24,014</u>	<u>\$39,810</u>	<u>\$ 23,674</u>

E. ASSETS, LIABILITIES, AND FUND EQUITY

Cash and Investments

The State Treasurer pools those cash resources for which the State Treasurer is responsible and invests them accordingly. State policy describes cash equivalents as all highly liquid investments with a maturity of three months or less when purchased. These terms are considered in the

preparation of the Statement of Cash Flows. Investments are reported at fair value in accordance with GASB 31, as are investments in the Louisiana Public Employees Deferred Compensation Plan and investments of the retirement systems. In addition, there are several discrete component units whose fiscal year end did not require them to apply GASB 31 so they are still using cost or amortized cost. Cash and investment earnings are credited to the General Fund unless statutorily dedicated to specific funds.

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Cash and investment limitations are discussed in Note 3. For purposes of the Statement of Cash Flows, the State considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Receivables

For governmental, expendable trust, and agency funds, receivables include all amounts susceptible to accrual that have not been collected at June 30, but will be collected soon enough after the end of the year to pay liabilities of that year. Receivables for proprietary, nonexpendable trust, and pension trust funds include all amounts earned, but not collected at June 30. Receivables for all funds are shown net of any uncollectible amounts.

Inventories

Inventories consist primarily of materials and supplies held for consumption, merchandise for resale, livestock held for resale, and expendable medical supplies and are valued primarily using the average cost method. Inventories of materials and supplies within general governmental fund types are recorded as expenditures when purchased. Effective this fiscal year, all unissued food stamps were shipped outside the state with the conversion of all the parishes to the electronic benefit transfer cards.

Restricted Assets

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

Fixed Assets and Depreciation

General fixed assets are presented in the accompanying financial statements at cost or at estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value at the time of donation. When purchased, movable property is recorded as an expenditure in the governmental fund types and is capitalized in the general fixed assets account group. Beginning with the 1991 fiscal year, many General Fund agencies increased the threshold amount for capitalization. Land, buildings, improvements, and construction in progress are recorded as expenditures in the Capital Outlay Escrow Fund, and those assets for which complete records exist are capitalized in the general fixed assets account group. Public domain assets, such as highways, roads, and bridges, are not capitalized in the general fixed asset account group. No depreciation is provided on general fixed assets. A statement of changes in general fixed assets is presented in Note 13. Fixed assets of enterprise, internal service, and pension trust funds are stated at cost, and reported in the respective funds net of depreciation. These

assets are depreciated principally on the straight line basis over the estimated useful lives of the assets, generally 8 to 50 years for structures and improvements, 3 to 30 years for machinery and equipment, and 3 to 6 years for autos and trucks. Infrastructure assets such as roads, bridges, piers, docks, boat slips, airport runways, drainage and sewerage systems, and railroad tracks are included in the fixed assets reported by enterprise funds. Fixed assets of college and university funds are included in the College and University Plant Funds at cost, and are not depreciated. Interest costs for fixed asset construction within enterprise funds are capitalized; all other interest costs are expensed.

Deferred Revenue

These are amounts collected in the current accounting period for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

Investment in General Fixed Assets

This represents the government's equity in general fixed assets. Changes are disclosed in Note 13.

Fund Equity - Contributed Capital

Contributed capital represents the amount of permanent fund capital in a proprietary fund contributed from general government revenues and resources or other governmental entities.

F. 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. Civil Service General Circular No. 001155 states that classified employees belonging to the Teachers' Retirement System of Louisiana and to the Louisiana School Employees' Retirement System are not eligible for payment of unused sick leave upon retirement or death. LRS 17:425, on the other hand, provides for payment for up to 25 days of unused sick leave for members of these two systems. In Opinion No. 94-373, the Attorney General opined that the Civil Service Commission had jurisdiction over classified employees and therefore those members are not eligible for payment of unused sick leave. Because the Commission has no authority over unclassified employees, those members are eligible to receive such compensation. Upon the member's retirement, the number of hours of unused annual leave in excess of 300 hours, and the number of hours of unused sick leave, are converted into years or fractions of years and

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added to the number of years of service earned by the retiree. Unused annual and sick leave are applied to the number of years of service only for computing the rate of pay due to the retiree and do 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. 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 transferred from the department in which it was earned. The state's liability for unused annual and compensatory leave at June 30, 1998, is estimated to be \$148,491,377 and is reported in the general long-term debt account group. The liability for accrued leave for proprietary funds is \$1,201,000 and is reflected in that fund type. The accrued leave liability for colleges and universities is \$129,758,000 and is reflected in college and university funds. Discretely presented component units reflect a liability for compensated absences of \$5,767,000.

G. IMPLEMENTATION OF STATEMENTS ISSUED BY THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD

Applicable provisions of the Governmental Accounting Standards Board (GASB) Statements 1 through 30 were implemented in prior years. Statement 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," was issued in March 1997 with implementation required for periods beginning after June 15, 1997. This statement, as well as the GASB Technical Bulletin 98-1 relative to the year 2000 disclosure, has been implemented this year.

H. COMPONENT UNIT COLUMNS ON COMBINED STATEMENTS

Component unit columns on the combined statements are shown after the college and university funds. All component units are presented in a single column on the combined balance sheet. Separate columns are presented for governmental and proprietary fund type component units on the Combined Statement of Revenues, Expenditures/ Expenses and Changes in Fund Balance/Retained Earnings. Condensed financial statements for component units are presented at Note 19.

NOTE 2: INTERFUND ASSETS, LIABILITIES, AND TRANSFERS

A. RECEIVABLES AND PAYABLES - PRIMARY GOVERNMENT

A summary of interfund receivables and payables at June 30, 1998, is shown below (expressed in thousands):

<u>Fund Type</u>	<u>Fund Name</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	General Fund	<u>\$777,808</u>	<u>\$310,858</u>
Special Revenue			
	General Government	\$ 5,288	\$ 13,178
	Culture, Recreation and Tourism	9,011	9,531
	Transportation and Development	76,988	91,538
	Public Safety	337	1,218
	Health and Welfare	19,316	3,544
	Corrections	5	39
	Conservation and Environment	30,695	6,057
	Education	2,714	19,001
	Gaming	24,663	16,757
	Other	1,231	1,345
	Intergovernmental	<u>7,292</u>	<u>45</u>
	Subtotal Special Revenue	<u>\$177,540</u>	<u>\$162,253</u>

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<u>Fund Type</u>	<u>Fund Name</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Debt Service	Bond Security and Redemption Fund	\$ 160,289	\$ 715,511
	Crescent City Connection Division		66
	Transportation Infrastructure Model for Economic Development	<u>45,432</u>	<u>4,744</u>
	Subtotal Debt Service	\$ <u>205,721</u>	\$ <u>720,321</u>
Capital Projects	Capital Outlay Escrow Fund	\$ <u>129,659</u>	\$ <u>587</u>
	Subtotal Capital Projects	\$ <u>129,659</u>	\$ <u>587</u>
Enterprise	Louisiana Agricultural Finance Authority		\$ 255
	Louisiana Lottery Corporation		12,080
	Louisiana Opportunity Loan Fund		<u>2,250</u>
	Subtotal Enterprise		\$ <u>14,585</u>
Internal Service	Administrative Services		\$ 700
	Administrative Support		150
	Office of Telecommunications Management		4
	Public Safety Services Cafeterias		1
	Donald J. Thibodeaux Training Complex		<u>7</u>
	Subtotal Internal Service		\$ <u>862</u>
Expendable Trust	Louisiana Education Tuition and Savings Fund	\$	\$ 7
	Louisiana Quality Education Support Fund	31,424	28,330
	Rockefeller Wildlife Refuge Trust and Protection Fund	725	
	Russell Sage or Marsh Island Refuge Fund	183	208
	Russell Sage Special Fund No. 2	391	30
	Unemployment Trust Fund	<u>359</u>	
	Subtotal Expendable Trust	\$ <u>33,082</u>	\$ <u>28,575</u>
Nonexpendable Trust	Louisiana Education Quality Trust Fund	\$ 195	30,792
	Louisiana State Wildlife Refuge Protection Trust Fund	<u>2</u>	
	Subtotal Nonexpendable Trust	\$ <u>197</u>	\$ <u>30,792</u>
Agency	Reversionary Medical Trust Fund		\$ <u>5,293</u>
	Subtotal Agency		\$ <u>5,293</u>
Colleges and Universities	Colleges and Universities	\$ <u>189,711</u>	\$ <u>240,378</u>
	Subtotal Colleges and Universities	\$ <u>189,711</u>	\$ <u>240,378</u>
Discrete Component Units	Discrete Component Units	\$ <u>786</u>	
	Subtotal Discrete Component Units	\$ <u>786</u>	
	Total Interfund Receivables/Payables	\$ <u>1,514,504</u>	\$ <u>1,514,504</u>

B. TRANSFERS IN AND OUT

A summary of operating and fund equity transfers in and out at June 30, 1998, is shown below (expressed in thousands):

<u>Fund Name</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 7,646,466	\$ 1,909,337

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Special Revenue	1,498,581	1,773,724
Debt Service	226,290	7,692,028
Capital Projects	682,507	25,761
Enterprise	7,465	108,038
Expendable Trust	56,881	64,060
Nonexpendable Trust	17,365	8,058
Pension Trust	28,037	0
Colleges & Universities	<u>1,530,406</u>	<u>123,840</u>
Total Primary Government	<u>\$11,693,998</u>	<u>\$11,704,846</u>
Discrete Component Units	<u>\$ 32,031</u>	<u>\$ 21,183</u>

NOTE 3: DEPOSITS AND INVESTMENTS

A. CASH AND CASH EQUIVALENTS

Included as cash and cash equivalents are bank accounts and short-term investments, especially certificates of deposit. 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 unmatured or payable on demand; or notes representing loans to students guaranteed by the Louisiana Student Financial Assistance Commission. 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 balances for the primary government and its discrete component units as of June 30, 1998. Deposits are listed in terms of risk involved. Category 1 represents deposits insured (inclusive of FDIC, SIPC or similar federal security) or collateralized with securities held by the state or its agent in the state's name. Category 2 represents deposits collateralized with securities held by the pledging financial institution's trust department or agent in the state's name. Category 3 represents deposits uncollateralized including any securities held for the entity but not in the state's name.

Bank Balances (Expressed in Thousands)

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Bank Balances</u>	<u>Reported Amount</u>
Primary Government					
Cash	\$1,506,649	\$132,675	\$ 70,570	\$1,709,894	\$1,372,206
Certificates of Deposit	388,672	33,031	22,204	443,907	523,629
Other	<u>25,961</u>	<u>2,151</u>	<u>74,026</u>	<u>102,138</u>	<u>110,863</u>
Total Primary government	<u>\$1,921,282</u>	<u>\$167,857</u>	<u>\$166,800</u>	<u>\$2,255,939</u>	<u>\$2,006,698</u>
Discrete Component Units					
Cash	\$ 40,213	\$ 19,894	\$ 8,598	\$ 68,705	\$ 64,273
Certificates of Deposit	36,121	6,879	23,458	66,458	66,458
Other	<u>70,566</u>	<u>2,276</u>	<u>15,659</u>	<u>88,501</u>	<u>89,186</u>
Total Discrete Component Units	<u>\$ 146,900</u>	<u>\$ 29,049</u>	<u>\$ 47,715</u>	<u>\$ 223,664</u>	<u>\$ 219,917</u>
Grand Total	<u>\$2,068,182</u>	<u>\$196,906</u>	<u>\$214,515</u>	<u>\$2,479,603</u>	<u>\$2,226,615</u>

B. INVESTMENTS

LRS 49:327 authorizes the State Treasurer to invest

available monies in direct Treasury obligations, government agency obligations, direct security repurchase agreements, and reverse direct security repurchase

agreements for federal obligations listed previously, 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 maturity dates in excess of five years from the purchase date, except monies invested from special funds (those not

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considered general funds) which shall not exceed 10 years from the date of purchase. In each case, all funds must be fully insured or collateralized by the pledge of securities. 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 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 ". . . shall exercise the judgement and care under the circumstances then prevailing that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it not in regard to speculation but in regard to the permanent disposition of funds considering probable safety of capital as well as probable income." Notwithstanding the prudent man rule, no governing authority of any system shall invest more than 55% of the total portfolio in equities.

Generally, investment of funds by colleges and universities are subject to the same provisions of LRS 49:327 that govern the State Treasurer and state agencies. However, investment of funds of state colleges and universities derived from private sources such as gifts, grants, and endowments are governed by the "Uniform Management of Institutional Funds Act," LRS 9:2337.1 - 2337.8. Authorized investments include "mortgages, stocks, bonds, debentures, and other securities of profit or nonprofit corporations, shares in or obligations of associations, partnerships, or individuals, and obligations of any government or subdivision or instrumentality thereof." In investing funds, the governing board of the college or university must exercise ordinary business care and prudence under the facts and circumstances prevailing at the time of the investment action or decision.

The following chart presents the state's investment position at June 30, 1998, unless otherwise noted. The various types of investments are listed and presented by category of risk assumed by the state. Category 1 represents those investments insured or registered in the state's name, or securities held by the state or its agent in the state's name. Category 2 represents investments uninsured and unregistered with securities held by the counterparty's trust department or agent in the state's name. Category 3 represents investments unsecured and unregistered with securities held by the counter party, or by its trust department or agent but not in the state's name.

Investments by the State Treasurer are reported at fair value as required by GASB 31, as are investments by the state's four statewide public employee retirement systems. Certain entities included in the CAFR, primarily discrete, have not yet implemented the provisions of GASB 31 since their fiscal year ends are outside the statement's effective date.

	Carrying Amount (Expressed in Thousands)			Reported Amount	Fair Value
	Category 1	Category 2	Category 3		
General Government					
Repurchase Agreements	\$ 574,500	\$	\$ 7,279	\$ 581,779	\$ 581,779
U.S. Government Obligations					
Not on Securities Loan	547,051	178,586	68,496	794,133	794,133
On Securities Loan	1,697,487			1,697,487	1,697,487
Common & Preferred Stock	67,281		625	67,906	67,906
Domestic & Foreign Bonds					
Not on Securities Loan	47,133			47,706	47,706
On Securities Loan			573		
Miscellaneous	<u>48</u>	<u></u>	<u>2,000</u>	<u>2,048</u>	<u>2,048</u>
Total General Government	<u>2,933,500</u>	<u>178,586</u>	<u>78,973</u>	<u>3,191,059</u>	<u>3,191,059</u>
Universities, Retirement Systems, Other Trusts					
Repurchase Agreements	205,051		2,365	207,416	207,416
U.S. Government Obligations					
Not on Securities Loan	1,838,998	71,556	7,551	1,918,105	1,918,816

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	Carrying Amount (Expressed in Thousands)			Reported Amount	Fair Value
	Category 1	Category 2	Category 3		
On Securities Loan	266,409			266,409	266,409
Common & Preferred Stock					
Not on Securities Loan	6,075,268		3,461	6,078,729	6,078,959
On Securities Loan	1,094,109			1,094,109	1,094,109
Domestic & Foreign Bonds					
Not on Securities Loan	2,203,565		1	2,203,566	2,203,566
On Securities Loan	3,943			3,943	3,943
				3,943	
Mortgages, Notes, and Other	322,207		1,002	323,209	323,227
Miscellaneous Short Term					
Not on Securities Loan	95,090			95,090	95,090
On Securities Loan	54,036			54,036	54,036
Miscellaneous Other					
Not on Securities Loan	3,017,230			3,017,230	3,017,230
On Securities Loan	<u>323,756</u>			<u>323,756</u>	<u>323,756</u>
Total Universities, Retirement Systems, and Other	<u>15,499,662</u>	<u>71,556</u>	<u>14,380</u>	<u>15,585,598</u>	<u>15,586,557</u>
Investments Not Categorized:					
Primary Government					
Common and Preferred Stock				10,981	10,981
U.S. Government Obligations				337,431	337,431
Mutual Funds				427,561	427,561
Mortgages, Notes & Other				37	37
Miscellaneous Short Term				28,985	28,985
Miscellaneous Other				7,020	7,391
Real Estate				339,751	339,751
Venture Capital				64,347	64,347
Investments held by Broker-Dealers under Securities on Loan					
Contracts:					
U.S. Government Obligations				78,488	78,488
Domestic & Foreign Bonds				790,334	790,334
Domestic Common & Pref. Stock				96,886	96,886
International Common Stock				270,300	270,300
Domestic Money Market Funds				846,752	846,752
International Money Market Funds				9,435	9,435
Annuity Insurance Contracts				81,837	81,837
Private Equity Investments				364,200	364,200
Collateral Held Under Securities Lending Program				1,044,315	1,044,315
Securities Lending Short- Term Investment Pool				<u>513,571</u>	<u>513,571</u>
Total Noncategorized Investments:				<u>5,312,231</u>	<u>5,312,602</u>
Primary Government				<u>5,312,231</u>	<u>5,312,602</u>
Total Investments: Primary Government	<u>18,433,162</u>	<u>250,142</u>	<u>93,353</u>	<u>24,088,888</u>	<u>24,090,218</u>
Discrete Component Units					
Repurchase Agreements	300			300	300

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	Carrying Amount (Expressed in Thousands)			Reported Amount	Fair Value
	Category 1	Category 2	Category 3		
U.S. Government Obligations	576,932	53,103	82,159	712,194	720,278
Common & Preferred Stock	39,213			39,213	44,932
Municipal Bonds	122			122	122
Mortgages, Notes & Other	38,371			38,371	38,413
Miscellaneous Other	<u>3,967</u>			<u>3,967</u>	<u>3,967</u>
Total Discrete Component Units	<u>658,905</u>	<u>53,103</u>	<u>82,159</u>	<u>794,167</u>	<u>808,012</u>
Investments not Categorized:					
Discrete Component Units:					
Mutual Funds				2,057	2,057
Common & Preferred Stock				12,354	12,354
Miscellaneous Other				<u>282</u>	<u>282</u>
Total Investments not Categorized-					
Discrete Component Units				<u>14,693</u>	<u>14,693</u>
Total Investments: Discrete Component Units	<u>658,905</u>	<u>53,103</u>	<u>82,159</u>	<u>808,860</u>	<u>822,705</u>
TOTAL ALL INVESTMENTS	<u>\$19,092,067</u>	<u>\$303,245</u>	<u>\$175,512</u>	<u>\$24,897,748</u>	<u>\$24,912,923</u>

Management of the cash and investments held by the State Treasurer is independent of the state's automated accounting system. The vast majority of the cash reported on the balance sheets within all fund types is reported by the State Treasurer as investments for this note disclosure. In order to accurately compare the cash and investments shown on the Combined Balance Sheet for All Fund Types with the carrying values of deposits and investments on the schedule above, the following is provided (amounts expressed in thousands):

Carrying value of cash per Note 3	\$ 2,226,615	
Carrying value of investments per Note 3	<u>24,897,748</u>	<u>\$27,124,363</u>
Cash per Combined Balance Sheet	\$ 4,358,078	
Investments per Combined Balance Sheet	22,686,385	
Restricted cash per Combined Balance Sheet	20,719	
Restricted investments per Combined Balance Sheet	11,039	
Investments in other categories	<u>48,142</u>	<u>\$27,124,363</u>

C. SECURITIES LENDING

The Louisiana State Treasurer operated two separate security lending programs during the 1998 fiscal year. One arrangement, authorized by LRS 49:327(c), entails the lending of its pooled assets comprising treasury and agency securities. In return for the lending transaction, the broker/dealer provides cash or securities of a similar nature and maturity to those lent valued at 102% of the securities

involved. The state agrees to hold as collateral securities for which it has no negotiation rights but for which it does have ownership. The State Treasurer has neither actual nor constructive receipt of the collateral. The State Treasurer has the right to receive or sell the collateral only upon a default of the borrower as defined in the contracts. The cash collateral is invested in an overnight investment pool of the safekeeping agent. Securities lent are not considered to have been sold nor have the securities received as collateral considered to have been purchased. The safekeeping agent has agreed to indemnify the State Treasurer for certain conditions, the two most important of which are default on the part of the borrower and failure to maintain the daily market to market on the pledged collateral. The State had no credit risk at the balance sheet date. No losses on securities lending transactions occurred during the 1998 fiscal year.

The Louisiana Education Quality Trust Fund (LEQTF) also participates in a securities lending program as authorized by LRS 17:3803(E)(1). In return, the state receives cash or securities as collateral equal to the market value plus interest of the securities lent or collateral of a similar type and maturity to those lent, collateralized at 102%. Securities purchased with cash collateral are included in an overnight repurchase investment pool, which is category 3, and generally match loan maturities. The State Treasurer agrees to transfer lendable LEQTF securities (lendable securities are defined in the contract, but generally consist of treasury and agency fixed-income instruments) to the agent bank. The broker/dealer agrees to utilize securities as market opportunities arise, with the income from the transaction resulting in a split of 60/40, the 60% accruing directly to the LEQTF. The State Treasurer has the right to

sell the pledged collateral only upon default of the borrower as defined in the contract. The securities lending agent has agreed to indemnify the State Treasurer as agent for the LEQTF for broker default and failure to maintain the market to market on the collateral. LEQTF had no credit risk at the balance sheet date; nor were there any losses on securities lending transactions occurring in fiscal year 1998. At June 30, 1998, the value of securities on loan was \$1,697,486,930 for the treasurer's pooled investments and \$285,332,925 for LEQTF.

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 preapproved securities dealers. Securities dealers must meet specific criteria to be approved. The TRSLA lends its securities for cash. The LSERS and LASERS lend their securities for cash, U.S. government securities, and irrevocable letters of credit. 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 balance sheet. Because the LASERS does not trade or sell the collateral received in its program, such collateral is not considered an asset of the System and a corresponding liability is not required on its balance sheet. The LSERS and LASERS cannot pledge or sell securities unless the borrower defaults.

The TRSLA lends domestic securities for cash collateral of 100% and international securities for cash collateral of 105%. The LSERS and LASERS lend U.S. securities for collateral valued at 102% of the market value of the securities plus any accrued interest. Non-U.S. securities are loaned for collateral valued at 105% of the market value of the securities plus any accrued interest.

Where TRSLA and LSERS loans are for term, the reinvestment of the cash is matched to the maturity of the loan. 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, 1998, LASERS had no credit risk exposure to borrowers.

Neither the TRSLA nor the LSERS had any credit risk exposure to borrowers at year end because either the cash collateral held reflected the market value of securities on loan, or amounts owed to borrowers exceeded amounts owed by borrowers. Securities loans of both systems may be terminated on demand by either party within a period specified in the related agreement. There were no significant violations of legal or contractual provisions, nor borrower or lending agent default losses known to the securities lending agents of either system.

Both LASERS and LSERS have indemnification agreements with their securities lending agents in case of borrower default.

Securities on loan at June 30, 1998 totaled \$580,108,751 for LASERS, \$2,111,388,005 for TRSLA, and \$232,363,810 for LSERS.

NOTE 4: EMPLOYEE BENEFITS

A. RETIREMENT SYSTEMS

Background

The State of Louisiana maintains four defined benefit pension plans that are considered component units of the State of Louisiana and are included in the state's Comprehensive Annual Financial Report as a part of the primary government. Those plans are administered by four public employee retirement systems. The Louisiana State Employees' Retirement System (LASERS), established July 1, 1947, includes classified and unclassified employees of state government. The Teachers' Retirement System of Louisiana (TRSLA) was established August 1, 1936, for the benefit of public school teachers and, effective July 1, 1983, includes school lunch employees. TRSLA offers a defined contribution plan to a relatively small, select group of

employees in higher education. The Louisiana School Employees' Retirement System (LSERS) was established on July 1, 1947, for persons employed as school bus drivers, school janitors, school custodians, and school maintenance employees. The Louisiana State Police Retirement System (LSPRS) was established by Act 293 of 1938. Its members include commissioned law enforcement officers of the Office of State Police and the Superintendent of the Office of State Police.

On November 21, 1987, the electorate of the State of Louisiana ratified a constitutional amendment by adding subsection (E) to Article 10, Section 29, mandating that the legislature assure the actuarial soundness of the state and statewide retirement systems. In compliance with that amendment, the Legislature enacted LRS 11:1 - 127 in its 1988 regular session. The purpose was to consolidate

public retirement law to satisfy the intent of the constitutional amendment. The result was a

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comprehensive list of actuarial criteria for the affected public employee retirement systems (PERS). LASERS and TRSLA are required to use the projected unit credit cost method in the determination of actuarially required contributions, whereas LSERS and LSPRS are required to use the entry age normal cost method for this determination.

Subsection 42B (4, 5, 10, and 11) provides for the amortization of the unfunded accrued liabilities of these PERS. Louisiana School Employees', Louisiana State Employees', and Teachers' Retirement Systems are provided for as follows:

The unfunded liability as of June 30, 1988, determined under the projected unit credit funding method "...shall be amortized over a forty year period, commencing with the fiscal year 1989-1990 with the series of forty annual payments forming an increasing annuity, increasing initially at 4% per annum for the first five years, with the percent of increase reduced one-half of one percent over each successive five year period, so that the payments are increasing at the rate of one-half of one percent over the last five year period."

This section was amended in 1992 to require that the outstanding balance of the unfunded accrued liability as of June 30, 1992, "...shall be amortized over the remaining thirty-seven year period with payments forming an annuity at four and one half percent annually."

Subsection 42B also specifies that the unfunded accrued liability of the State Police Retirement System as of June 30, 1988, "...shall be amortized over a twenty year period, commencing with fiscal year 1989-1990, with level dollar payments annually."

LRS 11:62 and 11:102 specify employee contribution rates effective July 1, 1989, and enumerates in detail how the employer contribution rate will be calculated each year for each system. Included are provisions to add any underpayment or subtract any overpayment from the previous year to the calculation of the actuarially required employer contribution for each fiscal year as well as the employer's normal cost and that fiscal year's payment toward amortizing the system's June 30, 1988, unfunded accrued liability.

Readers requiring pension information not included in this report may request a copy of the separately issued financial reports by writing to each retirement system individually at the addresses listed in Note 1.

Plan Description

Louisiana State Employees' Retirement System Although there are 408 contributing employers in this system, LASERS is considered a single employer plan because the

material portion of its activity was with one employer -- the State of Louisiana. The system was established and provided for within Title 11, Subtitle II, Chapter 1, of the Louisiana Revised Statutes. Benefit provisions are authorized within LRS 11:441-501.

Those employees considered eligible for membership in LASERS include all state employees except those specifically excluded by statute and are eligible immediately upon employment. Members are vested after 10 years of service.

A member is eligible to retire after at least 10 years of service at age 60, 25 years at age 55, or after 30 years at any age. Effective January 1, 1996, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The system does provide for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable at a rate of 2.5% of the average of the highest 3 consecutive years of compensation, multiplied by the number of years of creditable service. Once an employee has accumulated 10 years of service, disability benefits apply based on the regular benefit formula without age restrictions.

Act 14 of the 1990 Louisiana Legislature provided for a new retirement option designated as the Deferred Retirement Option Plan (DROP). Only LASERS members are eligible for this option. When a member enters DROP, his status changes from active member to retiree even though he continues to work at his regular job and draws his regular salary for a period of up to three years. During the DROP participation period, the retiree's retirement benefits are paid into a special account. The election is irrevocable once participation begins. Interest, at a rate of one-half percent less than the system's realized return on its portfolio, will be credited after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. The DROP program was designed to have no actuarial effect on LASERS' unfunded liability. The number of employers participating in the DROP program is currently 124. Current membership in the program is 2,766 members.

Teachers' Retirement System of Louisiana The TRSLA is the administrator of a cost-sharing multiple employer plan. The system was established and provided for within Title 11, Subtitle II, Chapter 2, of the Louisiana Revised Statutes. Benefit provisions are authorized within LRS 11:761-813.

The word "plan" as used below does not carry the same definition as referred to in GASB Statements 25, 26, and

27. We maintain GASB's use of the word "plan" in this context to refer to individual benefit options.

Those employees considered eligible for membership in TRSLA include teachers and eligible school lunch employees and are eligible immediately upon employment. Under the Teachers' Regular Plan, members are vested after 10 years of service. A teacher member is eligible to retire after at least 10 years of service at age 60, or after 20 years at any age, and receive benefits based on a formula of 2%. A teacher member who retires with 25 years of service at age 55, 20 years at age 65, or 30 years at any age will receive benefits based on a formula of 2.5%. In 1983 the Louisiana School Lunch Employees' Retirement System was merged into this system. The Louisiana School Lunch Employees' Retirement System contained two plans which were acquired by Teachers' Retirement: Plan A for members who are employed by the school system and are not covered by the Social Security system and Plan B for members who are employed by the school system and are covered by Social Security. Plan A members are eligible to receive benefits based on a 3% benefit formula after 10 years of service at age 60, 25 years at age 55, or after 30 years service at any age. A 2% benefit formula accrues to Plan B members after 10 years service at age 60 and after 30 years service at age 55.

The system does provide for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. After an employee has accumulated five years of service, disability benefits apply based on the regular benefit formula without age restrictions if determined eligible by the medical board. Otherwise, reduced benefits are available based on varying percentage formulas for each plan.

The Optional Retirement Plan (ORP) was created by LRS 17:765 - 775, to establish a defined contribution program for academic employees in higher education. Eligible members have the option of making an irrevocable election to participate in the ORP rather than the TRSLA and purchase annuity contracts for benefits payable at retirement. Monthly contributions based on percentages of salary are made by the employee and the employer to the companies who are selected as providers of the plan. ORP provides for portability of assets and full and immediate vesting of all contributions submitted to the participating companies on behalf of the employees. In accordance with LRS 11:927(B), the system retains 9.381% of the 16.4% ORP employer contributions to be applied to the unfunded accrued liability of the system. Thus, the amount transferred to the carrier is the employer's portion of the normal cost contribution, which has been determined by the Public Retirement Systems' Actuarial Committee to be

7.019%. The number of employers participating in the ORP program is currently 186. Current membership in the program is 10,191 members. The ORP program is not an

obligation of the state or Teachers' Retirement System, and is therefore not included in the CAFR.

Members of TRSLA also have the option of participating in a three-year DROP program.

The Option 5 program became effective January 1, 1996. Under this program, a retiring member who had not participated in the DROP could select an Option 5 alternative. This alternative provides the retiree with a one-time payment of up to 36 months of a regular monthly retirement benefit in addition to a reduced regular monthly retirement benefit for life.

Louisiana School Employees' Retirement System

Although the LSERS is considered part of the State of Louisiana financial reporting entity, it is not a part of the state's payroll. LSERS is the administrator of a cost-sharing multiple employer plan. The system was established and provided for within Title 11, Subtitle II, Chapter 3, of the Louisiana Revised Statutes. LRS 11:1116 mandates that specified employees become members of the system as a condition of employment. Benefit provisions are authorized within LRS 11:1131-1152.

Membership is mandatory for all employees under age 60 employed by a Louisiana parish or city school board, who work more than 20 hours as a school bus driver, school janitor, school custodian, school maintenance employee, or school bus aide. Members are vested after 10 years of service time.

A member is eligible to retire after at least 10 years of service at age 60, 25 years at age 55, or after 30 years at any age. The system does provide for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. The maximum retirement benefit is an amount equal to 2.5% of the average compensation for the 3 highest consecutive years of membership service, multiplied by the number of years of service, plus a supplementary allowance of \$24 per annum or \$2 per month for each year of service, not to exceed average final compensation. Any member retiring on or after January 1, 1992, shall receive for his or her first 20 years of service a 2.5% accrual rate, with a 3% accrual rate for each year after 20 years. Once an employee has accumulated 5 years of service, disability benefits apply based on the normal benefit formula without age restrictions. Other benefits have resulted from legislative changes and include cost-of-living benefits.

Effective July 1, 1992, members of the LSERS may elect to participate in the Deferred Retirement Option Plan (DROP)

and defer receipt of benefits. The election may be made one time only and duration is limited to three years. Monthly retirement benefits that would have been payable

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had the person elected to cease employment and receive a service retirement allowance will be paid into the plan and credited to a subaccount for that individual. All amounts that remain credited to the individual's subaccount shall be credited with interest at the end of each plan year at a rate equal to the realized return of the system's portfolio for that plan year, less one-half of one percent. Upon termination of participation in both the plan and employment, a participant may receive either a lump sum payment for the account or systematic disbursement. The number of employers currently participating in the DROP program is 74. Current membership in the program is 869 members.

Effective January 1, 1996, the state legislature authorized the Plan to establish an Option 5 program. Option 5 is available to members who have not participated in the DROP and who select the maximum benefit, Option 2 benefit, Option 3 benefit or Option 4 benefit. Thereafter, these members are ineligible to participate in the DROP. The Option 5 program provides both a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from the Option 5 account are made in accordance with the DROP account, Louisiana Revised Statutes 11:450(A)(1).

Louisiana State Police Retirement System The LSPRS was established by Act 293 of 1938 and is the administrator of a single employer plan. Those employees considered eligible for membership in LSPRS include commissioned law enforcement officers of the Office of State Police and the Superintendent of State Police, and are eligible immediately upon employment.

After 10 years of service at age 50, benefits begin at 25% of the member's average salary and increase depending on length of service. After 15 years at age 50, benefits begin at 45% of the member's average salary and increase depending on length of service. Those employed after September 8, 1978, must have 20 years of service regardless of age, and benefits begin at 60% of the member's average salary and increase depending on length of service. Disability benefits equal 50% of average salary plus one and one-half percent of average salary for each year in excess of 10 years. Disability benefits shall be modified whenever a non-service disability retiree is engaged in gainful employment. Non-duty disability rates vary depending on length of service, but begin after 5 years of service credit. Death benefits vary whether cause was in the line of duty and whether there is a surviving spouse and/or number of minor children and other. The system does provide for deferred benefits for vested members who terminate before being eligible for retirement.

Any active member who is eligible to receive a service retirement allowance is eligible to participate in the Deferred Retirement Option Plan (DROP) and defer receipt of benefits. The participation period shall not

exceed 3 years. The member may choose a lump sum payment, a true annuity based on his account, or another method approved by the board of trustees. Current membership in the program is 60 members.

A summary of government employers participating in the plans at June 30, 1998, is as follows:

		Number of <u>Employers</u>
<u>LASERS</u>	State Agencies	264
	Other Public Employers	<u>144</u>
	Total	<u>408</u>
<u>TRSLA</u>	School Boards	67
	Colleges and Universities	19
	Vocational Technical Schools	52
	State Agencies	40
	Other	<u>39</u>
Total	<u>217</u>	
<u>LSERS</u>	School Boards	66
	Other Agencies	<u>8</u>
	Total	<u>74</u>
<u>LSPRS</u>		<u>1</u>

Summary of Significant Accounting Policies

All four systems use the accrual basis of accounting for operating income and operating expenses. Within this context, interest income is recognized when earned, as are employer and employee contributions. Dividends are recognized when declared. State fund appropriations are recognized when earned by LASERS, TRSLA, and LSPRS. LASERS, LSERS, and TRSLA use the trade date basis to record investment purchases and sales.

As required by GASB 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosure for Defined Contribution Plans," investments are reported at fair value. Financial markets have suffered significant reductions in market values since June 30, 1998, that could be material to each of the four systems. Investments are reported as follows:

LASERS 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 current exchange rates. Corporate bonds are valued based on yields currently available on comparable

securities from issuers of similar credit ratings. Mortgage securities are valued on the basis of estimated future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established

market are reported at estimated fair value. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Land, building, equipment, and furniture are carried at historical cost. Depreciation is computed using the straight-line method based on useful lives of 40 years for buildings and 3 to 15 years for equipment and furniture.

Besides investments in the U. S. Government and U. S. Government obligations, LASERS had no investments in any one organization that represented more than 5% of the net assets available for benefits.

TRSLA Fair value is based on the market value on the last business day of the fiscal year. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rate. Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on an accrual basis. Securities purchased pursuant to agreements to resell are carried at the contract price, exclusive of interest, at which the securities will be resold. Benefits and refunds are recognized when due and payable in accordance with the terms of the system.

Land, building, equipment, and furniture are carried at historical cost. The building and related land are jointly owned by Teachers' Retirement System of Louisiana and Louisiana State Employees' Retirement System. Depreciation is computed by the straight-line method based on useful lives of 40 years for building and 3 to 10 years for equipment and furniture.

Besides investments in the U. S. Government and U. S. Government obligations, TRSLA has no investments of more than 5% of the portfolio invested in any one corporation nor does TRSLA hold more than 5% of any corporation's outstanding stock.

LSERS Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. Benefits and refunds paid are recognized when due and payable in accordance with the terms of the plan.

Land, building, equipment, and furniture are carried at historical cost. Depreciation is computed by the straight-line

method based on useful lives of 40 years for buildings and 3 to 10 years for equipment and furniture.

Besides investments in U.S. Government obligations and the U.S. Government, LSERS had no investments in any one organization that represented 5% or more of the net

assets available for pension benefits. There are no investments in loans to or leases with parties related to the pension plan. The investment activity of LSERS is subject to an investment policy adopted by the Board of Trustees and to oversight by the Board of Trustees.

LSPRS Investments are reported at fair value. Fair value is determined by the last reported sales price. Benefits and refunds paid are recognized in the period they are allocated.

Furniture, fixtures, and equipment are stated at cost and are being depreciated on the straight-line basis over their estimated useful lives. The estimated useful lives range from 3 to 10 years.

Besides investments in the U. S. Government and U. S. Government obligations, LSPRS has not had investments representing more than 5% of the net assets available for benefits.

Contributions

A system's funding policy refers to the amounts and timing of contributions to be made by employers, participants, and any other sources to provide the benefits a pension plan specifies. Employee and employer contributions for all systems are provided for in Chapter 2 of Title 11 of the Louisiana Revised Statutes. Each system is described separately in the following paragraphs.

Louisiana State Employees' Retirement System. The vast majority of state employees contribute 7.5% of their salaries. Exceptions include judges, court officers, the governor, lieutenant governor, and legislators, who contribute 11.5% of their respective salaries; the clerk of the House of Representatives and the secretary of the Senate, who contribute 9.5% of their salaries; certain Department of Corrections employees, who contribute 9.0%; and certain employees of the Department of Wildlife and Fisheries, who contribute 8.5% of their salaries. The employers of each group listed contributed 13.0% of the employees' salaries toward future benefits for fiscal year 1998.

Teacher's Retirement System of Louisiana. Contributions required of TRSLA members and their employers are based on the plan in which the employee participates. During the year ended June 30, 1998, members of the system's Regular Plan contributed 8.0% of their earned compensation, with the employer contributing 16.4%. Members of the TRSLA Plan A contributed 9.1% of their

salary and the employer contributed 16.4%. Members of TRSLA Plan B contributed 5.0% of their compensation and the employer made a 16.4% contribution. The sources of employer contributions are appropriated state funds and tax proceeds collected in the parishes and remitted by the respective parishes' sheriff's office.

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Louisiana School Employees' Retirement System. Member contributions are established by statute and are currently 6.35% of earned compensation. Employer contributions, provided by the board of trustees, were 6.0% for 1998.

Louisiana State Police Retirement System. Member contributions are 8.0% of earned compensation and are deducted from the member's salary. In accordance with Acts 33 and 395 of 1970, employer contributions consist of \$10,000 annually from the State Mineral Board, various permits and fees collected by the Office of Motor Vehicles, and state appropriations.

As required by GASB Statement 27, paragraph 20b(3), the Louisiana School Employees' Retirement System and the

Teachers' Retirement System of Louisiana, both cost-sharing employers, disclose the following information:

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
<u>LSERS</u>		
6/30/96	\$12,918,080	99.2%
6/30/97	\$13,591,133	98.0%
6/30/98	\$14,061,639	99.8%
<u>TRSLA</u>		
6/30/96	\$401,039,317	98.4%
6/30/97	\$412,712,131	99.5%
6/30/98	\$458,958,592	101.7%

As required by GASB Statement 27, paragraph 21, the Louisiana State Employees' Retirement System and the Louisiana State Police Retirement System, both single employers, disclose the following information.

The State's annual pension cost and net pension obligation to LASERS and LSPRS for the current year are as follows:

	<u>LASERS</u>	<u>LSPRS</u>
Annual required contribution	\$ 221,933,246	\$ 19,131,381
Interest on net pension obligation	158,588	(787,896)
Adjustment to annual required contribution	<u>(841,345)</u>	<u>4,359,387</u>
Annual pension cost	221,250,489	22,702,872
Contributions made	<u>(232,843,174)</u>	<u>(22,684,240)</u>
Increase (decrease) in net pension obligation	(11,592,685)	18,632
Net pension obligation beginning of year	<u>1,922,284</u>	<u>(10,505,277)</u>
Net pension obligation end of year	<u>\$ (9,670,401)</u>	<u>\$ (10,486,645)</u>

In accordance with GASB 27, paragraph 21(b), the LASERS and LSPRS disclose the following:

Schedule of Employer Contributions

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
<u>LASERS</u>			
6/30/96	\$214,573,353	97.8%	(\$4,036,582)
6/30/97	223,330,879	97.3%	1,922,284
6/30/98	221,250,489	105.2%	(9,670,401)
<u>LSPRS</u>			
6/30/96	\$22,347,601	98.6%	(\$11,563,704)
6/30/97	22,157,409	95.2%	(10,505,272)
6/30/98	22,702,873	99.9%	(10,486,645)

Actuarial Methods and Assumptions

The following table provides information concerning actuarial methods and assumptions.

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	<u>LASERS</u>	<u>TRSLA</u>	<u>LSERS</u>	<u>LSPRS</u>
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Entry Age	Entry Age
Amortization Method	Level Percentage of Projected Payroll	Level Percentage of Projected Payroll	Level Percentage of Projected Payroll	Level Dollar
Remaining Amortization Period (Open or Closed Period)	31 years Closed	31 years Closed	31 years Closed	31 years Closed
Asset Valuation Method	Bonds - amortized cost Equities - 4 year average market	All assets valued at 4 year weighted market average	Bonds - amortized cost Equities - 4 year weighted average	Bonds - amortized cost Equities - 4 year weighted average
Actuarial Assumptions: Investment Rate of Return*	8.25%	8.25%	7.5%	7.5%
Projected Salary Increases*	4.25 - 11.75%	5.75 - 8.95%	3.5 - 4.0%	4 - 6.7%
Cost of Living Adjustment	None	None	3%	None
*Includes inflation at:	3%	3%	3%	3%

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Funding Status and Progress

Because the purpose of each system is to provide specific benefits to groups of employees at various times in the future, actuarial valuations and assumptions are made regularly. The most recent actuarial valuation for the four statewide retirement systems is as of June 30, 1998. The Schedule of Funding Progress for the six* most recent actuarial valuations for single employer plans follows.

Schedule of Funding Progress (expressed in thousands)

	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
<u>LASERS</u>						
Actuarial Valuation Date	6/30/98	6/30/97	6/30/96	6/30/95	6/30/94	6/30/93
Actuarial Value of Assets	\$5,067,795	\$4,537,917	\$4,114,461	\$3,665,863	\$3,347,602	\$3,044,727
Actuarial Accrued Liability	6,953,096	\$6,489,361	\$6,254,405	\$5,696,909	\$5,403,394	\$5,123,410
Unfunded AAL	1,885,301	\$1,951,444	\$2,139,944	\$2,031,046	\$2,055,792	\$2,078,683
Funded Ratio	72.9%	69.9%	65.8%	64.3%	61.9%	59.4%
Annual Covered Payroll	1,653,863	\$1,607,371	\$1,584,357	\$1,547,977	\$1,546,465	\$1,504,147
UAAL as a Percentage of Covered Payroll	114.0%	121.5%	135.1%	131.2%	132.9%	138.2%
<u>LSPRS</u>						
Actuarial Valuation Date	6/30/98	6/30/97	6/30/96	6/30/95	6/30/94	6/30/93
Actuarial Value of Assets	\$188,904	\$155,308	\$113,114	\$92,991	\$76,131	\$58,251
Actuarial Accrued Liability	313,146	\$293,295	\$273,533	\$268,588	\$246,813	\$241,669
Unfunded AAL	124,242	\$137,987	\$160,419	\$175,597	\$170,682	\$183,418
Funded Ratio	60.3%	53.0%	41.3%	34.6%	30.8%	24.1%
Annual Covered Payroll	29,642	\$27,780	\$24,570	\$22,299	\$18,215	\$18,602
UAAL as a Percentage of Covered Payroll	419.1%	496.7%	652.9%	787.5%	937.0%	986.0%

* (GASB 25, paragraph 34, requires only three years of valuations. We chose to show six.)

The Actuarial Value of Assets reported for LASERS at June 30, 1998, does not include \$255,079,268 that has been accumulated in the Experience Account Fund. The account can be used only to fund ancillary benefits for members such as retiree cost-of-living raises.

B. OTHER EMPLOYEE BENEFITS

Deferred Compensation Program

The Louisiana Public Employees Deferred Compensation Plan was established to allow state, parish, and municipal employees to contribute, under the provisions of Internal Revenue Code Section 457, a portion of their compensation to the plan through payroll deductions. Employees may contribute up to 33-1/3 percent of their annual salary, not to exceed \$7,500. Amounts contributed by employees are deferred for federal and state tax purposes until benefits are paid or made available to participating employees or their beneficiaries upon retirement, death, termination, or unforeseeable emergency. The state does not contribute to the plan. Public Law 104-188 was signed into law on August 20, 1996, and contained a number of provisions including a "trust requirement." This requirement provides that all assets and income of 457 (b) plans are to be held in trust for the exclusive benefit of the participants and their beneficiaries, and are no longer subject to the claims of the employer's creditors. This provision is effective immediately for plans established after August 20, 1996. Assets of plans established before this date are not required to be held in trust until January 1, 1999. Provisions of this public law were not adopted until January

1, 1999, thus making all assets of the plan subject to the claims of creditors of the state in this reporting period.

It is the opinion of the state's legal counsel, the Louisiana Attorney General, that the State has no legal liability for losses under the plan but does have the duty to exercise the due care that would be required of an ordinary prudent investor.

In accordance with GASB Statement 2, the financial activities of the Louisiana Public Employees Deferred Compensation Plan are reported as an agency fund in the accompanying financial statements.

Great West Life and Annuity Insurance Company of Englewood, Colorado, is the current plan administrator. On November 21, 1995, the contract was extended for another three years beginning on January 1, 1996.

Of the \$272,576,821 in the plan at December 31, 1997, \$252,953,443 was applicable to the state, and the remaining \$19,623,378 represents the assets of the other jurisdictions participating in the plan.

In accordance with LRS 42:821-880, the state provides health care and life insurance benefits to its active and retired employees and their eligible dependents through either the self-insured and self-funded State Employees' Group Benefits Program or, in the case of certain boards and commissions, through private insurance companies. The State Employees' Group Benefits Program provides health care and life insurance to substantially all of the state's employees, employees of school boards, and employees of eligible political subdivisions of the state. The health care insurance or HMO coverage for both active and retired employees is financed by contributions from the state and the participating employee. Life insurance for the individual employee is financed by equal contributions from the state and the employee, and insurance for eligible dependents is funded totally through employee's contributions. Upon retirement, substantially all employees become eligible for continuing health care and life insurance benefits if they reach normal retirement age while working for the state. Other post-employment benefits (OPEB) administered through the State Employees' Group Benefits Program are financed on a pay-as-you-go basis. Expenses are recognized by the State Employees' Group Benefits Program as retirees report claims and include provisions for health claims reported but unpaid, and health claims incurred but unreported. Computed under the requirements of GASB Statement 12 as reported by Louisiana state agencies, the cost to the state of providing insurance benefits to retirees and their eligible dependents for the year ended June 30, 1998, was \$64,337,710 and the number of retirees meeting eligibility requirements was 25,710. Actual claims expense incurred by the State Employees Group Benefits Program for other post-employment benefits cannot readily be separated from the expenses of similar types of benefits provided to active employees and their dependents.

C. LOUISIANA LOTTERY CORPORATION RETIREMENT PLANS

Pursuant to LA R.S. 47:9015, the Louisiana Lottery Corporation provides and administers two defined contribution retirement plans for its employees.

1. Basic Retirement

The Basic Retirement Plan was established effective September 1, 1993, with all employees eligible except those who elect coverage under a state retirement plan and those who are either independent contractors or

leased employees. Eligible employees may participate in the Plan immediately upon employment. Employer contributions for 1998 were 5% of the participant's compensation. Employee contributions were 6.2% of their compensation. Participants are fully vested immediately. Plan assets do not revert for the benefit of the employer. Benefit distributions shall commence as of the date designated by the participant (annuity starting date) after termination of employment, but shall not be later than April 1st of the year following the calendar year in which the participant attains age 70 ½. The participant shall make a qualified election to receive the distribution in the form of a single-sum payment or in the form of a qualified joint and survivor annuity or single life annuity contract. Employee and employer contributions for 1998 were \$260,489 and \$184,611, respectively.

2. Supplemental Retirement

Substantially all full-time employees are eligible to participate in the Supplemental Retirement Plan. The Louisiana Lottery Corporation contributed 4.5% of each participant's compensation for 1998. Employees are not permitted to contribute to the Plan. Effective July 1, 1991, all eligible employees employed by the Corporation on or before that date shall participate in the Plan. Effective for the January 1, 1992, entry date, all eligible employees employed prior to such date shall automatically participate in the Plan as of that date. Thereafter, an eligible employee shall participate in the Plan as of the entry date that coincides with or immediately follows the date on which the eligible employee completes 90 consecutive calendar days of employment with the Corporation. Each plan year, the board of directors of the Corporation may determine the amount of a discretionary contribution not to exceed 2% of each participant's compensation for any plan year. Plan participants shall be fully vested and amounts nonforfeitable upon the participant's death, disability, or attainment of the normal retirement date or upon the completion of three years of service. Any forfeiture of nonvested amounts shall be reallocated to the accounts of all the remaining participants. Plan assets do not revert for the benefit of the employer. The distribution of a participant's vested and nonforfeitable portion of his or her account shall be made in the form of a single-sum payment no later than 60 days after the Valuation Date that coincides with or immediately follows the date after the participant terminates employment with the employer, attains the normal retirement age (65 years of age), or dies. Employer contributions for 1998 were \$154,373.

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NOTE 5: FUND BALANCE/RETAINED EARNINGS DISCLOSURES

The following table enumerates the reserves and designations within the individual fund types. Reservations of fund balance represent those amounts either legally restricted to a specific future use or not available for appropriation or expenditure. Designated fund balances represent tentative management plans (expressed in thousands):

	General Fund	Special Revenue	Debt Service	Capital Projects	Enterprise	Fiduciary	Colleges and Universities	Component Units
Reserve for:								
Debt Service			\$ 33,421		\$2,907		\$17,887	\$ 58,579
Inventories	\$ 47,304	\$ 5					38,187	876
Pension Benefits						\$17,712,143		
Encumbrances	27,034	78,099				27,901	31,908	4,075
Construction		313,166	195,201	\$633,885				54,359
Other Specific Purposes	<u>260,742</u>	<u>13,552</u>				<u>2,525,231</u>		<u>63,177</u>
Total Reservations of Fund								
Balance/Retained Earnings	<u>\$335,080</u>	<u>\$404,822</u>	<u>\$228,622</u>	<u>\$633,885</u>	<u>\$2,907</u>	<u>\$ 20,265,275</u>	<u>\$87,982</u>	<u>\$181,066</u>
Designated for:								
Contingencies - General								\$ 150
Future Capital Projects		\$ 6,605						1,267
Debt Service								
Employee Health Benefits (Self-Insured)								114
Hurricane Cleanup and Recovery								100
Huey P. Long Bridge Extraordinary Maintenance and Repairs								604
Operations and Maintenance								3,297
Future Examinations & Testing								2,267
Subsequent Years Expenditures		346						200
Premiums for Retirees								1,152
Worker's Compensation								685
Unemployment								100
Major Construction								413
Equipment Replacement								100
Air Conditioning Unit Replacement								18
U. S. Army Corps of Engineers								402
Net unrealized gains on fair value of investments	\$ 8,309	4,717	\$812			\$15,698		
Flood Emergencies								3,416
Levee Protection								3,834
Current Operations:								
Restricted							\$281,301	
Unrestricted							(123,014)	
Non-Current Operations:								
Restricted							168,992	
Endowment							80,725	
Restricted								
Quasi-Endowment							8,377	
Term Endowment							3,117	
Total Designations of Fund Balance	<u>\$8,309</u>	<u>\$11,668</u>	<u>\$812</u>			<u>\$15,698</u>	<u>\$419,498</u>	<u>\$18,119</u>

Total encumbrances for the General Fund amounted to \$138,455,618. However, encumbrances relating to federal revenues not deferred totaling \$30,780,805 are not reported on the face of the General Fund balance sheet. Encumbered interagency transfers of \$ 652,770 and self-generated funds of \$1,873,295 are also not included in the reserve for encumbrances on the General Fund balance sheet because monies were not available at fiscal year end to cover these encumbrances. Encumbrances of statutory dedications totaling \$78,114,748 are reported in the appropriate fund types as reserve for encumbrances. The total amount reserved for encumbrances on the General Fund balance sheet is \$27,034,000.

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Contributed Capital

During the year, the following enterprise and internal service funds reported changes in contributed capital (expressed in thousands):

Agency/Unit Name	Intergovernmental Receipts for Capital Acquisitions/ Improvements	Contributions of Property, Plant and Equipment	Capital Contributions Beginning of Year	Capital Contributions End of Year
Prison Enterprises		(5)	873	868
Louisiana Property Assistance Agency		17	172	189
Other Internal Service Funds		0	9,097	9,097
Louisiana Agricultural Finance Authority		<u>1,641</u>	<u>2,892</u>	<u>4,533</u>
Total		<u>\$1,653</u>	<u>\$13,034</u>	<u>\$14,687</u>
Discrete Proprietary Funds	<u>\$14,289</u>		<u>\$509,605</u>	<u>\$523,894</u>

Fund Equity Restatement

The following table discloses certain fund equity restatements (expressed in thousands):

	General Fund	Special Revenue	Debt Service	Capital Projects	Enterprise Fund
Fund Equity at June 30, 1997	\$557,312	\$1,002,748	\$203,480	\$574,053	\$168,075
Increase in Carryovers		2,079			
Implementation of GASB/FASB Pronouncement	1,244	(918)	621	36	15
Prior period adjustments	<u>8,843</u>	<u>(4)</u>	<u>1,659</u>	<u>(3,790)</u>	<u>671</u>
Beginning Fund Equity as restated	<u>\$567,399</u>	<u>\$1,003,905</u>	<u>\$205,760</u>	<u>\$570,299</u>	<u>\$168,761</u>

	Expendable Trust Funds	Non- Expendable Trust Funds	Colleges and Universities	Discrete Components
Fund Equity at June 30, 1997	\$1,355,439	\$741,986	\$3,315,839	\$779,019
Implementation of GASB/FASB Pronouncement	18,646	6,322	3,757	458
Change in accounting entity				1,040
Prior period adjustments			<u>15,880</u>	<u>39</u>
Beginning Fund Equity as restated	<u>\$1,374,085</u>	<u>\$748,308</u>	<u>\$3,335,476</u>	<u>\$780,556</u>

Entity Reclassifications

Act 3 of the 1997 Legislative session transferred operations of the State's 9 Charity hospitals and the Louisiana Health Care Authority from the Department of Health and Hospitals, a component of the General Fund, to the Louisiana State University Medical Center, a component of the College and University fund type.

The Louisiana Asset Management Pool (LAMP) has been re-evaluated under the provisions of GASB Statement 31. As a result, LAMP is now reported in the Pension and Investment Trust Funds type rather than as an agency fund.

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NOTE 6: 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 its continuation during any future fiscal period. Because legislative appropriation is reasonably assured, all leases contracted by the state are included in subsequent schedules.

B. OPERATING LEASES

Operating lease payments are recorded as expenditures or expenses of the applicable fund when the related liability is incurred and totaled \$72,153,000 (discretely reported totaled \$2,453,000) for the fiscal year ended June 30, 1998. 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):

<u>Fiscal Year</u>	<u>Office Space</u>	<u>Equipment</u>	<u>Land</u>	<u>Other</u>	<u>Total</u>
1999	\$ 40,993	\$4,213	\$ 64	\$ 5,079	\$ 50,349
2000	32,959	1,105	45	2,430	36,539
2001	23,725	836	45	1,930	26,536
2002	14,814	456	43	1,437	16,750
2003	9,102	443	15	1,338	10,898
Thereafter	<u>12,930</u>	<u>288</u>	<u>70</u>	<u>1,052</u>	<u>14,340</u>
Total	<u>\$134,523</u>	<u>\$7,341</u>	<u>\$282</u>	<u>\$13,266</u>	<u>\$155,412</u>

Operating leases for discretely presented component units are as follows (expressed in thousands):
Office space - \$5,210; Equipment - \$2,482; for a total of \$7,692.

C. CAPITAL LEASES AND INSTALLMENT PURCHASE AGREEMENTS

Capital lease obligations are payable from resources of the governmental, proprietary, and college and university funds. The following is a schedule of future minimum payments remaining under contracts in existence at June 30, 1998 (expressed in thousands):

<u>Fiscal Year</u>	<u>General Long-Term Debt</u>	<u>Proprietary and Similar Trust Funds</u>	<u>College and University Fund Type</u>	<u>Total</u>	<u>Discrete Component Units</u>
1999	\$11,816	\$0	\$ 1,171	\$ 12,987	\$ 103
2000	13,576		953	14,529	90
2001	12,726		669	13,395	31
2002	11,854		659	12,513	0
2003	10,161		320	10,481	0
Thereafter	<u>61,231</u>	<u>—</u>	<u>0</u>	<u>61,231</u>	<u>0</u>
Total	121,364	0	3,772	125,136	224
Less interest and executory costs	<u>33,165</u>	<u>0</u>	<u>402</u>	<u>33,567</u>	<u>17</u>
Present value of minimum lease payments	<u>\$ 88,199</u>	<u>\$ 0</u>	<u>\$ 3,370</u>	<u>\$ 91,569</u>	<u>\$ 207</u>

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

	<u>Primary Government</u>	<u>Discrete Component Units</u>
Buildings	\$ 8,000	\$
Office Space	83,219	
Equipment	<u>33,917</u>	<u>224</u>
 Total Capital Leases	 <u>\$125,136</u>	 <u>\$ 224</u>

D. LESSOR OPERATING LEASES

Various property and facilities are leased to outside parties as operating leases from port authorities, levee districts, and universities. The current amount of lease revenues for the fiscal year ending June 30, 1998, is \$29,194,576. The following is a schedule by years of minimum future rentals on operating leases as of June 30, 1998 (expressed in thousands). The schedule is not all inclusive as all entities did not report the information. An example of the omission are those entities included in primary government that are not represented because of lack of reporting information.

<u>Fiscal Year</u>	
1999	\$23,330
2000	20,522
2001	18,751
2002	16,600
2003	15,349
Thereafter	<u>87,366</u>
Total	<u>\$181,918</u>

The value of the property carried on the financial reports for the entities included above is \$112,441,708 for land, \$759,022,125 for buildings and other facilities; accumulated depreciation on the buildings and other facilities totaled \$387,870,407. Undepreciated general fixed assets of governmental funds totaled \$33,079,309.

NOTE 7: DEBT AUTHORIZATION AND LIMITATIONS

A. DEBT AUTHORIZATION AND LIMITATIONS

The Louisiana Constitution of 1974 provides that the state shall have no power, directly or indirectly, through any state 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 \$14,724,210,000. The total general obligation bonds authorized is \$1,898,683,000 at June 30, 1998, or 12.89% 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

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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% percent 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 \$736,210,000. At June 30, 1998, the highest current or future annual general obligation debt service requirement is \$282,031,000, which represents 38.31% of the debt issuance limitation.

LRS 39:1367, enacted pursuant to a constitutional amendment, provides that the State Bond Commission establish annually a limit on the net state tax-supported debt issued subject to certain percentages established in the statutes and based on General Fund and dedicated funds revenues forecast by the Revenue Estimating Conference. The maximum amount of net state tax-

supported debt allowed by statute for fiscal year 1997-98 is 10.20% of estimated General Fund and dedicated funds revenues established by the Revenue Estimating Conference. During the fiscal year 1997-98, the total net state tax-supported debt paid was \$315,539,210 or 4.80% 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 1997 provides for the repeal of state general obligation bond authorizations for projects no longer found feasible or desirable. As a result, there were no authorized but unissued bonds outstanding at June 30, 1998.

NOTE 8: GENERAL OBLIGATION BONDS

A. PURPOSE AND RETIREMENT

General obligation bonds are authorized and issued primarily to provide funds for constructing and improving state-owned 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. Although certain general obligation debt is being retired from the resources of the enterprise funds and discretely presented component units and is therefore recorded in these funds, the state remains contingently liable for its payment. General obligation debt issued to finance the construction and equipping of education buildings and other facilities for college and universities and not secured by a pledge of revenues from the related facilities is a direct obligation of the state and is reported in the General Long-Term Debt Account Group. Other general obligation debt of the college and university funds, which is being retired from pledged resources of those funds, is reported as a liability of the college and university funds although the state remains contingently liable for its retirement.

B. OUTSTANDING AT JUNE 30, 1998

General obligation bond and note principal balances outstanding at June 30, 1998, are as follows (expressed in thousands):

<u>Purpose</u>	<u>Principal Outstandin g</u>	<u>Interest Rates</u>	<u>Final Maturity Year</u>
General Long Term - Debt Account Group: General Obligation*	\$1,834,894	3.50 - 10.70%	2018
Higher Education Charity Hospital New Orleans	767 <u>100</u>	3.00 - 6.00%	2003 1999
Total General Obligation Bonds	<u>\$1,835,761</u>	3.60 - 5.00%	

*General obligation bonds of \$1,897,816 less reimbursables for Colleges and Universities of \$12,819, Port of New Orleans reimbursement bonds of \$5,028, Police Juries of \$7,436, Department of Transportation and Development of \$30,040, and Miscellaneous bonds of \$7,599. Applicable interest to maturity is \$3,710, \$538, \$2,143, \$16,538, and \$3,876, respectively. Reimbursement bonds for Colleges, Military Affairs, and Department of Transportation and Development and the related interest to maturity are included in Note 9. In addition, the Sabine River Authority (Sabine), a discrete entity, was the recipient of \$10 million of the proceeds of General Obligation Issue 1975-B. Sabine pledged to designate its annual surplus derived from the operations of the diversion canal project to the repayment of this debt. To date, \$11,366, including interest, remains to be paid to the state by Sabine. Because of the arrearage and because the state has continued to pay the debt service on the entire issue, Notes 8 and 9 do not reflect this agreement as reimbursable debt. The amount that Sabine owes the state is reflected in the financial statements of Sabine as contracts payable.

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C. FUTURE DEBT SERVICE REQUIREMENTS AT JUNE 30, 1998

Future general obligation debt service requirements at June 30, 1998, are as follows (expressed in thousands):

Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
---------------------------	------------------	-----------------	--------------

1999	\$ 82,978	\$ 99,902	\$ 182,880
2000	22,665	96,319	118,984
2001	138,149	92,380	230,529
2002	189,061	84,952	274,013
2003	199,019	74,922	273,941
Thereafter	<u>1,203,889</u>	<u>393,545</u>	<u>1,597,434</u>
Total	<u>\$1,835,761</u>	<u>\$842,020</u>	<u>\$2,677,781</u>

NOTE 9: REVENUE BONDS, NOTES, AND STATE AGENCY REIMBURSABLES

A. REVENUE NOTES

Revenue bonds and notes are backed by a pledge of resources derived from users of the related facilities and are not supported by the full faith and credit of the state. Notes outstanding at June 30, 1998, are as follows (expressed in thousands):

	<u>Amount</u>
LSU Plant, Property, and Equipment (to purchase computer equipment)	\$28,790
LSU Medical Center (to purchase equipment)	791
Grambling State University (dormitory construction)	3,152
Bossier Community College (to purchase equipment)	475
Southeastern Louisiana University (to purchase equipment)	1,050
McNeese State University (to purchase equipment)	100
University of New Orleans (to purchase equipment)	<u>1,879</u>
 Total Revenue Notes	 <u>\$ 36,237</u>

B. PRIMARY GOVERNMENT/BLENDED COMPONENT UNITS

Revenue bond principal, notes, and state agency reimbursables outstanding at June 30, 1998, are as follows (expressed in thousands):

<u>Fund Type/Agency</u>	<u>Principal Outstanding</u>	<u>Interest Rates</u>	<u>Final Maturity Year</u>
Governmental Fund Types			
Ascension-St. James Bridge Authority	\$ 4,628	4.45%	1999
Crescent City Connection	27,735	5.25 - 6.75%	2012
Department of Corrections	89,610	2.50 - 5.60%	2004
Louisiana Agricultural Finance Authority	1,640	6.50%	2002
Louisiana Office Building Corporation	715	4.50 - 4.75%	2000
Louisiana Office Facilities Corporation	13,780	6.35 - 7.75%	2010
Parish Road Fund	3,680	5.20 - 10.00%	2005
Transportation Infrastructure Model for Economic Development	145,007	6.65 - 7.25%	2004
State Agency Reimbursables	<u>32,688</u>	6.00 - 8.00%	2012
 Total Governmental Fund Types	 <u>\$319,483</u>		

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<u>Fund Type/Agency</u>	<u>Principal Outstanding</u>	<u>Interest Rates</u>	<u>Final Maturity Year</u>
Enterprise Fund Types			
Louisiana Opportunity Loan Fund	6,540	10.00%	2009
Colleges and Universities			
Colleges and Universities	<u>137,760</u>	Variable	2026
Total Revenue Bonds	\$463,783		
Notes Payable: Colleges and Universities	<u>36,237</u>		
Grand Total	<u>\$500,020</u>		

Future revenue bonds, notes, and state agency reimbursable requirements to maturity for the primary government and its blended component units at June 30, 1998, are as follows (expressed in thousands):

Year Ending <u>June 30</u>	Governmental Fund Types		Enterprise Funds	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
1999	\$ 19,998	\$14,387	\$ 215	\$ 812
2000	47,089	16,775	355	781
2001	47,534	13,419	495	732
2002	33,563	28,501	530	670
2003	33,810	28,256	615	601
Thereafter	<u>137,489</u>	<u>25,416</u>	<u>4,330</u>	<u>1,734</u>
Totals	<u>\$319,483</u>	<u>\$126,754</u>	<u>\$ 6,540</u>	<u>\$ 5,330</u>

Year Ending <u>June 30</u>	Colleges and Universities					
	Bonds Payable		Notes Payable		Total	Total
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
1999	\$ 8,837	\$7,216	\$ 4,765	\$ 396	\$ 33,815	\$ 22,811
2000	9,417	6,795	4,133	371	60,994	24,722
2001	9,692	6,326	3,463	236	61,184	20,713
2002	8,609	5,848	2,621	170	45,323	35,189
2003	8,913	5,404	2,524	124	45,862	34,385
Thereafter	<u>92,292</u>	<u>47,288</u>	<u>18,731</u>	<u>994</u>	<u>252,842</u>	<u>75,432</u>
Totals	<u>\$137,760</u>	<u>\$78,877</u>	<u>\$ 36,237</u>	<u>\$ 2,291</u>	<u>\$500,020</u>	<u>\$213,252</u>

C. DISCRETE COMPONENT UNITS

<u>Fund Type/Agency</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>	<u>Final Maturity Year</u>
Greater New Orleans Expressway Commission	\$ 61,775	5.60 - 7.80%	2016
Greater Baton Rouge Port Commission	3,130	2.80 - 5.00%	2004
Lake Charles Port, Harbor and Terminal District	25,000	3.50 - 9.75%	2019

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<u>Fund Type/Agency</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>	<u>Final Maturity Year</u>
Levee Districts	8,505	3.75 - 12.00%	2009
Louisiana Stadium and Exposition District	198,845	4.80 - 6.05%	2026
New Orleans Port Commission	7,093	1.50 - 6.50%	2001
Orleans Levee District	120,521	4.66 - 8.25%	2015
Sabine River Authority	4,355	Variable	2004
Morgan City Harbor and Terminal	1,625	4.90 - 7.00%	2007
St. Bernard Port, Harbor and Terminal District	<u>427</u>	7.25 - 7.75%	2006
 Total Discrete Component Units	 <u>\$431,276</u>		

Future discrete component unit revenue bond requirements to maturity at June 30, 1998, are as follows (expressed in thousands):

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999	\$36,808	\$30,105	\$66,913
2000	12,919	23,244	36,163
2001	13,973	21,572	35,545
2002	12,831	20,518	33,349
2003	13,475	19,857	33,332
Thereafter	<u>341,270</u>	<u>226,878</u>	<u>568,148</u>
 Totals	 <u>\$ 431,276</u>	 <u>\$342,174</u>	 <u>\$773,450</u>

D. CONDUIT DEBT

In accordance with GASB Interpretation 2, the amount of revenue bonds issued by the Lake Charles Harbor and Terminal District, a discrete component unit, which constituted conduit debt outstanding at year end was \$431.1 million. This debt and the interest coupons appertaining thereto do not constitute an indebtedness of the issuer within the meaning of any state constitutional or statutory limitation, shall never constitute nor give rise to a pecuniary liability of the issuer or a charge against its general credit or taxing powers, and is not reflected on the accompanying financial statements.

NOTE 10: DEFEASED ISSUES AND ADVANCE REFUNDING OF BONDS

A. DEFEASED ISSUES

The following table enumerates the principal balances of previously outstanding State of Louisiana General Obligation bonds considered defeased at June 30, 1998 (expressed in thousands):

<u>Bond Series</u>	<u>Date</u>	<u>Maturity Date</u>	<u>Amount Defeased</u>	<u>Outstanding at June 30, 1998</u>
1981-A	2/87	Various	60,085	18,820
1981-B	2/87	Various	37,580	13,010
1982-C	2/87	9/97	59,300	-0-
1983-A	2/87	Various	101,180	61,045
1983-B	2/87	Various	89,880	53,485
1983-C	2/87	Various	68,240	40,600
1983-D	2/87	Various	70,450	49,245
1984-A	2/87	Various	84,215	58,445
1985-A	2/87	Various	124,300	97,800
1985-B	2/87	Various	113,980	89,160
1985-C	2/87	Various	127,690	110,125
1980-A	2/93	Various	43,570	19,190
1980-C	2/93	Various	70,725	28,590
1986-A	2/93	Various	94,620	82,200

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<u>Bond Series</u>	<u>Date</u>	<u>Maturity Date</u>	<u>Amount Defeased</u>	<u>Outstanding at June 30, 1998</u>
1987-A	2/93	8/05	48,709	48,709
1987-B	2/93	Various	95,145	83,925
1990	2/93	Various	89,855	89,855
1990	5/96	9/04	11,610	11,610
1987-A	5/96	Various	347,005	347,005
1979-B	5/96	Various	19,170	10,060
1979-A	5/96	Various	14,420	7,410
1978-B	5/96	6/98	9,185	-0-
1978-A	5/96	2/98	3,255	-0-
1976-B	5/96	Various	5,600	4,330
1976-C	5/96	Various	1,050	810
1975-B	5/96	Various	6,215	4,805
1987-A	5/98	8/04	51,745	51,745
1978-C	5/98	Various	165	165
1990	5/98	Various	30,395	30,395
1992-A	5/98	Various	135,255	135,255
1994-A	5/98	Various	108,245	108,245
Louisiana Correctional Facilities Corporation	2/93	Various	132,460	82,175
Payments Defeased				
1977-C	6/97	Various	7,810	205
1978-C	6/97	9/97	6,280	-0-
1982-B	6/97	Various	1,300	1,020
1987-A	6/97	Various	204,910	124,405
1990	6/97	Various	23,205	15,975
1992-A	6/97	Various	34,450	26,055
1994-A	6/97	Various	29,360	22,690
1995-A	6/97	Various	26,145	20,320
1997-A	6/97	Various	19,610	14,090
1978-C	6/98	Various	6,665	6,665
1987-A	6/98	Various	56,090	56,090
1990	6/98	9/00	8,830	8,830
1992-A	6/98	5/01	1,910	1,910
1993-A	6/98	Various	63,030	63,030
1997-A	6/98	4/01	7,630	7,630
Discrete Defeased Issues				
Greater New Orleans Expressway Commission	12/92		54,920	53,680
Orleans Levee District				
1984 Levee Improvement - Serial Bonds	5/85		16,610	4,575
1985 Levee Improvement - Term Bonds				
Compound Interest	8/86		4,061	4,061

On June 18, 1998, the State Bond Commission authorized the defeasement of certain General Obligation Bond payments, which are due in fiscal years 1998-99, \$48,225,000; 1999-2000, \$67,945,000; and 2000-01, \$27,985,000; using the General Fund Undesignated Fund Balance from fiscal year 1996-97. The action was taken because of the provisions of Article VII, Section 10 (D)(2), which requires that appropriations of "nonrecurring revenue shall be made only for the purpose of retiring or for the defeasance of bonds in advance and in addition to the existing amortization requirements of the state." The cost of securities, escrow, including accrued interest on the securities purchased, totaled \$147,813,431. The resulting cash flows will allow for the defeasement of \$144,155,000 in bond principal, and payment of \$11,627,868 in interest payments on that principal due in fiscal years as follows: 1998-99, \$ 55,083,833; 1999-2000, \$71,553,097; and 2000-01, \$29,145,938. The contribution to fund the Escrow Account will reduce the required debt service payment obligation by a like amount during fiscal years 1999-2001. The bonds are considered fully defeased as of June 27, 1998, at which time the liability for that portion of the bonds was removed from the General Long-Term Debt Account Group.

B. ADVANCE REFUNDING OF BONDS

On May 7, 1998, the State Bond Commission issued \$338,090,000 in General Obligation Refunding Bonds, Series 1998-A, bearing interest rates of 3.65% to 5.50% to advance refund certain maturities of previously issued State of Louisiana General Obligation Bonds in the aggregate principal amount of \$325,805,000 with interest rates ranging from 5.2% to 8.75%. Net proceeds of \$351,222,111.15 (inclusive of a net premium of \$12,580,525.40, plus \$1,734,900.75 for accrued interest, less underwriters discount of \$1,183,315.00) were used to purchase U.S. Government securities in the amount of \$348,882,154 and to pay insurance premiums of

\$601,561.91 and to fund payment of accrued interest. The securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the "Refunded Bonds." As a result, the "Refunded Bonds" are considered to be defeased and the liability for those bonds have been removed from the General Obligation Long-Term Debt Account Group.

The state advance refunded the bonds to reduce its total gross debt service payments over the next 17 years by \$20,072,808 and to obtain an economic gain (difference between the present value of the old debt service payments and the new debt) of \$15,804,186 (present value savings).

NOTE 11: CHANGES IN GENERAL LONG-TERM DEBT ACCOUNT GROUP

Changes in the general long-term debt account group for the year ended June 30, 1998, are summarized below (expressed in thousands):

	Bonded Debt Principal	Capital Lease Obligations	Accrued Compensated Leave	Patient's Compensation Claims	Estimated Claims *	Total
Balance July 1, 1997	\$2,227,576	\$ 96,309	\$162,015	\$400,115	\$1,546,855	\$4,432,870
Bonds issued	545,840					545,840
Decrease in compensated absences			(13,524)			(13,524)
Decrease in capital leases		(8,110)				(8,110)
Principal retirements	(292,367)					(292,367)
Defeased issues	(325,805)					(325,805)
Increase in estimated claims					82,032	82,032
Decrease in claims				(30,585)		(30,585)
Balance June 30, 1998	<u>\$2,155,244</u>	<u>\$ 88,199</u>	<u>\$ 148,491</u>	<u>\$369,530</u>	<u>\$1,628,887</u>	<u>\$ 4,390,351</u>

* Estimated claims against the state, expressed in thousands, include the following: \$118,260 for the Second Injury Board, \$52,839 in estimated future liability claims against the state, \$33,528 in claims in excess of deposits for expropriation suits, \$1,336,779 representing the long-term portion of the claims for the Office of Risk Management, \$5,019 representing the long-term portion of the claims for State Employees' Group Benefits, \$3,163 in outstanding inverse condemnation suits, \$290 in unappropriated judgments, and \$79,009 in two cooperative endeavor agreements.

NOTE 12: RECONCILIATION OF CHANGES IN THE GENERAL LONG-TERM DEBT ACCOUNT GROUP

(Expressed in Thousands)

Balances of bond principal outstanding at June 30, 1998	
General Obligation Bonds (Note 8)	\$1,835,761
Revenue Bonds and others (Note 9)	<u>463,783</u>
Total bond principal outstanding at June 30, 1998	2,299,544
Less changes in bond principal for debt not included in General Long-Term Debt Account Group	
Colleges and Universities Fund Type	137,760
Louisiana Opportunity Loan Fund	<u>6,540</u>
Total bond principal not included in Long-Term Debt Account Group	144,300

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(Expressed in Thousands)

Add debt included in General Long-Term Debt Account Group other than bonded indebtedness	
Capital lease obligations (Note 6)	88,199
Accrued compensated leave (Note 1)	148,491
Patient's Compensation Claims (Note 18)	369,530
Estimated liability for claims (Note 11)	<u>1,628,887</u>
 Total debt included in General Long-Term Debt Account Group other than bonded Indebtedness	 <u>2,235,107</u>
 Balance per Schedule of Changes in General Long-Term Debt at June 30, 1998	 <u>\$4,390,351</u>

NOTE 13: PROPERTY, PLANT, AND EQUIPMENT

A. GENERAL FIXED ASSETS

Changes in the General Fixed Assets Account Group by major asset classification for the year ended June 30, 1998, are presented below (expressed in thousands). Of the total building inventory, approximately 69.15% of the value was determined by indexing or estimating based upon current replacement cost reduced by inflation since construction.

	General Fixed Assets			General Fixed Assets	
	July 1, 1997	Additions	* Deletions	June 30, 1998	
Land	\$ 220,586	\$ 6,192	\$ 5,583	\$ 221,195	
Buildings and Improvements	1,032,751	51,386	178,786	905,351	
Machinery and Equipment	1,032,632	128,828	244,236	917,224	
Construction in Progress	<u>26,938</u>	<u>14,718</u>	<u>16,496</u>	<u>25,160</u>	
Total General Fixed Assets	<u>\$2,312,907</u>	<u>\$201,124</u>	<u>\$445,101</u>	<u>\$2,068,930</u>	

* Deletions above include amounts for general fixed assets moved to the College and University fund type. Of the total moved to Colleges and Universities, \$315,830,000 is for the State's 9 Charity hospitals and the Louisiana Health Care Authority and \$12,288,000 is for the LTC - New Orleans Campus.

B. OTHER FIXED ASSETS

At June 30, 1998, property, plant, and equipment recorded in individual funds, net of accumulated depreciation where applicable, consisted of the following:

	Fund Types				Component Units
	Enterprise	Internal Service	Trust	University	
Land	\$ 3,009	\$ 1,694	\$ 3,244	\$ 178,066	\$172,274
Buildings and Improvements	4,919	13,916	15,963	2,002,516	1,025,511
Machinery and Equipment	13,026	21,749	12,320	1,359,064	132,380
Accumulated Depreciation	10,670	23,230	8,800	--	523,421
Construction in Progress	<u>171</u>	<u>43</u>	<u>--</u>	<u>47,171</u>	<u>134,419</u>
Property, Plant, and Equipment, Net	<u>\$10,455</u>	<u>\$14,172</u>	<u>\$22,727</u>	<u>\$3,586,817</u>	<u>\$941,163</u>

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NOTE 14: SEGMENT INFORMATION - SPECIAL REVENUE FUNDS

Included in the state's reporting entity are special revenue funds accounting for the proceeds of special revenue sources that are legally restricted to expenditures for specified purposes. Segment information for the year ended June 30, 1998, is as follows for several of the major special revenue funds (expressed in thousands):

	Lottery Proceeds Fund	Louisiana Medical Assistance Trust Fund	Patient's Compensation Fund	Transportation Trust Fund	Video Draw Poker Device Fund
Total Revenues	\$ 716	\$ 622	\$ 1,867	\$ 282,511	
Operating Transfers In	110,607	75,628	69,322	475,895	\$ 190,030
Operating Transfers Out	(111,422)	(63,469)	(62,841)	(765,693)	(190,030)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Uses	(99)	12,781	8,348	(7,287)	
Fund Balances at Beginning of Year As Restated	60,666	36,094	58,082	351,934	
Fund Balances at End of Year	60,567	48,875	66,430	344,647	
Assets:					
Cash and Cash Equivalents	48,487	32,517	4,868	328,287	4,244
Investments			70,178		
Due from Other Funds	12,080	18,771	351	76,841	8,829
Due from Federal Government				30,171	
Liabilities:					
Due to Other Funds		2,413	8,967	90,652	13,073
Fund Balances-Reserved			25	332,749	
Fund Balances-Designated	358	310	525	1,853	
Fund Balances-Undesignated	60,209	48,565	65,880	10,045	

NOTE 15: SEGMENT INFORMATION - ENTERPRISE FUNDS

Included in the state's reporting entity are several enterprise funds providing various goods or services including loans to state and local governments, student financial assistance loans, and construction and/or acquisition of facilities for lease to the state. Descriptions and addresses of these organizations can be found in Note 1. Segment information for the year ended June 30, 1998, is as follows (expressed in thousands):

	Drinking Water Revolving Loan Fund	Louisiana Correctional Facilities Corporation	Louisiana Lottery Corporation	Louisiana Office Buildings Corporation	Louisiana Office Facilities Corporation
Operating Revenue	\$ 207	\$ 438	\$292,946	\$ 86	\$4,672
Depreciation			1,040		
Amortization					12
Operating Income (Loss)	207	(755)	103,906	9	2,209
Operating Transfers:					
In	263				
Out			(108,038)		
Net Income (Loss)	470	(456)	(812)	269	1,431
Property, Plant, and Equipment - Additions			388		
- Deletions			(1,730)		

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Net Working Capital	4,554	5,342	10,884	4,652	4,236
Total Assets	4,554	8,132	293,211	5,271	6,198
Total Equity	4,554	7,861	22,982	5,271	6,091

	Louisiana Opportunity Loan Fund	Municipal Facilities Revolving Loan Fund	Louisiana Agricultural Finance Authority	Total Enterprise Funds
Operating Revenue	\$ 927	\$ 4,946	\$ 1,802	\$306,024
Depreciation			324	1,364
Amortization	37			49
Operating Income (Loss)	753	3,977	245	110,551
Federal Grants		27,006		27,006
Operating Transfers:				
In		7,202		7,465
Out				(108,038)
Net Income (Loss)	3	38,146	1,799	40,850
Current Capital				
Contributions			1,641	1,641
Property, Plant, and				
Equipment - Additions			3,764	4,152
- Deletions				(1,730)
Net Working Capital	6,221	160,796	(156)	196,529
Total Assets	8,813	164,745	7,040	497,964
Bonds/Long-Term				
Liabilities Payable from				
Operating Revenues	6,540			6,540
Total Equity	15	160,796	6,574	214,144

NOTE 16: CONTINGENCIES

A. CLAIMS AND LIABILITIES HANDLED THROUGH RISK MANAGEMENT

Pursuant to Act 448 of the 1988 Regular Session of the Louisiana Legislature, LRS 39:1533 was re-enacted to create the "Self-Insurance Fund" within the Department of the Treasury. 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. The Self-Insurance Fund may be used only for the payment of losses incurred by state agencies under the self-insurance program, together with insurance premiums, legal expenses, and administrative costs. The Office of Risk Management is responsible for the state's risk management program. That office now has the duty to negotiate, compromise, and settle all claims including all tort claims against the state or state agencies covered by the Self-Insurance Fund, and all tort claims against the state or state agencies not covered by the Self-Insurance Fund when funding is provided by the legislature through the state General Fund.

To satisfy claims, judgments, and expenses associated with the judgments for fiscal year 1997-98, \$113,374,552

was paid from the Self-Insurance Fund. At June 30, 1998, outstanding non-discounted reserve valuations of the 12,111 open claims within the programs total \$1,350,053,808. As of June 30, 1998, there was an adjusted cash balance in the Self-Insurance Fund of \$161,625,140. The Office of Risk Management advises that the non-discounted liability reserve valuation for the claims in litigation against state agencies being handled by that office are valued at \$495,870,641 as of June 30, 1998.

B. CLAIMS AND LIABILITIES HANDLED OUTSIDE OF RISK MANAGEMENT

The Attorney General has opined that only a small portion of the dollar amount of potential liability to the state resulting from litigation pending against the state and not being handled through the Office of Risk Management will ultimately be recovered by plaintiffs. It is his opinion that the estimated future liability for existing claims against the state is in excess of \$52 million.

As a result of the reasoning of the Louisiana Supreme Court in the case of Chamberlain v. State of Louisiana, 624 So.2d874 (La. 1993), statutes enacted in an effort to control the state's liability for tort and related damages are

currently being challenged as unconstitutional. These statutes are LRS 9:2800, relating to notice of a defective condition in state-owned premises; LRS 9:2798.1, relating to the discretionary function exemption to liability, and LRS 9:5628 relating to a three-year prescriptive/pre-emptive period in medical malpractice cases. A constitutional amendment overruling the rationale of Chamberlain became effective in November 1995. If this is given prospective application only to new cases arising after the effective date, which is likely, older cases may continue to challenge these statutes with potentially severe fiscal impact.

Although not included in the dollar values set forth above, it should be noted that suits have been filed challenging the constitutionality of various provisions of law, including judicial election redistricting cases, self-help repossession laws, the State's laws regulating abortions, the assessments that fund the Second Injury Fund, and the Patient's Compensation Fund's payment of future medical expenses concerning custodial care, among others. Although these cases do not seek recovery for damages, rulings adverse to the State could result in liability for the plaintiffs' attorney fees. Suits have been filed challenging the disbursement of state funds to parochial schools. Several suits have been filed by the coastal parishes seeking a portion of the 8(g) settlement. Suits have been filed alleging lack of and/or negligent regulation of the insurance industry. A suit has been filed alleging that the collection of local sales and use taxes from people moving to Louisiana violates the Commerce Clause of the U.S. Constitution. Suits have also been filed challenging the law banning gill nets and others challenging certain provisions in state-issued oyster leases. Another suit has been filed challenging the State's ability to collect royalty from dredged sand and gravel used in State projects. Suit has also been filed by Harrah's Jazz Co., in a bankruptcy proceeding, seeking relief from its contractual obligations in connection with the operation of Louisiana's sole land-based casino. Though not quantifiable at this time, if any of these matters are decided adversely to the State, the cost to the State could be significant. Although many of these cases do not seek recovery for damages, rulings adverse to the State could result in significant loss of revenue and /or liability for the plaintiffs' attorneys fees.

The Department of Transportation and Development (DOTD) advised that, as of October 5, 1998, there were 1,107 expropriation cases pending with a total dollar demand of \$134,922,632. DOTD has on deposit for the payment of those suits the sum of \$33,527,878. DOTD estimates the exposure at \$67,055,756. There were 100 outstanding inverse condemnation suits with demands of approximately \$734,652,732 and with an estimated exposure of approximately \$3,163,183. Expropriation suits

filed by levee boards and other expropriating entities other than DOTD have not been included in this number because the state does not appropriate the dollar amount due to the landowners.

As of June 30, 1998, we are not aware of any pending suits concerning the ability of the state to issue bonds or other evidences of indebtedness.

The Department of Revenue has advised that the total amount of pending litigation affecting the State's right to tax exceeds \$169 million. This figure includes suits challenging the State's severance tax on timber and a refund claim involving a calculation error. It should also be noted that suits have been filed challenging the State's individual income tax and the constitutionality of the sales tax on mobile homes. It is possible that additional litigation is pending that attacks the constitutionality of a tax and that this office has not been notified of such litigation. Though the outcomes of these suits are unknown at present, it should be noted that if the court decisions are against the State, there is the potential for a negative impact on the unreserved/undesignated balance of the General Fund.

Judgments in excess of \$290,000 were rendered against the State prior to June 30, 1998, and were not appropriated. The 1994 Legislature passed Act 1038, which specifies that any settlement or compromise agreement of claims against the state or a state agency for an amount of \$500,000 or more that is covered by the Self-Insurance Fund, or of tort claims against the state or state agencies whether or not covered by the Self-Insurance Fund, shall not be made unless the agreement is approved by a majority of the members of a subcommittee of the Joint Legislative Committee on the Budget, comprising 3 members of the Senate and 3 members of the House of Representatives designated by the chairman.

The Louisiana Workers' Compensation Second Injury Board 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, 1998, was \$118,259,807 and is reported in the General Long-Term Debt Account Group. 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.

C. DISALLOWANCES

A considerable amount of federal grant dollars is received by the state subject to financial and compliance audits

mandated by the grantors. Disallowances resulting from these audits may become a liability of the state and are estimated to be \$1,563,929. This amount is not reflected in the accompanying financial statements.

D. LIABILITIES AS A RESULT OF ADMINISTRATIVE RESPONSIBILITY

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The state agency charged with the administrative responsibility of the Food Stamp Program is the Office of Family Support. During the fiscal year, the conversion from paper coupons to electronic benefit transfer (EBT) was completed and the remaining coupons were transferred to another state. As of June 30, 1998, there were no food coupons for which the state was ultimately liable. Similarly, the state is the recipient of food commodities from the federal government and is responsible for distribution to the agencies, institutions, etc., that will ultimately distribute the food. The value of surplus commodities on hand in state warehouses at June 30, 1998, is \$3,709,037. At this time, the state anticipates no material losses because of these two federal programs.

E. LOUISIANA'S INACTIVE AND ABANDONED SITES

Like the United States, Louisiana is still faced with the substantial challenge of cleaning up hazardous waste sites after decades of ignorance or inattention to proper waste disposal. The Hazardous Waste Site Cleanup Fund is funded by an annual appropriation of \$4.0 million. Although the statute establishing the fund permits the Louisiana Department of Environmental Quality

(department) to use only 35% of the total \$4.0 million for operating cost, the stability of the fund allows the department to continue to aggressively pursue site assessments and cleanups. During the fiscal year 1997-98, the department completed 64 site assessments and 8 site cleanups. As of the close of the year, there were 360 potential hazardous waste sites remaining to be assessed, and 128 confirmed hazardous waste sites needing cleanups. Of the 128, the state has ongoing cleanups at 81 sites, with 47 awaiting cleanup pending availability of staff or financial resources. When the department completes an assessment and identifies the site as falling under the state's jurisdiction, it means that hazardous substances are present, the sites do not qualify for federal cleanup funds, and responsible parties have not been found or are not solvent to pay for cleanups. The number of sites that the state will ultimately be responsible for cleaning up is unknown. At present, no reliable estimate of the total cleanup cost for the known and unknown waste sites is available. As a result, no amounts have been accrued in the accompanying financial statement or in the general long-term debt account group related to liabilities involving hazardous waste site cleanup.

NOTE 17 - YEAR 2000 DISCLOSURES

Information in this note are "Year 2000 Readiness Disclosures" as defined by the Year 2000 Information and Readiness Disclosure Act of 1998 (PL 105-271, 112 Stat. 2386), enacted on October 19, 1998.

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

The State of Louisiana is currently addressing the year 2000 (Y2K) compliance issue relating to its computer systems and other electronic equipment. The Louisiana Division of Administration established the Louisiana Year 2000 Coordination Project Office in 1998 to provide statewide coordination and monitoring of the Year 2000 compliance conversion. All state government entities have been required by Executive Order to: evaluate the impact of the year 2000 on their current information systems, determine which systems must be corrected or replaced, and initiate corrective action that will be in effect on or before July 1, 1999, to ensure that their services or operation will not be interrupted because of the Year 2000 glitch.

The Louisiana Year 2000 Coordination Project Office (hereafter referred to as Project Office) has identified various computer systems and electronic equipment critical to conducting the operations of the state that must be Year 2000 compliant. The compliance efforts at the various

state agencies are being monitored on a monthly basis. The Project Office is providing assistance and support to these agencies in the conversion process of all mission-critical systems and equipment.

As of December 18, 1998, 9 out of 20 state departments are reporting that approximately \$18 million has been committed to the Y2K conversion project.

The State of Louisiana has identified 535 computer systems and electronic equipment groups that are mission-critical (that is, critical to conducting operations). These systems and equipment groups affect public safety, public health, and financial and personnel aspects of the state's operations. The State of Louisiana is subjecting those systems and equipment to the following stages of work to address year 2000 issues:

Awareness stage: Establishing a budget and project plan for dealing with the Year 2000 issue.

Assessment stage: Identifying systems and components requiring Year 2000 compliance work.

Remediation stage: Making changes to systems and equipment.

Validation/testing stage: Validating and testing changes made during the remediation stage.

The awareness stage for 518 systems and the assessment stage for 485 systems have been completed. The

remediation stage is complete for 290 systems and is in progress for 40 systems. The testing stage is complete for 201 systems and is in progress for 175 systems. Systems considered fully implemented total 179.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot provide 100% assurance that the State of Louisiana will be Year 2000 compliant, that

the State of Louisiana's remediation efforts will be successful as a whole or in part, or that parties with whom the State of Louisiana does business will be Year 2000 compliant. A standardized survey has been mailed to the component units as shown in the CAFR to determine whether they will be 2000 compliant by July 1, 1999. Assurances have been received from a small number. The effect on the CAFR as of June 30, 2000, cannot be determined at this point.

NOTE 18: OTHER DISCLOSURES

A. FEDERAL FAMILY EDUCATION LOANS

The Louisiana Student Financial Assistance Commission (LASFAC) participates in the U. S. Department of Education Federal Family Education Loans program whereby guaranteed loans are reinsured by the federal government. Through participation agreements with various lending institutions, LASFAC guarantees 100% or 98% of principal and interest of qualified student loans made by lenders and purchases all defaulted loans to the extent of its guarantee. LASFAC receives from the Department of Education reinsurance reimbursements for claims paid because of default, death, disability, and bankruptcy. The reinsurance may be 78% to 100% of claims paid, depending on the agency's annual default experience. Under the Federal Family Education Loans program, LASFAC is obligated to pay the Department of Education 73% of the federal share of collections on defaulted loans for which LASFAC has received reinsurance reimbursements. The remainder is retained for administrative expenses.

B. LOUISIANA AGRICULTURAL FINANCE AUTHORITY

Administrative functions of the Louisiana Agricultural Finance Authority are included and reported within the General Fund as budgeted. The authority has a balance of outstanding private activity debt of \$97,312,860, which is not included in the accompanying financial statements.

C. PATIENTS' COMPENSATION FUND

The Patients' Compensation Fund acts primarily as an agent to facilitate payment of medical malpractice claims covering excess liability of private sector health care providers practicing in the state. The fund levies surcharges to private sector health care providers to pay settled claims

and administrative expenses paid on behalf of health care providers during the prior year. Act 507 of 1988 amended LRS 40:1299.44 to further define the fund by including language specifically stating that the fund and any income from it are not public monies. Therefore, obligations for payment of claims against the fund are not liabilities of the

state. However, because of the provisions of Cod. 2100.108-112, the long-term obligations of the fund, \$369,528,962, are reported in the General Long-Term Debt Account Group. For the information of the reader, the financial report as of June 30, 1998 is six months after the actuarial report of December 31, 1997, from which the information shown above was obtained.

D. LOUISIANA HOUSING FINANCE AGENCY

For the reasons explained below, the financial statements included herein for the Louisiana Housing Finance Agency do not include \$633,877,000 in notes and bonds payable which are debt instruments for single and multifamily mortgage revenue bonds. To facilitate its programs, the agency has obtained long-term financing for all applicable projects within all programs. The issuance of debt for the financing of projects by the agency is subject to the approval of the Louisiana State Bond Commission. Bonds are issued under various bond resolutions adopted by the agency to permanently finance and provide financing during the construction period for multifamily qualified projects. Substantially all of the assets of each program of the agency are pledged as collateral for the payment of principal and interest on bond and note indebtedness only of that program. The obligations of the programs are not obligations of the state, and the state is not liable for such obligations. The ability of the programs to meet the debt service requirements on bonds issued to finance mortgage

loans is dependent on the ability of the mortgagors in such programs to generate sufficient funds to meet their respective mortgage repayments.

E. OFFICE OF RISK MANAGEMENT

As partial settlement of certain claims, the Office of Risk Management from time to time purchases annuities to pay claimants. At June 30, 1998, there were 88 active annuities, and the amount outstanding on these annuities was \$185,237,176. The total amount of annuities purchased and outstanding at June 30, 1998, was \$36,290,848. Payments to claimants are made by third-party trustees. Seventy-four of the 88 annuities release the state from further liability on the related claims; the

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remaining 14 annuities do not contain the wording necessary to release the state from any possible future liability, although the probability of these becoming a liability is remote.

F. RECONCILIATION OF CLAIMS LIABILITY FOR STATE RISK PROGRAMS

The state is exposed to various risks of losses related to tort claims and the self-insured and self-funded State Employees' Group Benefits Program, which provides health and life insurance benefits to its active and retired employees. Beginning in 1989, the state decided to stop carrying commercial insurance because of its prohibitive cost, and began covering all claim settlements and judgments out of its General Fund resources. 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. Per the requirements of GASB Statement 10, as amended by GASB Statements 17 and 30, total claims and judgments expenditures were \$437 million, which was calculated by adding the change

between fiscal years 1997 and 1998 in the General Long-Term Debt liabilities for future liability claims against the state, the long-term portion of the claims for the Office of Risk Management and State Employees' Group Benefits, and unappropriated judgments, to the claim payments net of estimated recoveries for the year of \$348 million. Changes in the reported liability since June 30, 1996, resulted from the following (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
1996-97	\$ 1,306,437	\$ 448,729	\$ 382,163	\$ 4,573	\$ 1,368,430
1997-98	1,368,430	447,878	352,470	4,640	1,459,197

NOTE 19: COMPONENT UNIT CONDENSED FINANCIAL STATEMENTS

(Expressed in Thousands)

	Louisiana Workers' Compensat. Corporation	Greater New Orleans Expressway Commission	Lake Charles Harbor and Terminal District	Louisiana Housing Finance Agency
1. Condensed Balance Sheet				
a. Current assets	\$ 650,189	\$ 33,221	\$85,139	\$25,652
b. Property plant and equipment	14,470	2,548	90,144	294
c. Amount to be provided (and available) for retirement of general long-term debt		62,454		
d. Current liabilities	151,184	6,405	3,236	1,624
e. Bonds and other long-term liabilities outstanding	375,860	61,775	25,000	1,043
f. Working capital	499,005	26,816	81,903	24,028
2. Condensed statement of revenues, expenses, and changes in equity for component units that use proprietary fund accounting				
a. Operating revenues	\$171,558	\$399	\$15,918	\$ 5,981
b. Depreciation	2,190		3,704	86
c. Other operating expenses	170,922	342	13,843	2,438
d. Operating income (loss)	(1,554)	57	(1,629)	3,457
e. Transfer to/from the primary government and other component units				
f. Net income or loss	33,712	57	3,471	8,949
g. Current capital contributions			1,776	

State of Louisiana

3. Condensed statement of revenues, expenditures, and changes in fund balances for component units that use governmental fund accounting

a. Revenues	\$20,926
b. Current expenditures	7,688
c. Capital outlay expenditures	6,771
d. Debt service expenditures	5,226
e. Transfer to/from the primary government and other component units	
f. Excess (deficiency) of revenues over expenditures	1,241

	Louisiana Stadium and Exposition District	New Orleans Port Commission	Orleans Levee District	All Others
1. Condensed Balance Sheet				
a. Current assets	\$ 78,603	\$ 70,812	\$ 60,210	\$172,247
b. Property plant and equipment	199,387	322,248	101,802	210,270
c. Amount to be provided (and available) for retirement of general long-term debt	198,845		86,094	12,149
d. Current liabilities	10,616	8,268	6,888	29,955
e. Bonds and other long-term liabilities outstanding	198,845	7,093	121,806	18,744
f. Working capital	67,987	62,544	53,322	142,292
2. Condensed statement of revenues, expenses, and changes in equity for component units that use proprietary fund accounting				
a. Operating revenues	\$ 17,313	\$39,353	\$10,312	\$17,669
b. Depreciation	7,191	11,252	3,221	3,912
c. Other operating expenses	24,751	24,184	6,290	16,635
d. Operating income (loss)	(14,629)	3,917	801	(2,878)
e. Transfer to/from the primary government and other component units			300	(13,435)
f. Net income or loss	(1,654)	7,456	(4,457)	(15,207)
g. Current capital contributions	282	(251)		12,482
3. Condensed statement of revenues, expenditures, and changes in fund balances for component units that use governmental fund accounting				
a. Revenues	\$17,995		\$ 24,147	\$63,083
b. Current expenditures	2,600		14,412	61,607
c. Capital outlay expenditures	44,596		10,433	13,834
d. Debt service expenditures	14,178		6,975	1,411
e. Transfer to/from the primary government and other component units	7,015		(300)	17,268
f. Excess (deficiency) of revenues over expenditures	(43,379)		(7,673)	(13,769)

NOTE 20: SUBSEQUENT EVENTS

A. GENERAL OBLIGATION BOND ISSUE

The State Bond Commission is planning to issue at least \$200 million in general obligation bonds to finance capital outlay projects. It is probable that additional amounts will be issued for refunding purposes, but the exact amount

is not known at this time. The sale of these bonds is anticipated to take place in March or April 1999.

B. CONSTITUTIONAL AMENDMENTS

State of Louisiana

Seventeen of the 20 constitutional amendments proposed by the Legislature in the regular and special sessions of 1998 were passed by voters in the October 3 primary and the November 3 general elections. Of those passed, 8 impact, either directly or indirectly, the fiscal and/or financial operations of general state government. The first creates the Louisiana Community and Technical College System, the Board of Supervisors of Community and Technical Colleges under the Board of Regents, and moves all technical colleges currently under the Board of Secondary Education to the new board effective July 1, 1999. The second increases by 50% the maximum severance tax remitted to the parish in which severance occurs by the state. The third grants the Legislature constitutional authority to pass laws for the supervision, operation, and management by the Board of Regents of the nine charity hospitals transferred to the Louisiana State University Medical System at the beginning of the 1998 fiscal year. The Revenue Stabilization/Mineral Trust Fund is replaced by the Budget Stabilization Fund by a fourth amendment, which also adds purposes for which nonrecurring state revenue could be used. A fifth amendment prohibits any court in the state from ordering a state or local tax levy, tax increase or the repeal of a tax exemption. Passage of the sixth amendment allows the Interim Emergency Board to add "impending flood emergency" to the allowable reasons for which it could appropriate or borrow money. The seventh amendment changes the name of the Board of Trustees for State Colleges and Universities to the Board of Supervisors for the University of Louisiana System. The eighth provides a method of appointing members of the Board of Regents that would accommodate any change in the number of congressional districts.

Other amendments that passed deal with crime victims' rights, denial of bail, and jury requirements. The remainder relate to local and municipal issues.

C. TOBACCO SETTLEMENT

The national tobacco settlement is a result of a multi-state action suit against the five major tobacco companies. The states' Attorneys General and the tobacco companies signed a proposed settlement that addresses federal legislation for federal and state health problems due to tobacco use. The lawsuit sought monetary damages from the tobacco industry for reimbursement of smoking-related medical expenses paid through the Medicaid program and other health care programs. Under the proposed agreement, Louisiana will receive over \$4.4 billion dollars over the next 25 years. Although no final decision has been made on the uses of this money, proposals include early retirement of state debt and for health, research, and education programs.

D. HIRING AND SPENDING FREEZE

To ensure the State of Louisiana will not suffer a budget deficit from 1998 -1999 appropriations exceeding actual revenues, on January 8, 1999 Governor Foster signed an executive order essentially prohibiting the filling of current vacancies in the executive branch of state government. The order also limits expenditures for travel, professional services, supplies, acquisitions, and major repairs.





GENERAL FUND BALANCE SHEET

JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	1998
<u>ASSETS</u>	
CASH AND CASH EQUIVALENTS	\$ 223,517
INVESTMENTS	9,558
RECEIVABLES:	
ACCOUNTS RECEIVABLE	55,090
LOAN TO PROVIDERS	2,187
DUE FROM OTHER FUNDS	777,808
DUE FROM FEDERAL GOVERNMENT	502,909
INVENTORIES	47,304
OTHER ASSETS	445
 TOTAL ASSETS	 \$ 1,618,818
 <u>LIABILITIES AND FUND BALANCE</u>	
LIABILITIES:	
ACCOUNTS PAYABLE AND ACCRUALS	\$ 744,363
OTHER PAYABLES	7,835
DUE TO FEDERAL GOVERNMENT	33,557
DUE TO OTHER FUNDS	310,858
DEFERRED REVENUES	20,519
ESTIMATED LIABILITY FOR CLAIMS	64,134
TOTAL LIABILITIES	1,181,266
FUND BALANCE:	
RESERVED FOR INVENTORY	47,304
RESERVED FOR ENCUMBRANCES	27,034
RESERVED FOR OTHER SPECIFIC PURPOSES	260,742
UNRESERVED - DESIGNATED	8,309
UNDESIGNATED	94,163
TOTAL FUND BALANCE	437,552
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 1,618,818

State of Louisiana

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	<u>1998</u>
REVENUES:	
INTERGOVERNMENTAL REVENUES	\$ 4,245,166
USE OF MONEY AND PROPERTY	19,138
OTHER	<u>8,436</u>
TOTAL REVENUES	<u>4,272,740</u>
EXPENDITURES:	
CURRENT:	
GENERAL GOVERNMENT	1,379,171
CULTURE, RECREATION, AND TOURISM	45,426
TRANSPORTATION AND DEVELOPMENT	276,679
PUBLIC SAFETY	170,055
HEALTH AND WELFARE	4,092,231
CORRECTIONS	437,170
CONSERVATION AND ENVIRONMENT	193,317
EDUCATION	3,055,941
OTHER	2,863
INTERGOVERNMENTAL	328,561
DEBT SERVICE:	
PRINCIPAL RETIREMENT	157,190
INTEREST AND FISCAL CHARGES	<u>9,820</u>
TOTAL EXPENDITURES	<u>10,148,424</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5,875,684)</u>
OTHER FINANCING SOURCES (USES):	
OPERATING TRANSFERS IN - PRIMARY GOVERNMENT	7,636,966
OPERATING TRANSFERS OUT - PRIMARY GOVERNMENT	(1,727,290)
OPERATING TRANSFERS IN - COMPONENT UNIT	9,500
OPERATING TRANSFERS OUT - COMPONENT UNIT	(26,868)
OTHER	<u>7,390</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,899,698</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	24,014
FUND BALANCE AT BEGINNING OF YEAR AS RESTATED	567,399
INCREASE IN RESERVE FOR INVENTORIES	1,318
FUND EQUITY TRANSFER	<u>(155,179)</u>
FUND BALANCE AT END OF YEAR	<u>\$ 437,552</u>



State of Louisiana

SPECIAL REVENUE FUNDS *

COMBINING BALANCE SHEET

JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	GENERAL GOVERNMENT	CULTURE, RECREATION, AND TOURISM	TRANSPORTATION AND DEVELOPMENT	PUBLIC SAFETY	HEALTH AND WELFARE	CORRECTIONS
ASSETS						
CASH AND CASH EQUIVALENTS	\$ 127,823	\$ 9,538	\$ 331,027	\$ 2,558	\$ 47,319	\$ 458
INVESTMENTS	70,178	--	--	--	--	--
RECEIVABLES	24	4,341	--	--	--	--
DUE FROM OTHER FUNDS	5,288	9,011	76,988	337	19,316	5
DUE FROM FEDERAL GOVERNMENT	--	--	30,171	--	--	--
INVENTORIES	--	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--	--
TOTAL ASSETS	\$ 203,313	\$ 22,890	\$ 438,186	\$ 2,895	\$ 66,635	\$ 463
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
DUE TO OTHER FUNDS	13,178	9,531	91,538	1,218	3,544	39
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--	--
TOTAL LIABILITIES	13,178	9,531	91,538	1,218	3,544	39
FUND BALANCES:						
RESERVED FOR:						
INVENTORIES	--	--	--	--	--	--
ENCUMBRANCES	17,983	500	20,573	--	--	--
CONTINUING PROJECTS	--	--	313,166	--	--	--
OPERATIONS AND MAINTENANCE	--	--	--	--	--	--
OTHER	--	--	--	--	--	--
UNRESERVED:						
DESIGNATED FOR:						
FUTURE EXAMINATIONS AND TESTING	--	--	--	--	--	--
OTHER	870	--	1,853	--	310	--
UNDESIGNATED	171,282	12,859	11,056	1,677	62,781	424
TOTAL FUND BALANCES	190,135	13,359	346,648	1,677	63,091	424
TOTAL LIABILITIES AND FUND BALANCES	\$ 203,313	\$ 22,890	\$ 438,186	\$ 2,895	\$ 66,635	\$ 463

* Shown by functional categorization.

State of Louisiana

CONSERVATION AND ENVIRONMENT	EDUCATION	GAMING	OTHER	INTER- GOVERNMENTAL	TOTAL JUNE 30, 1998
\$ 189,518	\$ 103,750	\$ 68,384	\$ 24,582	\$ 28,983	\$ 933,940
9,168	108	--	--	5,089	84,543
2,851	--	--	1,072	5,442	13,730
30,695	2,714	24,663	1,231	7,292	177,540
--	--	--	--	--	30,171
--	--	--	5	--	5
--	--	825	60	204	1,089
<u>\$ 232,232</u>	<u>\$ 106,572</u>	<u>\$ 93,872</u>	<u>\$ 26,950</u>	<u>\$ 47,010</u>	<u>\$ 1,241,018</u>

\$ --	\$ --	\$ --	\$ 115	\$ 839	\$ 954
6,057	19,001	16,757	1,345	45	162,253
--	--	--	--	28,324	28,324
--	--	--	3,348	2,424	5,772
<u>6,057</u>	<u>19,001</u>	<u>16,757</u>	<u>4,808</u>	<u>31,632</u>	<u>197,303</u>

--	--	--	5	--	5
38,251	--	450	--	342	78,099
--	--	--	--	--	313,166
--	--	--	11,115	--	11,115
200	--	--	2,237	--	2,437
--	--	--	--	346	346
980	346	358	6,605	--	11,322
<u>186,744</u>	<u>87,225</u>	<u>76,307</u>	<u>2,180</u>	<u>14,690</u>	<u>627,225</u>
<u>226,175</u>	<u>87,571</u>	<u>77,115</u>	<u>22,142</u>	<u>15,378</u>	<u>1,043,715</u>
<u>\$ 232,232</u>	<u>\$ 106,572</u>	<u>\$ 93,872</u>	<u>\$ 26,950</u>	<u>\$ 47,010</u>	<u>\$ 1,241,018</u>

State of Louisiana

SPECIAL REVENUE FUNDS *

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	GENERAL GOVERNMENT	CULTURE, RECREATION, AND TOURISM	TRANSPORTATION AND DEVELOPMENT	PUBLIC SAFETY	HEALTH AND WELFARE	CORRECTIONS
REVENUES:						
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ 278,244	\$ --	\$ --	--
TAXES	335	17,911	--	--	--	--
USE OF MONEY AND PROPERTY	6,037	65	4,296	--	622	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--	--
SALES OF COMMODITIES AND SERVICES	--	--	--	--	--	--
OTHER	825	115	--	--	11	--
TOTAL REVENUES	7,197	18,091	282,540	--	633	--
EXPENDITURES:						
OTHER	--	--	--	--	6	--
INTERGOVERNMENTAL	--	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	6	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,197	18,091	282,540	--	627	--
OTHER FINANCING SOURCES (USES):						
OPERATING TRANSFERS IN - PRIMARY GOVERNMENT	252,100	29,634	483,980	8,446	80,654	180
OPERATING TRANSFERS OUT - PRIMARY GOVERNMENT	(228,981)	(43,755)	(773,749)	(8,007)	(67,401)	(39)
OPERATING TRANSFERS IN - COMPONENT UNIT	10,935	--	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	34,054	(14,121)	(289,769)	439	13,253	141
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	41,251	3,970	(7,229)	439	13,880	141
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	148,884	9,389	353,877	1,238	49,211	283
FUND BALANCES AT END OF YEAR	\$ 190,135	\$ 13,359	\$ 346,648	\$ 1,677	\$ 63,091	\$ 424

* Shown by functional categorization.

State of Louisiana

	CONSERVATION AND ENVIRONMENT	EDUCATION	GAMING	OTHER	INTER- GOVERNMENTAL	TOTAL JUNE 30, 1998
\$	--	\$ --	\$ --	5,062	\$ --	\$ 283,306
	--	--	--	--	--	18,246
	16,412	701	716	24,340	25,729	78,918
	38	--	--	16,360	26,853	43,251
	--	--	--	74	1,621	1,695
	1,428	56	--	10	1,647	4,092
	<u>17,878</u>	<u>757</u>	<u>716</u>	<u>45,846</u>	<u>55,850</u>	<u>429,508</u>
	--	--	--	30,211	78	30,295
	--	--	--	--	84,260	84,260
	--	--	--	30,211	84,338	114,555
	<u>17,878</u>	<u>757</u>	<u>716</u>	<u>15,635</u>	<u>(28,488)</u>	<u>314,953</u>
	153,187	70,678	361,574	15,855	31,358	1,487,646
	(169,498)	(72,177)	(372,462)	(37,027)	(628)	(1,773,724)
	--	--	--	--	--	10,935
	<u>(16,311)</u>	<u>(1,499)</u>	<u>(10,888)</u>	<u>(21,172)</u>	<u>30,730</u>	<u>(275,143)</u>
	1,567	(742)	(10,172)	(5,537)	2,242	39,810
	<u>224,608</u>	<u>88,313</u>	<u>87,287</u>	<u>27,679</u>	<u>13,136</u>	<u>1,003,905</u>
\$	<u>226,175</u>	<u>\$ 87,571</u>	<u>\$ 77,115</u>	<u>\$ 22,142</u>	<u>\$ 15,378</u>	<u>\$ 1,043,715</u>

State of Louisiana

SPECIAL REVENUE FUNDS *

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	GENERAL GOVERNMENT			CULTURE, RECREATION AND TOURISM		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	15,000	17,911	2,911
USE OF MONEY AND PROPERTY	39,810	4,170	(35,640)	--	65	65
LICENSES, PERMITS, AND FEES	--	--	--	--	--	--
SALES OF COMMODITIES AND SERVICES	--	--	--	--	--	--
OTHER	--	825	825	--	115	115
TOTAL REVENUES	<u>39,810</u>	<u>4,995</u>	<u>(34,815)</u>	<u>15,000</u>	<u>18,091</u>	<u>3,091</u>
EXPENDITURES:						
OTHER	--	--	--	--	--	--
INTERGOVERNMENTAL	--	--	--	--	--	--
TOTAL EXPENDITURES	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>39,810</u>	<u>4,995</u>	<u>(34,815)</u>	<u>15,000</u>	<u>18,091</u>	<u>3,091</u>
OTHER FINANCING SOURCES (USES):						
OPERATING TRANSFERS IN	--	3,956	3,956	--	--	--
OPERATING TRANSFERS OUT	<u>(39,810)</u>	<u>(2,053)</u>	<u>37,757</u>	<u>(15,000)</u>	<u>(18,291)</u>	<u>(3,291)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(39,810)</u>	<u>1,903</u>	<u>41,713</u>	<u>(15,000)</u>	<u>(18,291)</u>	<u>(3,291)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	--	6,898	6,898	--	(200)	(200)
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	<u>49,800</u>	<u>49,800</u>	<u>--</u>	<u>1,253</u>	<u>1,253</u>	<u>--</u>
FUND BALANCES AT END OF YEAR	<u>\$ 49,800</u>	<u>\$ 56,698</u>	<u>\$ 6,898</u>	<u>\$ 1,253</u>	<u>\$ 1,053</u>	<u>\$ (200)</u>

* Shown by functional categorization.

(Continued)

State of Louisiana

TRANSPORTATION AND DEVELOPMENT			CONSERVATION AND ENVIRONMENT			OTHER		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 380,979	\$ 278,244	\$ (102,735)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--	--
--	4,267	4,267	3,167	15,635	12,468	--	4	4
--	--	--	--	38	38	14,191	13,323	(868)
--	--	--	--	--	--	--	74	74
--	--	--	--	1,426	1,426	--	4	4
<u>380,979</u>	<u>282,511</u>	<u>(98,468)</u>	<u>3,167</u>	<u>17,099</u>	<u>13,932</u>	<u>14,191</u>	<u>13,405</u>	<u>(786)</u>
--	--	--	--	--	--	14,191	13,275	916
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	14,191	13,275	916
<u>380,979</u>	<u>282,511</u>	<u>(98,468)</u>	<u>3,167</u>	<u>17,099</u>	<u>13,932</u>	<u>--</u>	<u>130</u>	<u>130</u>
441,700	475,895	34,195	5,000	20,939	15,939	--	--	--
<u>(822,679)</u>	<u>(765,693)</u>	<u>56,986</u>	<u>(8,167)</u>	<u>(38,414)</u>	<u>(30,247)</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>(380,979)</u>	<u>(289,798)</u>	<u>91,181</u>	<u>(3,167)</u>	<u>(17,475)</u>	<u>(14,308)</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	(7,287)	(7,287)	--	(376)	(376)	--	130	130
<u>351,934</u>	<u>351,934</u>	<u>--</u>	<u>110,190</u>	<u>110,190</u>	<u>--</u>	<u>289</u>	<u>289</u>	<u>--</u>
<u>\$ 351,934</u>	<u>\$ 344,647</u>	<u>\$ (7,287)</u>	<u>\$ 110,190</u>	<u>\$ 109,814</u>	<u>\$ (376)</u>	<u>\$ 289</u>	<u>\$ 419</u>	<u>\$ 130</u>

State of Louisiana

SPECIAL REVENUE FUNDS *

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	INTERGOVERNMENTAL			TOTAL BUDGETED SPECIAL REVENUE FUNDS BY FUNCTION		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	--	\$ 380,979	\$ 278,244	\$ (102,735)
TAXES	--	--	--	15,000	17,911	2,911
USE OF MONEY AND PROPERTY	22,598	25,673	3,075	65,575	49,814	(15,761)
LICENSES, PERMITS, AND FEES	25,713	26,751	1,038	39,904	40,112	208
SALES OF COMMODITIES AND SERVICES	31	33	2	31	107	76
OTHER	361	453	92	361	2,823	2,462
TOTAL REVENUES	48,703	52,910	4,207	501,850	389,011	(112,839)
EXPENDITURES:						
OTHER	93	78	15	14,284	13,353	931
INTERGOVERNMENTAL	78,718	81,457	(2,739)	78,718	81,457	(2,739)
TOTAL EXPENDITURES	78,811	81,535	(2,724)	93,002	94,810	(1,808)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(30,108)	(28,625)	1,483	408,848	294,201	(114,647)
OTHER FINANCING SOURCES (USES):						
OPERATING TRANSFERS IN	30,500	31,358	858	477,200	532,148	54,948
OPERATING TRANSFERS OUT	--	(628)	(628)	(885,656)	(825,079)	60,577
TOTAL OTHER FINANCING SOURCES (USES)	30,500	30,730	230	(408,456)	(292,931)	115,525
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	392	2,105	1,713	392	1,270	878
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	11,387	11,387	--	524,853	524,853	--
FUND BALANCES AT END OF YEAR	\$ 11,779	\$ 13,492	\$ 1,713	\$ 525,245	\$ 526,123	\$ 878

* Shown by functional categorization.

(Concluded)

State of Louisiana

DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

		ASCENSION- ST. JAMES BRIDGE AND FERRY AUTHORITY *	BOND SECURITY AND REDEMPTION FUND	CRESCENT CITY CONNECTION DIVISION *	PARISH ROYALTY SINKING FUND	TRANSPORTATION INFRASTRUCTURE MODEL FOR ECONOMIC DEVELOPMENT	TOTAL JUNE 30, 1998
<u>ASSETS</u>							
CASH AND CASH EQUIVALENTS	\$	3,322	\$ 57,887	\$ 2,349	\$ 635	\$ 155,153	\$ 219,346
INVESTMENTS		24	15,590	2,984	--	26,275	44,873
RECEIVABLES		--	707,689	107	--	--	707,796
DUE FROM OTHER FUNDS		--	160,289	--	--	45,432	205,721
TOTAL ASSETS	\$	<u>3,346</u>	<u>\$ 941,455</u>	<u>\$ 5,440</u>	<u>\$ 635</u>	<u>\$ 226,860</u>	<u>\$ 1,177,736</u>
<u>LIABILITIES AND FUND BALANCES</u>							
LIABILITIES:							
ACCOUNTS PAYABLE	\$	--	\$ 27	\$ --	\$ --	\$ --	\$ 27
REFUNDS PAYABLE		--	225,817	--	--	--	225,817
DUE TO FEDERAL GOVERNMENT		--	100	--	--	--	100
DUE TO OTHER FUNDS		--	715,511	66	--	4,744	720,321
MATURED BONDS AND INTEREST PAYABLE		--	--	2,037	--	--	2,037
TOTAL LIABILITIES		<u>--</u>	<u>941,455</u>	<u>2,103</u>	<u>--</u>	<u>4,744</u>	<u>948,302</u>
FUND BALANCES:							
RESERVED FOR DEBT SERVICE		3,346	--	3,337	635	26,103	33,421
RESERVED FOR CONSTRUCTION		--	--	--	--	195,201	195,201
DESIGNATED		--	--	--	--	812	812
TOTAL FUND BALANCES		<u>3,346</u>	<u>--</u>	<u>3,337</u>	<u>635</u>	<u>222,116</u>	<u>229,434</u>
TOTAL LIABILITIES AND FUND BALANCES	\$	<u>3,346</u>	<u>\$ 941,455</u>	<u>\$ 5,440</u>	<u>\$ 635</u>	<u>\$ 226,860</u>	<u>\$ 1,177,736</u>

* As of October 31, 1997.

State of Louisiana

DEBT SERVICE FUNDS

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

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	ASCENSION- ST. JAMES BRIDGE AND FERRY AUTHORITY *	BOND SECURITY AND REDEMPTION FUND	CRESCENT CITY CONNECTION DIVISION *	PARISH ROYALTY SINKING FUND	TRANSPORTATION INFRASTRUCTURE MODEL FOR ECONOMIC DEVELOPMENT	TOTAL JUNE 30, 1998
REVENUES:						
INTERGOVERNMENTAL REVENUES	\$ --	\$ 12,966	\$ --	\$ --	\$ --	\$ 12,966
TAXES	--	5,526,111	--	--	35,306	5,561,417
GAMING	--	423,112	--	--	--	423,112
USE OF MONEY AND PROPERTY	128	469,244	324	--	5,181	474,877
LICENSES, PERMITS, AND FEES	--	439,525	--	--	--	439,525
SALES OF COMMODITIES AND SERVICES	--	573,465	--	--	--	573,465
OTHER	32	263,004	--	--	--	263,036
TOTAL REVENUES	160	7,707,427	324	--	40,487	7,748,398
EXPENDITURES:						
OTHER	--	2,886	--	--	--	2,886
DEBT SERVICE:						
PRINCIPAL RETIREMENT	1,497	108,169	1,095	510	24,950	136,221
INTEREST AND FISCAL CHARGES	275	108,893	1,894	246	10,356	121,664
TOTAL EXPENDITURES	1,772	219,948	2,989	756	35,306	260,771
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,612)	7,487,479	(2,665)	(756)	5,181	7,487,627
OTHER FINANCING SOURCES (USES):						
PAYMENT TO REFUNDED						
BOND ESCROW AGENT	--	(350,620)	--	--	--	(350,620)
BOND PROCEEDS	--	352,405	--	--	--	352,405
OPERATING TRANSFERS IN	1,600	143,729	2,843	628	77,490	226,290
OPERATING TRANSFERS OUT	--	(7,632,993)	(66)	--	(58,969)	(7,692,028)
TOTAL OTHER FINANCING SOURCES (USES)	1,600	(7,487,479)	2,777	628	18,521	(7,463,953)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	(12)	--	112	(128)	23,702	23,674
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	3,358	--	3,225	763	198,414	205,760
FUND BALANCES AT END OF YEAR	\$ 3,346	\$ --	\$ 3,337	\$ 635	\$ 222,116	\$ 229,434

* As of October 31, 1997.

State of Louisiana

CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	CAPITAL OUTLAY ESCROW FUND	CRESCENT CITY CONNECTION DIVISION *	TOTAL JUNE 30, 1998
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 535,536	\$ 51,191	\$ 586,727
INVESTMENTS	1,252	--	1,252
RECEIVABLES	1,986	197	2,183
DUE FROM OTHER FUNDS	129,659	--	129,659
OTHER ASSETS	<u>2,674</u>	<u>--</u>	<u>2,674</u>
 TOTAL ASSETS	 \$ <u>671,107</u>	 \$ <u>51,388</u>	 \$ <u>722,495</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES:			
ACCOUNTS PAYABLE	\$ 827	\$ 307	\$ 1,134
CONTRACTS AND RETAINAGE PAYABLE	86,855	--	86,855
DUE TO OTHER FUNDS	587	--	587
OTHER LIABILITIES	<u>--</u>	<u>34</u>	<u>34</u>
 TOTAL LIABILITIES	 <u>88,269</u>	 <u>341</u>	 <u>88,610</u>
 FUND BALANCES:			
RESERVED FOR CONSTRUCTION	<u>582,838</u>	<u>51,047</u>	<u>633,885</u>
 TOTAL FUND BALANCES	 <u>582,838</u>	 <u>51,047</u>	 <u>633,885</u>
 TOTAL LIABILITIES AND FUND BALANCE	 \$ <u>671,107</u>	 \$ <u>51,388</u>	 \$ <u>722,495</u>

* As of October 31, 1997.

State of Louisiana

CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	CAPITAL OUTLAY ESCROW FUND	CRESCENT CITY CONNECTION DIVISION *	TOTAL JUNE 30, 1998
REVENUES:			
INTERGOVERNMENTAL REVENUES	\$ 24,275	\$ --	\$ 24,275
USE OF MONEY AND PROPERTY	<u>2,194</u>	<u>2,503</u>	<u>4,697</u>
TOTAL REVENUES	<u>26,469</u>	<u>2,503</u>	<u>28,972</u>
EXPENDITURES:			
CAPITAL OUTLAY	<u>828,690</u>	<u>4,912</u>	<u>833,602</u>
TOTAL EXPENDITURES	<u>828,690</u>	<u>4,912</u>	<u>833,602</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(802,221)</u>	<u>(2,409)</u>	<u>(804,630)</u>
OTHER FINANCING SOURCES (USES):			
BOND PROCEEDS	211,470	--	211,470
OPERATING TRANSFERS IN - PRIMARY GOVERNMENT	651,408	31,099	682,507
OPERATING TRANSFERS OUT - PRIMARY GOVERNMENT	(7,282)	(14,064)	(21,346)
OPERATING TRANSFERS OUT - COMPONENT UNIT	<u>(4,415)</u>	<u>--</u>	<u>(4,415)</u>
TOTAL OTHER FINANCING SOURCES	<u>851,181</u>	<u>17,035</u>	<u>868,216</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	48,960	14,626	63,586
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	<u>533,878</u>	<u>36,421</u>	<u>570,299</u>
FUND BALANCES AT END OF YEAR	<u>\$ 582,838</u>	<u>\$ 51,047</u>	<u>\$ 633,885</u>

* For the period ending October 31, 1997.



State of Louisiana

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	DRINKING WATER REVOLVING LOAN FUND	LOUISIANA AGRICULTURAL FINANCE AUTHORITY	LOUISIANA CORRECTIONAL FACILITIES CORPORATION	LOUISIANA LOTTERY CORPORATION
<u>ASSETS</u>				
CASH AND CASH EQUIVALENTS	\$ 4,554	\$ 159	\$ 5,579	\$ 96
INVESTMENTS	--	--	--	274,717
RECEIVABLES (NET)	--	151	34	9,108
NOTES RECEIVABLE	--	--	--	--
OTHER ASSETS	--	36	--	7,867
RESTRICTED ASSETS:				
INVESTMENTS	--	--	--	181
PROPERTY, PLANT, AND EQUIPMENT (NET)	--	6,694	2,519	1,242
TOTAL ASSETS	<u>\$ 4,554</u>	<u>\$ 7,040</u>	<u>\$ 8,132</u>	<u>\$ 293,211</u>
<u>LIABILITIES AND EQUITY</u>				
LIABILITIES:				
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ 193	\$ 271	\$ 2,959
COMPENSATED ABSENCES PAYABLE	--	--	--	229
DUE TO OTHER FUNDS	--	255	--	12,080
BONDS PAYABLE	--	--	--	--
OTHER LIABILITIES	--	18	--	254,961
TOTAL LIABILITIES	<u>--</u>	<u>466</u>	<u>271</u>	<u>270,229</u>
EQUITY:				
CONTRIBUTED CAPITAL	--	4,533	--	--
RETAINED EARNINGS (DEFICIT):				
RESERVED FOR DEBT SERVICE	--	--	--	--
UNRESERVED	4,554	2,041	7,861	22,982
TOTAL EQUITY	<u>4,554</u>	<u>6,574</u>	<u>7,861</u>	<u>22,982</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 4,554</u>	<u>\$ 7,040</u>	<u>\$ 8,132</u>	<u>\$ 293,211</u>

State of Louisiana

LOUISIANA OFFICE BUILDING CORPORATION	LOUISIANA OFFICE FACILITIES CORPORATION	LOUISIANA OPPORTUNITY LOAN FUND	MUNICIPAL FACILITIES REVOLVING LOAN FUND	TOTAL JUNE 30, 1998
\$ 3,896	\$ 3,414	\$ 251	\$ 29,084	\$ 47,033
755	11	2,000	--	277,483
1	918	--	3,261	13,473
--	--	6,228	132,400	138,628
--	155	334	--	8,392
619	1,700	--	--	2,500
<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u>10,455</u>
<u>\$ 5,271</u>	<u>\$ 6,198</u>	<u>\$ 8,813</u>	<u>\$ 164,745</u>	<u>\$ 497,964</u>
\$ --	\$ 107	\$ 8	\$ --	\$ 3,538
--	--	--	--	229
--	--	2,250	--	14,585
--	--	6,540	--	6,540
<u> --</u>	<u> --</u>	<u> --</u>	<u>3,949</u>	<u>258,928</u>
<u> --</u>	<u>107</u>	<u>8,798</u>	<u>3,949</u>	<u>283,820</u>
--	--	--	--	4,533
619	1,700	588	--	2,907
<u>4,652</u>	<u>4,391</u>	<u>(573)</u>	<u>160,796</u>	<u>206,704</u>
<u>5,271</u>	<u>6,091</u>	<u>15</u>	<u>160,796</u>	<u>214,144</u>
<u>\$ 5,271</u>	<u>\$ 6,198</u>	<u>\$ 8,813</u>	<u>\$ 164,745</u>	<u>\$ 497,964</u>

State of Louisiana

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	DRINKING WATER REVOLVING LOAN FUND	LOUISIANA AGRICULTURAL FINANCE AUTHORITY	LOUISIANA CORRECTIONAL FACILITIES CORPORATION	LOUISIANA LOTTERY CORPORATION
OPERATING REVENUES:				
INTERGOVERNMENTAL REVENUE	\$ --	\$ --	\$ --	\$ --
USE OF MONEY AND PROPERTY	207	1,802	104	--
LICENSES, PERMITS, AND FEES	--	--	--	34
SALES OF COMMODITIES AND SERVICES	--	--	--	292,896
OTHER	--	--	334	16
TOTAL OPERATING REVENUES	207	1,802	438	292,946
OPERATING EXPENSES:				
COST OF SALES AND SERVICES	--	--	--	171,912
PERSONAL SERVICES	--	--	--	5,179
CONTRACTUAL SERVICES	--	--	--	303
OPERATING SERVICES	--	873	1,016	9,074
SUPPLIES	--	42	--	522
PROFESSIONAL SERVICES	--	115	--	486
ADMINISTRATIVE	--	--	76	--
DEPRECIATION	--	324	--	1,040
AMORTIZATION	--	--	--	--
BAD DEBT EXPENSE	--	--	--	49
OTHER	--	203	101	475
TOTAL OPERATING EXPENSES	--	1,557	1,193	189,040
OPERATING INCOME (LOSS)	207	245	(755)	103,906
NONOPERATING REVENUES (EXPENSES):				
DISPOSAL OF FIXED ASSETS	--	(2)	--	(68)
INTEREST REVENUE	--	2	299	3,385
FEDERAL GRANTS	--	--	--	--
INTEREST EXPENSE	--	(209)	--	--
OTHER	--	1,763	--	3
TOTAL NONOPERATING REVENUES (EXPENSES)	--	1,554	299	3,320
INCOME (LOSS) BEFORE OPERATING TRANSFER	207	1,799	(456)	107,226
OPERATING TRANSFERS:				
OPERATING TRANSFERS IN	263	--	--	--
OPERATING TRANSFERS OUT	--	--	--	(108,038)
NET OPERATING TRANSFERS	263	--	--	(108,038)
NET INCOME (LOSS)	470	1,799	(456)	(812)
RETAINED EARNINGS AT				
BEGINNING OF YEAR AS RESTATED	4,084	242	8,317	23,794
RETAINED EARNINGS (DEFICIT) AT END OF YEAR	\$ 4,554	\$ 2,041	\$ 7,861	\$ 22,982

State of Louisiana

LOUISIANA OFFICE BUILDING CORPORATION	LOUISIANA OFFICE FACILITIES CORPORATION	LOUISIANA OPPORTUNITY LOAN FUND	MUNICIPAL FACILITIES REVOLVING LOAN FUND	TOTAL JUNE 30, 1998
\$ --	\$ --	\$ --	\$ 244	\$ 244
86	4,672	927	1,059	8,857
--	--	--	--	34
--	--	--	--	292,896
--	--	--	3,643	3,993
<u>86</u>	<u>4,672</u>	<u>927</u>	<u>4,946</u>	<u>306,024</u>
--	--	--	--	171,912
--	--	--	819	5,998
4	5	--	--	312
73	2,446	--	143	13,625
--	--	--	6	570
--	--	10	--	611
--	--	--	--	76
--	--	--	--	1,364
--	12	37	--	49
--	--	--	--	49
--	--	127	1	907
<u>77</u>	<u>2,463</u>	<u>174</u>	<u>969</u>	<u>195,473</u>
<u>9</u>	<u>2,209</u>	<u>753</u>	<u>3,977</u>	<u>110,551</u>
--	--	--	--	(70)
260	289	26	--	4,261
--	--	--	27,006	27,006
--	(1,067)	(776)	--	(2,052)
--	--	--	(39)	1,727
<u>260</u>	<u>(778)</u>	<u>(750)</u>	<u>26,967</u>	<u>30,872</u>
269	1,431	3	30,944	141,423
--	--	--	7,202	7,465
--	--	--	--	(108,038)
--	--	--	7,202	(100,573)
269	1,431	3	38,146	40,850
<u>5,002</u>	<u>4,660</u>	<u>12</u>	<u>122,650</u>	<u>168,761</u>
<u>\$ 5,271</u>	<u>\$ 6,091</u>	<u>\$ 15</u>	<u>\$ 160,796</u>	<u>\$ 209,611</u>

State of Louisiana

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	DRINKING WATER REVOLVING LOAN FUND	LOUISIANA AGRICULTURAL FINANCE AUTHORITY	LOUISIANA CORRECTIONAL FACILITIES CORPORATION	LOUISIANA LOTTERY CORPORATION
OPERATING INCOME (LOSS)	\$ 207	\$ 245	\$ (755)	\$ 103,906
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
DEPRECIATION AND AMORTIZATION	\$ --	\$ 324	\$ --	\$ 1,040
PROVISION FOR DOUBTFUL ACCOUNTS	--	--	--	1
CHANGES IN ASSETS AND LIABILITIES:				
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	--	193	105	(866)
(INCREASE)/DECREASE IN NOTES RECEIVABLE	--	--	--	--
(INCREASE)/DECREASE IN OTHER ASSETS	--	12	--	(665)
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE AND ACCRUAL	--	94	271	(305)
INCREASE/(DECREASE) IN COMPENSATED ABSENCES	--	--	--	9
INCREASE/(DECREASE) IN DUE TO OTHER FUNDS	--	255	--	(1,280)
INCREASE/(DECREASE) IN OTHER LIABILITIES	--	(56)	--	17,292
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 207	\$ 1,067	\$ (379)	\$ 119,132
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
PROCEEDS FROM SALE OF BONDS	\$ --	\$ --	\$ --	--
PRINCIPAL PAID ON BONDS	--	--	--	--
INTEREST PAID ON BOND MATURITIES	--	(209)	--	--
OPERATING GRANTS RECEIVED	--	--	--	--
INTERGOVERNMENTAL REVENUE	--	1,763	--	--
OPERATING TRANSFERS-IN FROM OTHER FUNDS	263	--	--	--
OPERATING TRANSFERS-OUT TO OTHER FUNDS	--	--	--	(108,039)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ 263	\$ 1,554	\$ --	\$ (108,039)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
INTEREST PAID ON BONDS	\$ --	\$ --	\$ --	--
ACQUISITION/CONSTRUCTION OF CAPITAL ASSETS	--	(3,764)	--	(388)
PROCEEDS FROM SALE OF CAPITAL ASSETS	--	--	--	28
CAPITAL CONTRIBUTIONS	--	1,248	--	--
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$ --	\$ (2,516)	\$ --	\$ (360)
CASH FLOWS FROM INVESTING ACTIVITIES:				
PURCHASE OF INVESTMENT SECURITIES	\$ --	\$ --	\$ --	(17,727)
PROCEEDS FROM SALE OF INVESTMENT SECURITIES	--	--	--	3,040
INTEREST AND DIVIDENDS ON INVESTMENTS	--	2	299	3,211
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ --	\$ 2	\$ 299	\$ (11,476)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 470	\$ 107	\$ (80)	\$ (743)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR AS RESTATED	4,084	52	5,659	839
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 4,554	\$ 159	\$ 5,579	\$ 96

(Continued)

State of Louisiana

LOUISIANA OFFICE BUILDING CORPORATION	LOUISIANA OFFICE FACILITIES CORPORATION	LOUISIANA OPPORTUNITY LOAN FUND	MUNICIPAL FACILITIES REVOLVING LOAN FUND	TOTAL JUNE 30, 1998
\$ 9	\$ 2,209	\$ 753	\$ 3,977	\$ 110,551
\$ --	\$ 12	\$ 37	\$ --	\$ 1,413
(1)	(625)	--	13	(1,181)
--	--	1,305	(26,195)	(24,890)
--	--	--	--	(653)
--	11	(13)	--	58
--	--	--	--	9
--	--	--	(54)	(1,079)
--	--	--	74	17,310
\$ 8	\$ 1,607	\$ 2,082	\$ (22,185)	\$ 101,539
\$ --	\$ --	\$ --	\$ 3,961	\$ 3,961
--	--	(6,335)	(4,000)	(10,335)
--	--	(776)	--	(985)
--	--	--	27,005	27,005
--	--	--	--	1,763
--	--	--	7,202	7,465
--	--	--	--	(108,039)
\$ --	\$ --	\$ (7,111)	\$ 34,168	\$ (79,165)
\$ --	\$ (1,067)	\$ --	\$ --	\$ (1,067)
--	--	--	--	(4,152)
--	--	--	--	28
--	--	--	--	1,248
\$ --	\$ (1,067)	\$ --	\$ --	\$ (3,943)
\$ (3,832)	\$ (12)	\$ (2,652)	\$ --	\$ (24,223)
3,444	24	7,778	--	14,286
260	289	26	--	4,087
\$ (128)	\$ 301	\$ 5,152	\$ --	\$ (5,850)
\$ (120)	\$ 841	\$ 123	\$ 11,983	\$ 12,581
4,016	2,573	128	17,101	34,452
\$ 3,896	\$ 3,414	\$ 251	\$ 29,084	\$ 47,033

State of Louisiana

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

	1998
LOUISIANA LOTTERY CORPORATION	
DISPOSAL OF FIXED ASSETS	96

(Concluded)

State of Louisiana

ENTERPRISE FUNDS

SCHEDULE OF REVENUES AND EXPENSES

BUDGET AND ACTUAL (NON-GAAP BASIS)

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	MUNICIPAL FACILITIES REVOLVING LOAN FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OPERATING REVENUES:			
FEDERAL	\$ 537		\$ (537)
OTHER	<u>45,747</u>	<u>15,920</u>	<u>(29,827)</u>
TOTAL OPERATING REVENUES	<u>46,284</u>	<u>15,920</u>	<u>(30,364)</u>
OPERATING EXPENSES:			
OTHER	<u>46,284</u>	<u>38,138</u>	<u>8,146</u>
TOTAL OPERATING EXPENSES	<u>46,284</u>	<u>38,138</u>	<u>8,146</u>
OPERATING INCOME (LOSS)	<u>--</u>	<u>(22,218)</u>	<u>(22,218)</u>
NONOPERATING REVENUES (EXPENSES):			
FEDERAL GRANTS	--	27,006	27,006
OTHER	<u>--</u>	<u>(39)</u>	<u>(39)</u>
TOTAL NONOPERATING REVENUES	<u>--</u>	<u>26,967</u>	<u>26,967</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>--</u>	<u>4,749</u>	<u>4,749</u>
OPERATING TRANSFERS:			
OPERATING TRANSFERS IN	<u>--</u>	<u>7,202</u>	<u>7,202</u>
NET OPERATING TRANSFERS	<u>--</u>	<u>7,202</u>	<u>7,202</u>
BUDGETED INCOME (LOSS)	<u>\$ --</u>	<u>\$ 11,951</u>	<u>\$ 11,951</u>
RECONCILING ITEMS:			
BOND PROCEEDS INCLUDED IN REVENUE		(4,000)	
LOAN PRINCIPAL REPAYMENTS INCLUDED IN REVENUE		(7,217)	
LOAN DISBURSEMENTS INCLUDED IN EXPENSES		33,412	
BOND REPAYMENT INCLUDED IN EXPENSES		<u>4,000</u>	
NET INCOME		<u>\$ 38,146</u>	

State of Louisiana

INTERNAL SERVICE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	ADMINI- STRATIVE SERVICES	ADMINI- STRATIVE SUPPORT	CENTRAL REGIONAL LAUNDRY	FLIGHT MAINTENANCE OPERATIONS	HAMMOND STATE SCHOOL LAUNDRY	JACKSON REGIONAL LAUNDRY
<u>ASSETS</u>						
CASH AND CASH EQUIVALENTS	\$ 1,398	\$ 189	\$ 570	\$ 53	\$ 59	\$ 91
RECEIVABLES	361	199	62	652	--	63
INVENTORIES	711	167	5	68	2	4
OTHER ASSETS	2	--	--	--	--	--
PROPERTY, PLANT, AND EQUIPMENT (NET)	<u>576</u>	<u>30</u>	<u>332</u>	<u>18</u>	<u>102</u>	<u>241</u>
TOTAL ASSETS	<u>\$ 3,048</u>	<u>\$ 585</u>	<u>\$ 969</u>	<u>\$ 791</u>	<u>\$ 163</u>	<u>\$ 399</u>
<u>LIABILITIES AND EQUITY</u>						
LIABILITIES:						
ACCOUNTS PAYABLE AND ACCRUALS	\$ 140	\$ 114	\$ 47	\$ 295	\$ --	\$ 41
COMPENSATED ABSENCES PAYABLE	73	16	35	16	11	42
DUE TO OTHER FUNDS	700	150	--	--	--	--
OTHER LIABILITIES	<u>99</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL LIABILITIES	<u>1,012</u>	<u>280</u>	<u>82</u>	<u>311</u>	<u>11</u>	<u>83</u>
EQUITY:						
CONTRIBUTED CAPITAL	19	11	95	219	53	77
RETAINED EARNINGS:						
UNRESERVED (DEFICIT)	<u>2,017</u>	<u>294</u>	<u>792</u>	<u>261</u>	<u>99</u>	<u>239</u>
TOTAL EQUITY	<u>2,036</u>	<u>305</u>	<u>887</u>	<u>480</u>	<u>152</u>	<u>316</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 3,048</u>	<u>\$ 585</u>	<u>\$ 969</u>	<u>\$ 791</u>	<u>\$ 163</u>	<u>\$ 399</u>

State of Louisiana

LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY	LOUISIANA PROPERTY ASSISTANCE AGENCY	NATURAL RESOURCES COPY AND PUBLICATIONS CENTER	OFFICE OF TELECOMMU- NICATIONS MANAGEMENT	PRISON ENTERPRISES	PUBLIC SAFETY SERVICES CAFETERIAS	DONALD J. THIBODEAUX TRAINING COMPLEX	TOTAL JUNE 30, 1998
\$ 1,384	\$ 2,838	\$ 38	\$ 5,015	\$ 2,814	\$ 1,015	\$ 881	\$ 16,345
61	129	48	2,826	2,634	52	168	7,255
--	9	9	--	5,165	22	230	6,392
--	--	--	236	16	--	--	254
<u>44</u>	<u>2,726</u>	<u>5</u>	<u>1,685</u>	<u>4,163</u>	<u>248</u>	<u>4,002</u>	<u>14,172</u>
<u>\$ 1,489</u>	<u>\$ 5,702</u>	<u>\$ 100</u>	<u>\$ 9,762</u>	<u>\$ 14,792</u>	<u>\$ 1,337</u>	<u>\$ 5,281</u>	<u>\$ 44,418</u>
\$ 28	\$ 155	\$ 12	\$ 443	\$ 1,621	\$ 69	\$ 344	\$ 3,309
38	96	18	272	275	33	47	972
--	--	--	4	--	1	7	862
--	--	5	133	65	--	--	302
<u>66</u>	<u>251</u>	<u>35</u>	<u>852</u>	<u>1,961</u>	<u>103</u>	<u>398</u>	<u>5,445</u>
46	189	166	200	868	590	7,621	10,154
<u>1,377</u>	<u>5,262</u>	<u>(101)</u>	<u>8,710</u>	<u>11,963</u>	<u>644</u>	<u>(2,738)</u>	<u>28,819</u>
<u>1,423</u>	<u>5,451</u>	<u>65</u>	<u>8,910</u>	<u>12,831</u>	<u>1,234</u>	<u>4,883</u>	<u>38,973</u>
<u>\$ 1,489</u>	<u>\$ 5,702</u>	<u>\$ 100</u>	<u>\$ 9,762</u>	<u>\$ 14,792</u>	<u>\$ 1,337</u>	<u>\$ 5,281</u>	<u>\$ 44,418</u>

State of Louisiana

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	ADMINI- STRATIVE SERVICES	ADMINI- STRATIVE SUPPORT	CENTRAL REGIONAL LAUNDRY	FLIGHT MAINTENANCE OPERATIONS	HAMMOND STATE SCHOOL LAUNDRY	JACKSON REGIONAL LAUNDRY
OPERATING REVENUES:						
SALES OF COMMODITIES AND SERVICES	\$ 3,232	\$ 2,554	\$ 741	\$ 1,253	\$ 262	\$ 577
TOTAL OPERATING REVENUES	<u>3,232</u>	<u>2,554</u>	<u>741</u>	<u>1,253</u>	<u>262</u>	<u>577</u>
OPERATING EXPENSES:						
COST OF SALES AND SERVICES	1,291	2,091	--	994	--	--
PERSONAL SERVICES	916	318	439	148	205	422
TRAVEL	--	--	--	--	--	--
OPERATING SERVICES	496	117	88	33	29	30
SUPPLIES	149	13	139	9	17	84
PROFESSIONAL SERVICES	--	--	10	--	--	--
DEPRECIATION	167	3	42	4	15	25
OTHER	(2)	(5)	(1)	1	(11)	19
TOTAL OPERATING EXPENSES	<u>3,017</u>	<u>2,537</u>	<u>717</u>	<u>1,189</u>	<u>255</u>	<u>580</u>
OPERATING INCOME (LOSS)	<u>215</u>	<u>17</u>	<u>24</u>	<u>64</u>	<u>7</u>	<u>(3)</u>
NONOPERATING REVENUES (EXPENSES):						
DISPOSAL OF FIXED ASSETS	(10)	--	(82)	--	--	--
INTEREST REVENUE	32	1	23	11	2	2
INTEREST EXPENSE	(2)	--	--	--	--	--
OTHER	--	--	--	--	--	4
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>20</u>	<u>1</u>	<u>(59)</u>	<u>11</u>	<u>2</u>	<u>6</u>
NET INCOME (LOSS)	235	18	(35)	75	9	3
RETAINED EARNINGS (DEFICIT) AT BEGINNING OF YEAR	1,782	276	827	186	90	236
RETAINED EARNINGS (DEFICIT) AT END OF YEAR	<u>\$ 2,017</u>	<u>\$ 294</u>	<u>\$ 792</u>	<u>\$ 261</u>	<u>\$ 99</u>	<u>\$ 239</u>

State of Louisiana

LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY	LOUISIANA PROPERTY ASSISTANCE AGENCY	NATURAL RESOURCES COPY AND PUBLICATIONS CENTER	OFFICE OF TELECOMMU- NICATIONS MANAGEMENT	PRISON ENTERPRISES	PUBLIC SAFETY SERVICES CAFETERIAS	DONALD J. THIBODEAUX TRAINING COMPLEX	TOTAL JUNE 30, 1998
\$ 1,089	\$ 3,013	\$ 341	\$ 39,299	\$ 21,686	\$ 1,320	\$ 5,329	\$ 80,696
<u>1,089</u>	<u>3,013</u>	<u>341</u>	<u>39,299</u>	<u>21,686</u>	<u>1,320</u>	<u>5,329</u>	<u>80,696</u>
488	662	--	32,969	12,690	699	540	52,424
336	1,109	154	3,405	3,111	383	228	11,174
16	15	--	26	25	--	46	128
158	589	72	450	796	24	142	3,024
21	66	66	48	2,854	27	253	3,746
--	15	--	37	109	--	19	190
26	226	1	659	663	58	734	2,623
(6)	9	1	886	962	29	3,811	5,693
<u>1,039</u>	<u>2,691</u>	<u>294</u>	<u>38,480</u>	<u>21,210</u>	<u>1,220</u>	<u>5,773</u>	<u>79,002</u>
<u>50</u>	<u>322</u>	<u>47</u>	<u>819</u>	<u>476</u>	<u>100</u>	<u>(444)</u>	<u>1,694</u>
--	11	(14)	(66)	(243)	--	(5)	(409)
65	143	--	76	160	40	24	579
--	--	--	(4)	(7)	--	--	(13)
--	--	--	--	86	--	--	90
<u>65</u>	<u>154</u>	<u>(14)</u>	<u>6</u>	<u>(4)</u>	<u>40</u>	<u>19</u>	<u>247</u>
115	476	33	825	472	140	(425)	1,941
1,262	4,786	(134)	7,885	11,491	504	(2,313)	26,878
<u>\$ 1,377</u>	<u>\$ 5,262</u>	<u>\$ (101)</u>	<u>\$ 8,710</u>	<u>\$ 11,963</u>	<u>\$ 644</u>	<u>\$ (2,738)</u>	<u>\$ 28,819</u>

State of Louisiana

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	ADMINI- STRATIVE SERVICES	ADMINI- STRATIVE SUPPORT	CENTRAL REGIONAL LAUNDRY	FLIGHT MAINTENANCE OPERATIONS
OPERATING INCOME (LOSS)	\$ 215	\$ 17	\$ 24	\$ 64
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
DEPRECIATION AND AMORTIZATION	\$ 167	\$ 3	\$ 42	\$ 4
PROVISION FOR DOUBTFUL ACCOUNTS	--	--	--	--
CHANGES IN ASSETS AND LIABILITIES:				
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	(97)	31	15	(262)
(INCREASE)/DECREASE IN INVENTORIES	(34)	(43)	--	(6)
(INCREASE)/DECREASE IN OTHER ASSETS	--	--	--	--
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE AND ACCRUALS	20	(22)	21	79
INCREASE/(DECREASE) IN COMPENSATED ABSENCES	(2)	(4)	(2)	1
INCREASE/(DECREASE) IN OTHER LIABILITIES	--	--	--	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 269	\$ (18)	\$ 100	\$ (120)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
REPAYMENT OF NOTES PAYABLE	(177)	--	--	--
INTEREST PAID ON NOTES PAYABLE	(2)	--	--	--
ACQUISITION/CONSTRUCTION OF CAPITAL ASSETS	(22)	(25)	(18)	(16)
PROCEEDS FROM SALE OF CAPITAL ASSETS	--	--	--	--
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$ (201)	\$ (25)	\$ (18)	\$ (16)
CASH FLOWS FROM INVESTING ACTIVITIES:				
INTEREST AND DIVIDENDS ON INVESTMENTS	32	1	23	11
NET CASH PROVIDED BY INVESTING ACTIVITIES	\$ 32	\$ 1	\$ 23	\$ 11
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 100	\$ (42)	\$ 105	\$ (125)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,298	231	465	178
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,398	\$ 189	\$ 570	\$ 53

(Continued)

State of Louisiana

HAMMOND STATE SCHOOL LAUNDRY	JACKSON REGIONAL LAUNDRY	LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY	LOUISIANA PROPERTY ASSISTANCE AGENCY	NATURAL RESOURCES COPY AND PUBLICATIONS CENTER	OFFICE OF TELECOMMU- NICATIONS MANAGEMENT	PRISON ENTERPRISES	PUBLIC SAFETY SERVICES CAFETERIAS
\$ 7	\$ (3)	\$ 50	\$ 322	\$ 47	\$ 819	\$ 476	\$ 100
\$ 15	\$ 25	\$ 26	\$ 226	\$ 1	\$ 659	\$ 663	\$ 58
--	--	--	--	--	--	(7)	--
7	3	12	113	(31)	812	159	265
1	2	7	(1)	10	--	125	(3)
--	--	--	--	--	(175)	10	7
(11)	19	(2)	35	4	(33)	(253)	1
(12)	7	(7)	9	1	17	24	1
--	--	--	--	6	(4)	(49)	--
\$ 7	\$ 53	\$ 86	\$ 704	\$ 38	\$ 2,095	\$ 1,148	\$ 429
--	--	--	(13)	--	(98)	(140)	--
--	--	--	--	--	(4)	(7)	--
(32)	--	(9)	(266)	--	(881)	(903)	(11)
--	--	--	25	--	2	343	--
\$ (32)	\$ --	\$ (9)	\$ (254)	\$ --	\$ (981)	\$ (707)	\$ (11)
2	2	65	143	--	76	160	40
\$ 2	\$ 2	\$ 65	\$ 143	\$ --	\$ 76	\$ 160	\$ 40
\$ (23)	\$ 55	\$ 142	\$ 593	\$ 38	\$ 1,190	\$ 601	\$ 458
82	36	1,242	2,245	--	3,825	2,213	557
\$ 59	\$ 91	\$ 1,384	\$ 2,838	\$ 38	\$ 5,015	\$ 2,814	\$ 1,015

State of Louisiana

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	DONALD J. THIBODEAUX TRAINING COMPLEX	TOTAL JUNE 30, 1998
OPERATING INCOME (LOSS)	\$ (444)	\$ 1,694
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION AND AMORTIZATION	\$ 734	\$ 2,623
PROVISION FOR DOUBTFUL ACCOUNTS	--	(7)
CHANGES IN ASSETS AND LIABILITIES:		
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	933	1,960
(INCREASE)/DECREASE IN INVENTORIES	58	116
(INCREASE)/DECREASE IN OTHER ASSETS	13	(145)
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE AND ACCRUALS	(659)	(801)
INCREASE/(DECREASE) IN COMPENSATED ABSENCES	26	59
INCREASE/(DECREASE) IN OTHER LIABILITIES	--	(47)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>661</u>	\$ <u>5,452</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
REPAYMENT OF NOTES PAYABLE	--	(428)
INTEREST PAID ON NOTES PAYABLE	--	(13)
ACQUISITION/CONSTRUCTION OF CAPITAL ASSETS	(440)	(2,623)
PROCEEDS FROM SALE OF CAPITAL ASSETS	--	370
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$ <u>(440)</u>	\$ <u>(2,694)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
INTEREST AND DIVIDENDS ON INVESTMENTS	<u>24</u>	<u>579</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	\$ <u>24</u>	\$ <u>579</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 245	\$ 3,337
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>636</u>	<u>13,008</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u><u>881</u></u>	\$ <u><u>16,345</u></u>

(Continued)

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

	<u>1998</u>
LOUISIANA PROPERTY ASSISTANCE AGENCY	
CONTRIBUTIONS OF FIXED ASSETS	17
OFFICE OF TELECOMMUNICATIONS MANAGEMENT	
ASSET TRADE-INS	(1,220)
DISPOSAL OF FIXED ASSETS	7
OFF-SYSTEM ADJUSTMENTS TO ASSETS	132

(Concluded)

State of Louisiana

INTERNAL SERVICE FUNDS

COMBINING SCHEDULE OF REVENUES AND EXPENSES

BUDGET AND ACTUAL (NON-GAAP BASIS)

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	ADMINISTRATIVE SERVICES			ADMINISTRATIVE SUPPORT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OPERATING REVENUES:						
FEDERAL FUNDS	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
SALES OF COMMODITIES AND SERVICES	4,899	4,228	(671)	2,653	2,712	59
TOTAL OPERATING REVENUES	4,899	4,228	(671)	2,653	2,712	59
OPERATING EXPENSES:						
PERSONAL SERVICES	1,066	910	156	332	318	14
TRAVEL	4	--	4	3	--	3
OPERATING SERVICES	837	693	144	471	452	19
SUPPLIES	2,920	1,726	1,194	1,819	1,812	7
PROFESSIONAL SERVICES	--	--	--	--	--	--
CAPITAL OUTLAY	72	22	50	28	25	3
INTERAGENCY TRANSFERS	--	--	--	--	--	--
OTHER	--	--	--	--	--	--
TOTAL OPERATING EXPENSES	4,899	3,351	1,548	2,653	2,607	46
EXCESS OF APPROPRIATED REVENUES OVER APPROPRIATED EXPENSES (Budget Basis)	\$ --	\$ 877	\$ 877	\$ --	\$ 105	\$ 105
RECONCILING ITEMS:						
CASH CARRYOVER		(713)			(133)	
INTEREST INCOME		32			--	
DEPRECIATION		(167)			(3)	
PAYROLL ACCRUAL		(6)			--	
COMPENSATED ABSENCES ADJUSTMENT		2			5	
CAPITAL OUTLAY		22			25	
DISPOSAL OF FIXED ASSETS		(10)			--	
CHANGE IN INVENTORY		34			(292)	
INTEREST EXPENSE		(2)			--	
BAD DEBTS EXPENSE		--			--	
PREPAID EXPENSES		--			--	
PRINCIPAL PAYMENT		175			--	
ACCOUNTS RECEIVABLE ADJUSTMENT		(11)			(24)	
ACCOUNTS PAYABLE\ESTIMATED LIABILITIES ADJUSTMENT		--			--	
OTHER		2			335	
EXCESS (DEFICIENCY) OF APPROPRIATED REVENUES OVER APPROPRIATED EXPENSES (GAAP Basis)		\$ 235			\$ 18	

(Continued)

State of Louisiana

CENTRAL REGIONAL LAUNDRY			FLIGHT MAINTENANCE OPERATIONS			HAMMOND STATE SCHOOL LAUNDRY		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
<u>936</u>	<u>1,276</u>	<u>340</u>	<u>1,252</u>	<u>1,537</u>	<u>285</u>	<u>296</u>	<u>349</u>	<u>53</u>
<u>936</u>	<u>1,276</u>	<u>340</u>	<u>1,252</u>	<u>1,537</u>	<u>285</u>	<u>296</u>	<u>349</u>	<u>53</u>
447	438	9	163	145	18	216	213	3
--	--	--	1	--	1	--	--	--
182	88	94	43	33	10	31	29	2
192	139	53	1,025	1,009	16	15	15	--
10	10	--	--	--	--	--	--	--
103	18	85	20	16	4	33	33	--
--	--	--	--	--	--	--	--	--
2	2	--	--	--	--	1	1	--
<u>936</u>	<u>695</u>	<u>241</u>	<u>1,252</u>	<u>1,203</u>	<u>49</u>	<u>296</u>	<u>291</u>	<u>5</u>
<u>\$ --</u>	<u>581</u>	<u>\$ 581</u>	<u>\$ --</u>	<u>334</u>	<u>\$ 334</u>	<u>\$ --</u>	<u>58</u>	<u>\$ 58</u>
	(534)			(73)			(86)	
	23			11			2	
	(42)			(4)			(15)	
	(1)			(2)			8	
	2			(1)			11	
	18			16			32	
	(82)			--			--	
	--			6			(1)	
	--			--			--	
	--			--			--	
	--			--			--	
	--			(212)			--	
	--			--			--	
	--			--			--	
	<u>\$ (35)</u>			<u>\$ 75</u>			<u>\$ 9</u>	

State of Louisiana

INTERNAL SERVICE FUNDS

COMBINING SCHEDULE OF REVENUES AND EXPENSES

BUDGET AND ACTUAL (NON-GAAP BASIS)

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	JACKSON REGIONAL LAUNDRY			LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OPERATING REVENUES:						
FEDERAL FUNDS	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
SALES OF COMMODITIES AND SERVICES	753	673	(80)	1,336	2,336	1,000
TOTAL OPERATING REVENUES	753	673	(80)	1,336	2,336	1,000
OPERATING EXPENSES:						
PERSONAL SERVICES	452	410	42	427	334	93
TRAVEL	1	--	1	22	16	6
OPERATING SERVICES	143	30	113	189	159	30
SUPPLIES	101	82	19	595	501	94
PROFESSIONAL SERVICES	--	--	--	--	--	--
CAPITAL OUTLAY	44	11	33	103	10	93
INTERAGENCY TRANSFERS	--	--	--	--	--	--
OTHER	12	2	10	--	--	--
TOTAL OPERATING EXPENSES	753	535	218	1,336	1,020	316
EXCESS OF APPROPRIATED REVENUES OVER APPROPRIATED EXPENSES (Budget Basis)	\$ --	\$ 138	\$ 138	\$ --	\$ 1,316	\$ 1,316
RECONCILING ITEMS:						
CASH CARRYOVER		(96)			(1,234)	
INTEREST INCOME		2			65	
DEPRECIATION		(25)			(26)	
PAYROLL ACCRUAL		(11)			(2)	
COMPENSATED ABSENCES ADJUSTMENT		(7)			6	
CAPITAL OUTLAY		--			10	
DISPOSAL OF FIXED ASSETS		--			--	
CHANGE IN INVENTORY		(2)			(7)	
INTEREST EXPENSE		--			--	
BAD DEBTS EXPENSE		--			--	
PREPAID EXPENSES		--			--	
PRINCIPAL PAYMENT		--			--	
ACCOUNTS RECEIVABLE ADJUSTMENT		--			(13)	
ACCOUNTS PAYABLE\ESTIMATED LIABILITIES ADJUSTMENT		--			--	
OTHER		4			--	
EXCESS (DEFICIENCY) OF APPROPRIATED REVENUES OVER APPROPRIATED EXPENSES (GAAP Basis)	\$ --	\$ 3		\$ --	\$ 115	

(Continued)

State of Louisiana

LOUISIANA PROPERTY ASSISTANCE AGENCY			NATURAL RESOURCES COPY AND PUBLICATIONS CENTER			OFFICE OF TELECOMMUNICATIONS MANAGEMENT		
<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
<u>3,149</u>	<u>5,333</u>	<u>2,184</u>	<u>409</u>	<u>371</u>	<u>(38)</u>	<u>41,551</u>	<u>45,920</u>	<u>4,369</u>
<u>3,149</u>	<u>5,333</u>	<u>2,184</u>	<u>409</u>	<u>371</u>	<u>(38)</u>	<u>41,551</u>	<u>45,920</u>	<u>4,369</u>
1,159	1,101	58	178	155	23	3,916	3,382	534
16	15	1	--	--	--	35	27	8
630	602	28	86	72	14	765	445	320
211	204	7	110	57	53	48	46	2
15	15	--	--	--	--	5	--	5
166	166	--	--	--	--	41	32	9
--	--	--	22	--	22	144	154	(10)
<u>952</u>	<u>564</u>	<u>388</u>	<u>13</u>	<u>--</u>	<u>13</u>	<u>36,597</u>	<u>34,907</u>	<u>1,690</u>
<u>3,149</u>	<u>2,667</u>	<u>482</u>	<u>409</u>	<u>284</u>	<u>125</u>	<u>41,551</u>	<u>38,993</u>	<u>2,558</u>
<u>\$ --</u>	<u>\$ 2,666</u>	<u>\$ 2,666</u>	<u>\$ --</u>	<u>\$ 87</u>	<u>\$ 87</u>	<u>\$ --</u>	<u>\$ 6,927</u>	<u>\$ 6,927</u>
	(2,235)			(30)			(5,787)	
	143			--			76	
	(226)			(1)			(659)	
	(9)			1			(23)	
	(9)			(1)			(17)	
	166			--			959	
	11			(14)			(66)	
	1			(9)			--	
	--			--			(4)	
	--			--			--	
	--			--			--	
	13			--			--	
	(108)			--			(832)	
	(14)			--			251	
	<u>77</u>			<u>--</u>			<u>--</u>	
	<u>\$ 476</u>			<u>\$ 33</u>			<u>\$ 825</u>	

State of Louisiana

INTERNAL SERVICE FUNDS

COMBINING SCHEDULE OF REVENUES AND EXPENSES

BUDGET AND ACTUAL (NON-GAAP BASIS)

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	PRISON ENTERPRISES			PUBLIC SAFETY SERVICES CAFETERIAS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OPERATING REVENUES:						
FEDERAL FUNDS	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
SALES OF COMMODITIES AND SERVICES	28,444	22,979	(5,465)	1,331	2,185	854
TOTAL OPERATING REVENUES	28,444	22,979	(5,465)	1,331	2,185	854
OPERATING EXPENSES:						
PERSONAL SERVICES	3,132	2,739	393	407	381	26
TRAVEL	68	26	42	1	--	1
OPERATING SERVICES	2,210	812	1,398	43	24	19
SUPPLIES	19,560	16,094	3,466	863	734	129
PROFESSIONAL SERVICES	493	109	384	--	--	--
CAPITAL OUTLAY	1,757	957	800	16	6	10
INTERAGENCY TRANSFERS	--	--	--	1	1	--
OTHER	1,224	738	486	--	--	--
TOTAL OPERATING EXPENSES	28,444	21,475	6,969	1,331	1,146	185
EXCESS OF APPROPRIATED REVENUES OVER APPROPRIATED EXPENSES (Budget Basis)	\$ --	\$ 1,504	\$ 1,504	\$ --	\$ 1,039	\$ 1,039
RECONCILING ITEMS:						
CASH CARRYOVER		(914)			(865)	
INTEREST INCOME		160			40	
DEPRECIATION		(663)			(58)	
PAYROLL ACCRUAL		(372)			(2)	
COMPENSATED ABSENCES ADJUSTMENT		(20)			(1)	
CAPITAL OUTLAY		903			11	
DISPOSAL OF FIXED ASSETS		(243)			--	
CHANGE IN INVENTORY		126			3	
INTEREST EXPENSE		(7)			--	
BAD DEBTS EXPENSE		(16)			--	
PREPAID EXPENSES		16			--	
PRINCIPAL PAYMENT		--			--	
ACCOUNTS RECEIVABLE ADJUSTMENT		90			--	
ACCOUNTS PAYABLE\ESTIMATED LIABILITIES ADJUSTMENT		--			--	
OTHER		(92)			(27)	
EXCESS (DEFICIENCY) OF APPROPRIATED REVENUES OVER APPROPRIATED EXPENSES (GAAP Basis)		\$ 472			\$ 140	

(Concluded)

State of Louisiana

DONALD J. THIBODEAUX TRAINING COMPLEX			TOTAL BUDGETED INTERNAL SERVICE FUNDS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 6,058	\$ 2,799	\$ (3,259)	\$ 6,058	\$ 2,799	\$ (3,259)
<u>2,937</u>	<u>3,251</u>	<u>314</u>	<u>89,946</u>	<u>93,150</u>	<u>3,204</u>
<u>8,995</u>	<u>6,050</u>	<u>(2,945)</u>	<u>96,004</u>	<u>95,949</u>	<u>(55)</u>
300	221	79	12,195	10,747	1,448
52	46	6	203	130	73
759	661	98	6,389	4,100	2,289
473	195	278	27,932	22,614	5,318
69	19	50	592	153	439
529	233	296	2,912	1,529	1,383
--	1	(1)	167	156	11
<u>6,813</u>	<u>4,011</u>	<u>2,802</u>	<u>45,614</u>	<u>40,225</u>	<u>5,389</u>
<u>8,995</u>	<u>5,387</u>	<u>3,608</u>	<u>96,004</u>	<u>79,654</u>	<u>16,350</u>
<u>\$ --</u>	<u>\$ 663</u>	<u>\$ 663</u>	<u>\$ --</u>	<u>\$ 16,295</u>	<u>\$ 16,295</u>
	(740)			(13,440)	
	24			578	
	(734)			(2,623)	
	(7)			(426)	
	(26)			(56)	
	439			2,601	
	(5)			(409)	
	(58)			(199)	
	--			(13)	
	--			(16)	
	--			16	
	--			188	
	19			(1,091)	
	--			237	
	<u>--</u>			<u>299</u>	
	<u>\$ (425)</u>			<u>\$ 1,941</u>	



State of Louisiana

FIDUCIARY FUND TYPES

COMBINING BALANCE SHEET

JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	EXPENDABLE TRUST FUNDS	NONEXPENDABLE TRUST FUNDS	PENSION AND INVESTMENT TRUST FUNDS	AGENCY FUNDS	TOTAL JUNE 30, 1998
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 1,384,723	\$ 2,796	\$ 36,755	\$ 446,212	\$ 1,870,486
INVESTMENTS	117,087	806,357	18,327,593	363,986	19,615,023
COLLATERAL HELD UNDER SECURITIES					
LENDING PROGRAM	--	295,506	1,262,381	--	1,557,887
RECEIVABLES	37,435	--	585,098	93,972	716,505
DUE FROM OTHER FUNDS	33,082	197	--	--	33,279
DUE FROM FEDERAL GOVERNMENT	75	--	--	--	75
OTHER ASSETS	--	--	--	12	12
PROPERTY, PLANT, AND EQUIPMENT (NET)	--	955	21,772	--	22,727
TOTAL ASSETS	\$ 1,572,402	\$ 1,105,811	\$ 20,233,599	\$ 904,182	\$ 23,815,994
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE	\$ --	\$ --	\$ 23,944	\$ --	\$ 23,944
INVESTMENT COMMITMENTS PAYABLE	--	--	890,114	--	890,114
OTHER PAYABLES	--	--	4,493	--	4,493
DUE TO OTHER FUNDS	28,575	30,792	--	5,293	64,660
DEFERRED REVENUE	3,039	--	--	--	3,039
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	897,638	897,638
OBLIGATIONS UNDER SECURITIES					
LENDING PROGRAMS	--	295,506	1,262,381	--	1,557,887
OTHER LIABILITIES	1,249	71	--	1,251	2,571
TOTAL LIABILITIES	32,863	326,369	2,180,932	904,182	3,444,346
FUND BALANCES:					
RESERVED FOR PENSION BENEFITS	--	--	17,712,143	--	17,712,143
RESERVED FOR ENCUMBRANCES	27,901	--	--	--	27,901
RESERVED FOR BUILDING TRUST	--	2,024	--	--	2,024
RESERVED FOR PAYMENTS	1,403,658	--	--	--	1,403,658
RESERVED FOR TRUST PRINCIPAL	--	777,357	340,524	--	1,117,881
OTHER RESERVES	1,668	--	--	--	1,668
UNRESERVED: DESIGNATED	15,698	--	--	--	15,698
UNDESIGNATED	90,614	61	--	--	90,675
TOTAL FUND BALANCES	1,539,539	779,442	18,052,667	--	20,371,648
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,572,402	\$ 1,105,811	\$ 20,233,599	\$ 904,182	\$ 23,815,994

State of Louisiana

EXPENDABLE TRUST FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	LOUISIANA EDUCATION TUITION AND SAVINGS FUND	LOUISIANA INVESTMENT FUND FOR ENHANCEMENT	LOUISIANA QUALITY EDUCATION SUPPORT FUND	ROCKEFELLER WILDLIFE REFUGE TRUST AND PROTECTION FUND
<u>ASSETS</u>				
CASH AND CASH EQUIVALENTS	\$	\$ 286	\$ 10,989	\$ 722
INVESTMENTS	860	--	68,331	37,063
RECEIVABLES	--	--	--	22
DUE FROM OTHER FUNDS	--	--	31,424	725
DUE FROM FEDERAL GOVERNMENT	--	--	--	--
TOTAL ASSETS	<u>\$ 860</u>	<u>\$ 286</u>	<u>\$ 110,744</u>	<u>\$ 38,532</u>
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES:				
DUE TO OTHER FUNDS	\$ 7	\$ --	\$ 28,330	\$ --
DEFERRED REVENUE	--	--	--	--
OTHER LIABILITIES	--	--	--	--
TOTAL LIABILITIES	<u>7</u>	<u>--</u>	<u>28,330</u>	<u>--</u>
FUND BALANCES:				
RESERVED FOR ENCUMBRANCES	--	--	27,901	--
RESERVED FOR PAYMENTS	--	--	--	--
OTHER RESERVES	--	--	--	--
UNRESERVED: DESIGNATED	3	--	15,329	270
UNDESIGNATED	850	286	39,184	38,262
TOTAL FUND BALANCES	<u>853</u>	<u>286</u>	<u>82,414</u>	<u>38,532</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 860</u>	<u>\$ 286</u>	<u>\$ 110,744</u>	<u>\$ 38,532</u>

State of Louisiana

RUSSELL SAGE OR MARSH ISLAND REFUGE FUND	RUSSELL SAGE SPECIAL FUND NO. 2	UNEMPLOYMENT TRUST FUND	TOTAL JUNE 30, 1998
\$ 119	\$ 833	\$ 1,371,774	\$ 1,384,723
10,833	--	--	117,087
7	--	37,406	37,435
183	391	359	33,082
<u>--</u>	<u>--</u>	<u>75</u>	<u>75</u>
<u>\$ 11,142</u>	<u>\$ 1,224</u>	<u>\$ 1,409,614</u>	<u>\$ 1,572,402</u>

\$ 208	\$ 30	\$ --	\$ 28,575
--	--	3,039	3,039
<u>--</u>	<u>--</u>	<u>1,249</u>	<u>1,249</u>
<u>208</u>	<u>30</u>	<u>4,288</u>	<u>32,863</u>

--	--	--	27,901
--	--	1,403,658	1,403,658
--	--	1,668	1,668
96	--	--	15,698
<u>10,838</u>	<u>1,194</u>	<u>--</u>	<u>90,614</u>
<u>10,934</u>	<u>1,194</u>	<u>1,405,326</u>	<u>1,539,539</u>
<u>\$ 11,142</u>	<u>\$ 1,224</u>	<u>\$ 1,409,614</u>	<u>\$ 1,572,402</u>

State of Louisiana

EXPENDABLE TRUST FUNDS

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

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	CHARITY HOSPITAL EXPENDABLE TRUST FUNDS	LOUISIANA EDUCATION TUITION AND SAVINGS FUND	LOUISIANA INVESTMENT FUND FOR ENHANCEMENT	LOUISIANA QUALITY EDUCATION SUPPORT FUND	ROCKEFELLER WILDLIFE REFUGE TRUST AND PROTECTION FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	--
TAXES	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	14	--	23,518	2,229
OTHER	--	839	--	--	--
TOTAL REVENUES	--	853	--	23,518	2,229
EXPENDITURES:					
UNEMPLOYMENT INSURANCE BENEFITS	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	853	--	23,518	2,229
OTHER FINANCING SOURCES (USES):					
OPERATING TRANSFERS IN	--	--	--	52,163	3,619
OPERATING TRANSFERS OUT	--	--	--	(56,768)	(202)
TOTAL OTHER FINANCING SOURCES (USES)	\$ --	\$ --	\$ --	\$ (4,605)	\$ 3,417
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	--	853	--	18,913	5,646
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	5,653	--	286	63,501	32,886
FUND EQUITY TRANSFER	(5,653)	--	--	--	--
FUND BALANCES AT END OF YEAR	\$ --	\$ 853	\$ 286	\$ 82,414	\$ 38,532

State of Louisiana

RUSSELL SAGE OR MARSH ISLAND REFUGE FUND	RUSSELL SAGE SPECIAL FUND NO. 2	UNEMPLOYMENT TRUST FUND	TOTAL JUNE 30, 1998
\$ --	\$ --	\$ 2,922	\$ 2,922
--	--	191,738	191,738
762	41	86,992	113,556
<u>--</u>	<u>--</u>	<u>2</u>	<u>841</u>
<u>762</u>	<u>41</u>	<u>281,654</u>	<u>309,057</u>
<u>--</u>	<u>--</u>	<u>136,424</u>	<u>136,424</u>
<u>--</u>	<u>--</u>	<u>136,424</u>	<u>136,424</u>
<u>762</u>	<u>41</u>	<u>145,230</u>	<u>172,633</u>
266	474	359	56,881
<u>(214)</u>	<u>(36)</u>	<u>(1,187)</u>	<u>(58,407)</u>
<u>\$ 52</u>	<u>\$ 438</u>	<u>\$ (828)</u>	<u>\$ (1,526)</u>
814	479	144,402	171,107
10,120	715	1,260,924	1,374,085
<u>--</u>	<u>--</u>	<u>--</u>	<u>(5,653)</u>
<u>\$ 10,934</u>	<u>\$ 1,194</u>	<u>\$ 1,405,326</u>	<u>\$ 1,539,539</u>

State of Louisiana

NONEXPENDABLE TRUST FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	FULLER- EDWARDS ARBORETUM TRUST FUND	W. R. IRBY BEQUEST FUND	LIFETIME LICENSE ENDOWMENT TRUST FUND	LOUISIANA EDUCATION QUALITY TRUST FUND	LOUISIANA STATE WILD- LIFE REFUGE PROTECTION TRUST FUND	TOTAL JUNE 30, 1998
<u>ASSETS</u>						
CASH AND CASH EQUIVALENTS	\$ 161	\$ 97	\$ 1,733	\$ --	\$ 805	\$ 2,796
INVESTMENTS	--	1,043	--	802,608	2,706	806,357
COLLATERAL HELD UNDER SECURITIES						
LENDING PROGRAM	--	--	--	295,506	--	295,506
DUE FROM OTHER FUNDS	--	--	--	195	2	197
PROPERTY, PLANT, AND EQUIPMENT (NET)	--	955	--	--	--	955
TOTAL ASSETS	<u>\$ 161</u>	<u>\$ 2,095</u>	<u>\$ 1,733</u>	<u>\$ 1,098,309</u>	<u>\$ 3,513</u>	<u>\$ 1,105,811</u>
<u>LIABILITIES AND FUND BALANCES</u>						
LIABILITIES:						
DUE TO OTHER FUNDS	\$ --	\$ --	\$ --	\$ 30,792	\$ --	\$ 30,792
OBLIGATIONS UNDER SECURITIES						
LENDING PROGRAM	--	--	--	295,506	--	295,506
OTHER LIABILITIES	--	71	--	--	--	71
TOTAL LIABILITIES	<u>--</u>	<u>71</u>	<u>--</u>	<u>326,298</u>	<u>--</u>	<u>326,369</u>
FUND BALANCES:						
RESERVED FOR BUILDING TRUST	--	2,024	--	--	--	2,024
RESERVED FOR TRUST PRINCIPAL	100	--	1,733	772,011	3,513	777,357
UNRESERVED AND UNDESIGNATED	61	--	--	--	--	61
TOTAL FUND BALANCES	<u>161</u>	<u>2,024</u>	<u>1,733</u>	<u>772,011</u>	<u>3,513</u>	<u>779,442</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 161</u>	<u>\$ 2,095</u>	<u>\$ 1,733</u>	<u>\$ 1,098,309</u>	<u>\$ 3,513</u>	<u>\$ 1,105,811</u>

State of Louisiana

NONEXPENDABLE TRUST FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	CHARITY HOSPITAL NONEXPENDABLE TRUST FUNDS	FULLER- EDWARDS ARBORETUM TRUST FUND	W. R. IRBY BEQUEST FUND	LIFETIME LICENSE ENDOWMENT TRUST FUND	LOUISIANA EDUCATION QUALITY TRUST FUND	LOUISIANA STATE WILD- LIFE REFUGE PROTECTION TRUST FUND	TOTAL JUNE 30, 1998
OPERATING REVENUES:							
USE OF MONEY AND PROPERTY	\$ --	\$ 8	\$ 822	\$ --	\$ 22,165	\$ 41	\$ 23,036
TOTAL OPERATING REVENUES	<u> --</u>	<u> 8</u>	<u> 822</u>	<u> --</u>	<u>22,165</u>	<u> 41</u>	<u>23,036</u>
OPERATING EXPENSES:							
OTHER	<u> --</u>	<u> --</u>	<u> 1,209</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> 1,209</u>
TOTAL OPERATING EXPENSES	<u> --</u>	<u> --</u>	<u> 1,209</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> 1,209</u>
OPERATING INCOME (LOSS)	<u> --</u>	<u> 8</u>	<u> (387)</u>	<u> --</u>	<u> 22,165</u>	<u> 41</u>	<u> 21,827</u>
OPERATING TRANSFERS:							
OPERATING TRANSFERS IN	<u> --</u>	<u> --</u>	<u> --</u>	<u> 449</u>	<u> 16,741</u>	<u> 175</u>	<u> 17,365</u>
OPERATING TRANSFERS OUT	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> (1,755)</u>	<u> --</u>	<u> (1,755)</u>
NET OPERATING TRANSFERS	<u> --</u>	<u> --</u>	<u> --</u>	<u> 449</u>	<u> 14,986</u>	<u> 175</u>	<u> 15,610</u>
NET INCOME (LOSS)	<u> --</u>	<u> 8</u>	<u> (387)</u>	<u> 449</u>	<u> 37,151</u>	<u> 216</u>	<u> 37,437</u>
FUND BALANCES AT BEGINNING							
OF YEAR AS RESTATED	<u> 6,303</u>	<u> 153</u>	<u> 2,411</u>	<u> 1,284</u>	<u> 734,860</u>	<u> 3,297</u>	<u> 748,308</u>
FUND EQUITY TRANSFER	<u> (6,303)</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> (6,303)</u>
FUND BALANCES AT END OF YEAR	<u> --</u>	<u> 161</u>	<u> 2,024</u>	<u> 1,733</u>	<u> 772,011</u>	<u> 3,513</u>	<u> 779,442</u>

State of Louisiana

NONEXPENDABLE TRUST FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	CHARITY HOSPITAL NONEXPENDABLE TRUST FUNDS	FULLER- EDWARDS ARBORETUM TRUST FUND	W.R. IRBY BEQUEST FUND	LIFETIME LICENSE ENDOWMENT TRUST FUND
OPERATING INCOME (LOSS)	\$ --	\$ 8	\$ (387)	\$ --
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
CHANGES IN ASSETS AND LIABILITIES:				
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	\$ 179	\$ --	\$ 2	\$ --
(INCREASE)/DECREASE IN DUE FROM OTHER FUNDS	--	--	--	--
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE	--	--	(70)	--
INCREASE/(DECREASE) IN DUE TO OTHER FUNDS	--	--	--	--
INCREASE/(DECREASE) IN OTHER PAYABLES	--	--	12	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 179	\$ 8	\$ (443)	\$ --
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
OPERATING TRANSFERS-IN FROM OTHER FUNDS	\$ --	\$ --	\$ --	\$ 449
OPERATING TRANSFERS-OUT TO OTHER FUNDS	(4,302)	--	--	--
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ (4,302)	\$ --	\$ --	\$ 449
CASH FLOWS FROM INVESTING ACTIVITIES:				
PURCHASE OF INVESTMENT SECURITIES	--	--	\$ --	\$ --
PROCEEDS FROM SALE OF INVESTMENT SECURITIES	--	--	504	--
INTEREST AND DIVIDENDS ON INVESTMENTS	--	--	--	--
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ --	\$ --	\$ 504	\$ --
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (4,123)	\$ 8	\$ 61	\$ 449
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,123	153	36	1,284
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ --	\$ 161	\$ 97	\$ 1,733

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

CHARITY HOSPITAL NONEXPENDABLE TRUST FUNDS NONCASH PORTION OF RESIDUAL EQUITY TRANSFER FUNDS	\$ 2,001	NONEXPENDABLE TRUST
--	----------	---------------------

State of Louisiana

LOUISIANA EDUCATION QUALITY TRUST FUND	LOUISIANA STATE WILD- LIFE REFUGE PROTECTION TRUST FUND	TOTAL JUNE 30, 1998
\$ 22,165	\$ 41	\$ 21,827
\$ --	\$ --	\$ 181
146	(2)	144
--	--	(70)
30,792	--	30,792
<u>--</u>	<u>--</u>	<u>12</u>
\$ <u>53,103</u>	\$ <u>39</u>	\$ <u>52,886</u>
\$ 16,741	\$ 175	\$ 17,365
<u>(1,755)</u>	<u>--</u>	<u>(6,057)</u>
\$ <u>14,986</u>	\$ <u>175</u>	\$ <u>11,308</u>
\$ (68,089)	\$ (1,155)	\$ (69,244)
--	1,085	1,589
<u>--</u>	<u>(41)</u>	<u>(41)</u>
\$ <u>(68,089)</u>	\$ <u>(111)</u>	\$ <u>(67,696)</u>
\$ --	\$ 103	\$ (3,502)
<u>--</u>	<u>702</u>	<u>6,298</u>
\$ <u><u>--</u></u>	\$ <u><u>805</u></u>	\$ <u><u>2,796</u></u>

State of Louisiana

PENSION AND INVESTMENT TRUST FUNDS

COMBINING STATEMENT OF PLAN NET ASSETS

JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE POLICE RETIREMENT SYSTEM	TEACHERS' RETIREMENT SYSTEM OF LOUISIANA	LOUISIANA ASSET MANAGEMENT POOL * JUNE 30, 1998	TOTAL
ASSETS						
CASH AND CASH EQUIVALENTS	\$ 361	\$ 25,338	\$ 37	\$ 10,664	\$ 355	\$ 36,755
RECEIVABLES:						
EMPLOYER CONTRIBUTIONS	1,938	17,254	365	67,100	--	86,657
MEMBER CONTRIBUTIONS	2,118	10,190	170	36,450	--	48,928
INVESTMENT PROCEEDS	5,357	203,150	1,367	116,913	--	326,787
INTEREST AND DIVIDENDS	8,447	36,491	1,494	69,519	1,072	117,023
OTHER	73	2,854	2	2,774	--	5,703
TOTAL RECEIVABLES	17,933	269,939	3,398	292,756	1,072	585,098
INVESTMENTS (AT FAIR VALUE):						
U. S. GOVERNMENT OBLIGATIONS	353,977	758,622	30,783	737,577	124,155	2,005,114
BONDS - DOMESTIC	257,794	774,757	52,845	884,032	--	1,969,428
BONDS - INTERNATIONAL	--	432,971	1,514	1,062,874	--	1,497,359
MARKETABLE SECURITIES - DOMESTIC	706,477	2,454,354	95,956	5,202,409	--	8,459,196
MARKETABLE SECURITIES - INTERNATIONAL	80,302	886,617	20,428	1,422,748	--	2,410,095
SHORT TERM INVESTMENTS	38,703	51,124	6,893	910,223	205,051	1,211,994
FUTURES AND OPTIONS	14	--	--	--	--	14
OTHER	--	162,867	--	601,550	9,976	774,393
COLLATERAL HELD UNDER SECURITIES LENDING PROGRAM	218,066	--	--	1,044,315	--	1,262,381
TOTAL INVESTMENTS	1,655,333	5,521,312	208,419	11,865,728	339,182	19,589,974
PROPERTY, PLANT AND EQUIPMENT:						
FURNITURE AND EQUIPMENT	669	9,496	65	2,065	24	12,319
BUILDING	5,330	4,839	--	4,839	--	15,008
LAND	1,465	890	--	890	--	3,245
LESS ACCUMULATED DEPRECIATION	(742)	(5,418)	(27)	(2,613)	--	(8,800)
TOTAL PROPERTY, PLANT AND EQUIPMENT	6,722	9,807	38	5,181	24	21,772
TOTAL ASSETS	\$ 1,680,349	\$ 5,826,396	\$ 211,892	\$ 12,174,329	\$ 340,633	\$ 20,233,599
LIABILITIES						
ACCOUNTS PAYABLE	\$ 829	\$ 9,756	\$ --	\$ 13,295	\$ 64	\$ 23,944
INVESTMENT COMMITMENTS PAYABLE	15,172	208,232	1,938	664,727	45	890,114
OBLIGATIONS UNDER SECURITIES LENDING PROGRAM	218,066	--	--	1,044,315	--	1,262,381
REFUNDS PAYABLE AND OTHER	175	--	243	4,075	--	4,493
TOTAL LIABILITIES	234,242	217,988	2,181	1,726,412	109	2,180,932
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND INVESTMENT POOL PARTICIPANTS	\$ 1,446,107	\$ 5,608,408	\$ 209,711	\$ 10,447,917	\$ 340,524	\$ 18,052,667

(Schedule of Funding Progress - Note 4)

* As of December 31, 1997.

State of Louisiana

AGENCY FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	DEBT SERVICE RESERVE FUND	ESCROW FUND	FREE SCHOOL FUND	INSURANCE TRUSTS	LOUISIANA PUBLIC EMPLOYEES DEFERRED COMPENSA- TION PLAN *
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 5,148	\$ 380,486	\$ 1,221	\$ 884	\$ 239
INVESTMENTS	--	--	12,282	80,722	270,982
RECEIVABLES	--	91,237	339	612	1,692
OTHER ASSETS	--	--	--	12	--
TOTAL ASSETS	\$ 5,148	\$ 471,723	\$ 13,842	\$ 82,230	\$ 272,913
LIABILITIES					
DUE TO OTHER FUNDS	\$ --	\$ --	\$ --	\$ --	\$ --
AMOUNTS HELD IN CUSTODY FOR OTHERS	5,148	471,100	13,842	81,842	272,673
OTHER LIABILITIES	--	623	--	388	240
TOTAL LIABILITIES	\$ 5,148	\$ 471,723	\$ 13,842	\$ 82,230	\$ 272,913

	MISCEL- LANEOUS AGENCY FUNDS	PAYROLL CLEARING FUND	REVER- SIONARY MEDICAL TRUST FUND	TOTAL JUNE 30, 1998
ASSETS				
CASH AND CASH EQUIVALENTS	\$ 21,355	\$ 31,586	\$ 5,293	\$ 446,212
INVESTMENTS	--	--	--	363,986
RECEIVABLES	--	92	--	93,972
OTHER ASSETS	--	--	--	12
TOTAL ASSETS	\$ 21,355	\$ 31,678	\$ 5,293	\$ 904,182
LIABILITIES				
DUE TO OTHER FUNDS	\$ --	\$ --	\$ 5,293	\$ 5,293
AMOUNTS HELD IN CUSTODY FOR OTHERS	21,355	31,678	--	897,638
OTHER LIABILITIES	--	--	--	1,251
TOTAL LIABILITIES	\$ 21,355	\$ 31,678	\$ 5,293	\$ 904,182

* As of December 31, 1997.

State of Louisiana

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 1997		ADDITIONS	DELETIONS	BALANCE JUNE 30, 1998	
<u>DEBT SERVICE RESERVE FUND</u>						
ASSETS:						
CASH AND CASH EQUIVALENTS	\$	4,659	\$ 489	\$ --	\$	5,148
TOTAL ASSETS	\$	<u>4,659</u>	\$ <u>489</u>	\$ <u>--</u>	\$	<u>5,148</u>
LIABILITIES:						
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$	4,659	\$ 489	\$ --	\$	5,148
TOTAL LIABILITIES	\$	<u>4,659</u>	\$ <u>489</u>	\$ <u>--</u>	\$	<u>5,148</u>
<u>ESCROW FUND</u>						
ASSETS:						
CASH AND CASH EQUIVALENTS	\$	323,755	\$ 1,327,454	\$ 1,270,723	\$	380,486
RECEIVABLES		<u>71,097</u>	<u>91,237</u>	<u>71,097</u>		<u>91,237</u>
TOTAL ASSETS	\$	<u>394,852</u>	\$ <u>1,418,691</u>	\$ <u>1,341,820</u>	\$	<u>471,723</u>
LIABILITIES:						
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$	393,762	\$ 1,348,684	\$ 1,271,346	\$	471,100
OTHER LIABILITIES		<u>1,090</u>	<u>623</u>	<u>1,090</u>		<u>623</u>
TOTAL LIABILITIES	\$	<u>394,852</u>	\$ <u>1,349,307</u>	\$ <u>1,272,436</u>	\$	<u>471,723</u>
<u>FREE SCHOOL FUND</u>						
ASSETS:						
CASH AND CASH EQUIVALENTS	\$	2,022	\$ 1,066	\$ 1,867	\$	1,221
INVESTMENTS		<u>11,152</u>	<u>1,130</u>	<u>--</u>		<u>12,282</u>
RECEIVABLES		<u>382</u>	<u>348</u>	<u>391</u>		<u>339</u>
TOTAL ASSETS	\$	<u>13,556</u>	\$ <u>2,544</u>	\$ <u>2,258</u>	\$	<u>13,842</u>
LIABILITIES:						
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$	13,556	\$ 1,543	\$ 1,257	\$	13,842
TOTAL LIABILITIES	\$	<u>13,556</u>	\$ <u>1,543</u>	\$ <u>1,257</u>	\$	<u>13,842</u>
<u>INSURANCE TRUSTS</u>						
ASSETS:						
CASH AND CASH EQUIVALENTS	\$	2,045	\$ 16,807	\$ 17,968	\$	884
INVESTMENTS		<u>82,754</u>	<u>16,615</u>	<u>18,647</u>		<u>80,722</u>
RECEIVABLES		<u>187</u>	<u>612</u>	<u>187</u>		<u>612</u>
OTHER ASSETS		<u>--</u>	<u>39</u>	<u>27</u>		<u>12</u>
TOTAL ASSETS	\$	<u>84,986</u>	\$ <u>34,073</u>	\$ <u>36,829</u>	\$	<u>82,230</u>
LIABILITIES:						
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$	84,836	\$ 33,685	\$ 36,679	\$	81,842
OTHER LIABILITIES		<u>150</u>	<u>783</u>	<u>545</u>		<u>388</u>
TOTAL LIABILITIES	\$	<u>84,986</u>	\$ <u>34,468</u>	\$ <u>37,224</u>	\$	<u>82,230</u>

(Continued)

State of Louisiana

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 1997	ADDITIONS	DELETIONS	BALANCE JUNE 30, 1998
<u>LOUISIANA PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN *</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 206	\$ 48,868	\$ 48,835	\$ 239
INVESTMENTS	212,834	110,057	51,909	270,982
RECEIVABLES	1,510	3,795	3,613	1,692
OTHER ASSETS	476	--	476	--
TOTAL ASSETS	<u>\$ 215,026</u>	<u>\$ 162,720</u>	<u>\$ 104,833</u>	<u>\$ 272,913</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 214,637	\$ 73,022	\$ 14,986	\$ 272,673
OTHER LIABILITIES	389	12,335	12,484	240
TOTAL LIABILITIES	<u>\$ 215,026</u>	<u>\$ 85,357</u>	<u>\$ 27,470</u>	<u>\$ 272,913</u>
<u>MISCELLANEOUS AGENCY FUNDS</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 18,755	\$ 48,170	\$ 45,570	\$ 21,355
TOTAL ASSETS	<u>\$ 18,755</u>	<u>\$ 48,170</u>	<u>\$ 45,570</u>	<u>\$ 21,355</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 18,755	\$ 48,170	\$ 45,570	\$ 21,355
TOTAL LIABILITIES	<u>\$ 18,755</u>	<u>\$ 48,170</u>	<u>\$ 45,570</u>	<u>\$ 21,355</u>
<u>PAYROLL CLEARING FUND</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 29,886	\$ 1,709,400	\$ 1,707,700	\$ 31,586
RECEIVABLES	34	92	34	92
TOTAL ASSETS	<u>\$ 29,920</u>	<u>\$ 1,709,492</u>	<u>\$ 1,707,734</u>	<u>\$ 31,678</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 29,920	\$ 1,709,458	\$ 1,707,700	\$ 31,678
TOTAL LIABILITIES	<u>\$ 29,920</u>	<u>\$ 1,709,458</u>	<u>\$ 1,707,700</u>	<u>\$ 31,678</u>

* For the period ending December 31, 1997.

(Continued)

State of Louisiana

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 1997		ADDITIONS	DELETIONS	BALANCE JUNE 30, 1998
<u>REVERSIONARY MEDICAL TRUST FUND</u>					
ASSETS:					
CASH AND CASH EQUIVALENTS	\$	6,293	\$ --	\$ 1,000	\$ 5,293
TOTAL ASSETS	\$	<u>6,293</u>	\$ <u>--</u>	\$ <u>1,000</u>	\$ <u>5,293</u>
LIABILITIES:					
DUE TO OTHER FUNDS	\$	6,293	\$ --	\$ 1,000	\$ 5,293
TOTAL LIABILITIES	\$	<u>6,293</u>	\$ <u>--</u>	\$ <u>1,000</u>	\$ <u>5,293</u>
<u>TOTAL ALL AGENCY FUNDS</u>					
ASSETS:					
CASH AND CASH EQUIVALENTS	\$	387,621	\$ 3,152,254	\$ 3,093,663	\$ 446,212
INVESTMENTS		306,740	127,802	70,556	363,986
RECEIVABLES		73,210	96,084	75,322	93,972
OTHER ASSETS		476	39	503	12
TOTAL ASSETS	\$	<u>768,047</u>	\$ <u>3,376,179</u>	\$ <u>3,240,044</u>	\$ <u>904,182</u>
LIABILITIES:					
DUE TO OTHER FUNDS	\$	6,293	\$ --	\$ 1,000	\$ 5,293
AMOUNTS HELD IN CUSTODY FOR OTHERS		760,125	3,215,051	3,077,538	897,638
OTHER LIABILITIES		1,629	13,741	14,119	1,251
TOTAL LIABILITIES	\$	<u>768,047</u>	\$ <u>3,228,792</u>	\$ <u>3,092,657</u>	\$ <u>904,182</u>

(Concluded)

State of Louisiana

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION

AS OF JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

FUNCTION	LAND	BUILDINGS AND IMPROVEMENTS	MACHINERY AND EQUIPMENT	TOTAL
GENERAL GOVERNMENT	\$ 50,712	\$ 197,183	\$ 183,545	\$ 431,440
CULTURE, RECREATION AND TOURISM	17,638	35,261	44,776	97,675
TRANSPORTATION AND DEVELOPMENT	12,023	58,413	156,433	226,869
PUBLIC SAFETY	11,593	26,175	116,173	153,941
HEALTH AND WELFARE	6,023	123,467	169,254	298,744
CORRECTIONS	14,427	269,705	48,182	332,314
CONSERVATION	100,758	41,518	76,911	219,187
EDUCATION	6,840	152,071	119,034	277,945
BOARDS AND COMMISSIONS	<u>1,181</u>	<u>1,558</u>	<u>2,916</u>	<u>5,655</u>
TOTAL ALLOCATED TO FUNCTIONS	\$ <u>221,195</u>	\$ <u>905,351</u>	\$ <u>917,224</u>	2,043,770
CONSTRUCTION IN PROGRESS				<u>25,160</u>
TOTAL GENERAL FIXED ASSETS				\$ <u>2,068,930</u>

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

FUNCTION	GENERAL FIXED ASSETS JULY 1, 1997	ADDITIONS	DELETIONS	GENERAL FIXED ASSETS JUNE 30, 1998
GENERAL GOVERNMENT	\$ 396,734	\$ 57,641	\$ 22,935	\$ 431,440
CULTURE, RECREATION AND TOURISM	93,502	5,599	1,426	97,675
TRANSPORTATION AND DEVELOPMENT	216,063	24,578	13,772	226,869
PUBLIC SAFETY	136,183	28,478	10,720	153,941
HEALTH AND WELFARE	605,753	28,619	335,628	298,744
CORRECTIONS	334,474	9,419	11,579	332,314
CONSERVATION	212,520	17,265	10,598	219,187
EDUCATION	285,105	14,394	21,554	277,945
BOARDS AND COMMISSIONS	5,635	413	393	5,655
CONSTRUCTION IN PROGRESS	<u>26,938</u>	<u>14,718</u>	<u>16,496</u>	<u>25,160</u>
TOTAL GENERAL FIXED ASSETS	\$ <u>2,312,907</u>	\$ <u>201,124</u>	\$ <u>445,101</u>	\$ <u>2,068,930</u>



State of Louisiana

SCHEDULE OF CHANGES IN LONG - TERM DEBT

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 1997	BONDS ISSUED	DEBT SERVICE FUND IN OPERATIONS	CAPITAL LEASES	DECREASE IN ACCRUED LEAVE	GENERAL LONG TERM DEBT	BALANCE JUNE 30, 1998
AMOUNT AVAILABLE IN DEBT							
SERVICE FUNDS	\$ 34,352	\$ --	\$ (931)	\$ --	\$ --	\$ --	\$ 33,421
AMOUNT TO BE PROVIDED FOR LEAVE	162,015	--	--	--	(13,524)	--	148,491
AMOUNT TO BE PROVIDED FOR CAPITAL LEASES	96,309	--	--	(8,110)	--	--	88,199
AMOUNT TO BE PROVIDED FOR RETIREMENT OF LONG- TERM DEBT	2,193,224	545,840	(617,241)	--	--	--	2,121,823
OTHER GENERAL LONG TERM DEBT	<u>1,946,970</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>51,447</u>	<u>1,998,417</u>
AMOUNT AVAILABLE AND TO BE PROVIDED	<u>\$ 4,432,870</u>	<u>\$ 545,840</u>	<u>\$ (618,172)</u>	<u>\$ (8,110)</u>	<u>\$ (13,524)</u>	<u>\$ 51,447</u>	<u>\$ 4,390,351</u>
ACCRUED ANNUAL LEAVE	\$ 162,015	\$ --	\$ --	\$ --	\$ (13,524)	\$ --	\$ 148,491
OBLIGATIONS UNDER CAPITAL LEASES	96,309	--	--	(8,110)	--	--	88,199
BONDS PAYABLE	2,227,576	545,840	(618,172)	--	--	--	2,155,244
ESTIMATED LIABILITY FOR CLAIMS	<u>1,946,970</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>51,447</u>	<u>1,998,417</u>
TOTAL GENERAL LONG TERM DEBT	<u>\$ 4,432,870</u>	<u>\$ 545,840</u>	<u>\$ (618,172)</u>	<u>\$ (8,110)</u>	<u>\$ (13,524)</u>	<u>\$ 51,447</u>	<u>\$ 4,390,351</u>





State of Louisiana

COMBINING BALANCE SHEET

COLLEGES AND UNIVERSITIES

JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	CURRENT FUNDS			STUDENT LOAN FUNDS	ENDOWMENT FUNDS
	GENERAL	AUXILIARY ENTERPRISES	RESTRICTED		
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 139,987	\$ 26,288	\$ 52,425	\$ 3,927	\$ 14,148
INVESTMENTS	27,501	7,924	45,044	1,238	64,616
ACCRUED INTEREST	241	87	845	636	160
ACCOUNTS RECEIVABLE (NET)	84,980	11,099	122,975	156	21
NOTES RECEIVABLE	--	195	--	56,885	--
DUE FROM PRIVATE FOUNDATIONS	191	186	--	--	18,808
DUE FROM OTHER FUNDS	84,405	4,012	96,653	1,378	922
DEFERRED CHARGES AND PREPAID EXPENSES	10,282	1,345	2,784	--	--
INVENTORIES	36,686	17,740	55	--	--
OTHER ASSETS	342	2,603	689	--	1,381
INSTITUTIONAL PLANT	--	--	--	--	--
ASSETS UNDER CAPITAL LEASES	--	--	--	--	--
TOTAL ASSETS	\$ 384,615	\$ 71,479	\$ 321,470	\$ 64,220	\$ 100,056
LIABILITIES AND FUND EQUITY					
LIABILITIES:					
ACCOUNTS PAYABLE	\$ 68,927	\$ 5,283	\$ 9,458	\$ 202	\$ 49
ACCRUED LIABILITIES	36,973	1,503	9,449	--	--
COMPENSATED ABSENCES PAYABLE	107,398	5,614	16,743	--	--
NOTES PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	216,159	6,623	6,964	355	3,406
DEFERRED REVENUES	38,046	13,011	2,501	--	--
DEPOSITS HELD FOR OTHERS	1,597	2,165	20	123	--
OBLIGATIONS UNDER CAPITAL LEASE	--	--	--	--	--
BONDS PAYABLE	--	--	--	--	--
OTHER LIABILITIES	5,344	648	1,286	62	29
TOTAL LIABILITIES	474,444	34,847	46,421	742	3,484
FUND EQUITY:					
NET INVESTMENT IN PLANT	--	--	--	--	--
FUND BALANCES:					
RESERVED FOR DEBT SERVICE	--	--	--	--	--
RESERVED FOR INVENTORIES	36,686	1,449	52	--	--
RESERVED FOR ENCUMBRANCES	--	3,591	24,529	--	--
CURRENT OPERATIONS UNRESTRICTED	(126,515)	3,501	--	--	--
CURRENT OPERATIONS RESTRICTED	--	28,091	250,468	2,256	--
NON-CURRENT OPERATIONS:					
RESTRICTED	--	--	--	61,222	4,353
ENDOWMENT	--	--	--	--	80,725
TERM ENDOWMENT	--	--	--	--	3,117
QUASI-ENDOWMENT - RESTRICTED	--	--	--	--	8,377
TOTAL FUND EQUITY	(89,829)	36,632	275,049	63,478	96,572
TOTAL LIABILITIES AND FUND EQUITY	\$ 384,615	\$ 71,479	\$ 321,470	\$ 64,220	\$ 100,056

State of Louisiana

<u>PLANT</u>	<u>AGENCY FUNDS</u>	<u>TOTAL JUNE 30, 1998</u>
\$ 73,852	\$ 5,131	\$ 315,758
66,883	1,106	214,312
287	72	2,328
1,034	1,615	221,880
--	--	57,080
--	--	19,185
1,901	440	189,711
--	--	14,411
--	--	54,481
79	46	5,140
3,580,337	--	3,580,337
<u>6,480</u>	<u>--</u>	<u>6,480</u>
<u>\$ 3,730,853</u>	<u>\$ 8,410</u>	<u>\$ 4,681,103</u>
\$ 385	\$ 170	\$ 84,474
6	69	48,000
3	--	129,758
36,237	--	36,237
5,578	1,293	240,378
255	180	53,993
7	5,960	9,872
3,370	--	3,370
137,760	--	137,760
<u>1,172</u>	<u>738</u>	<u>9,279</u>
<u>184,773</u>	<u>8,410</u>	<u>753,121</u>
3,420,502	--	3,420,502
17,887	--	17,887
--	--	38,187
3,788	--	31,908
--	--	(123,014)
486	--	281,301
103,417	--	168,992
--	--	80,725
--	--	3,117
<u>--</u>	<u>--</u>	<u>8,377</u>
<u>3,546,080</u>	<u>--</u>	<u>3,927,982</u>
<u>\$ 3,730,853</u>	<u>\$ 8,410</u>	<u>\$ 4,681,103</u>





State of Louisiana

COMBINING BALANCE SHEET DISCRETELY REPORTED COMPONENT UNITS

JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	BOARDS AND COMMISSIONS	CAPITAL AREA HUMAN SERVICES DISTRICT	GREATER BATON ROUGE PORT COMMISSION(1)	GREATER KROTZ SPRINGS PORT COMMISSION
<u>ASSETS AND OTHER DEBITS</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 2,238	\$ 165	\$ 2,505	\$ 1,819
INVESTMENTS	4,058	--	2,415	--
RECEIVABLES	51	878	1,287	17
NOTES RECEIVABLE	--	--	--	--
DUE FROM OTHER FUNDS	--	3	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--
PREPAYMENTS	--	--	--	--
INVENTORIES	--	353	--	--
OTHER ASSETS	44	--	120	2
RESTRICTED ASSETS:				
CASH	--	--	1,946	--
INVESTMENTS	--	--	--	--
RECEIVABLES	--	--	--	--
DIRECT FINANCING LEASE PAYMENTS RECEIVABLE	--	--	--	--
PROPERTY, PLANT AND EQUIPMENT (NET WHERE APPLICABLE)	3,952	1,030	31,165	2,810
OTHER DEBITS:				
AMOUNT AVAILABLE FOR DEBT SERVICE	--	--	--	--
AMOUNT TO BE PROVIDED FOR COMPENSATED ABSENCES	214	--	--	--
AMOUNT TO BE PROVIDED FOR RETIREMENT OF GENERAL LONG TERM DEBT	--	--	--	--
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 10,557</u>	<u>\$ 2,429</u>	<u>\$ 39,438</u>	<u>\$ 4,648</u>
<u>LIABILITIES, EQUITY, AND OTHER CREDITS</u>				
LIABILITIES:				
ACCOUNTS PAYABLE AND ACCRUALS	\$ 125	\$ 978	\$ 285	\$ 2
CONTRACTS AND RETAINAGE PAYABLE	--	--	519	--
COMPENSATED ABSENCES PAYABLE	214	303	132	--
DEFERRED REVENUES	--	--	275	15
DUE TO LOCAL GOVERNMENTS	--	--	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	--
LIABILITIES PAYABLE FROM RESTRICTED ASSETS	--	--	495	--
OBLIGATIONS UNDER CAPITAL LEASE	--	--	--	--
BONDS PAYABLE	--	--	3,130	--
ESTIMATED LIABILITIES FOR CLAIMS	--	--	--	--
OTHER LIABILITIES	1,937	69	63	--
TOTAL LIABILITIES	<u>2,276</u>	<u>1,350</u>	<u>4,899</u>	<u>17</u>
EQUITY AND OTHER CREDITS:				
INVESTMENT IN FIXED ASSETS	3,952	1,030	--	--
CONTRIBUTED CAPITAL	--	--	17,373	2,256
RETAINED EARNINGS: RESERVED	--	--	447	--
UNRESERVED (DEFICIT)	--	--	16,719	2,375
FUND BALANCES:				
RESERVED FOR DEBT SERVICE	--	--	--	--
RESERVED FOR INVENTORIES	--	353	--	--
RESERVED FOR ENCUMBRANCES	--	--	--	--
RESERVED FOR CONSTRUCTION	--	--	--	--
OTHER RESERVES	--	--	--	--
UNRESERVED: DESIGNATED	2,036	--	--	--
UNDESIGNATED (DEFICIT)	2,293	(304)	--	--
TOTAL EQUITY AND OTHER CREDITS	<u>8,281</u>	<u>1,079</u>	<u>34,539</u>	<u>4,631</u>
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	<u>\$ 10,557</u>	<u>\$ 2,429</u>	<u>\$ 39,438</u>	<u>\$ 4,648</u>

(Continued)

(1) As of October 31, 1997.

(2) As of December 31, 1997.

State of Louisiana

GREATER NEW ORLEANS EXPRESSWAY COMMISSION(1)	JEFFERSON PARISH HUMAN SERVICES AUTHORITY	KENNER NAVAL MUSEUM COMMISSION	LAKE CHARLES HARBOR AND TERMINAL DISTRICT(2)	LOUISIANA ECONOMIC DEVELOPMENT CORPORATION	LOUISIANA HOUSING FINANCE AGENCY	LOUISIANA NAVAL WAR MEMORIAL COMMISSION(2)
\$ 1,862	\$ 1,556	\$ 6	\$ 4,681	\$ 42,285	\$ 2,282	\$ 77
30,616	--	--	74,960	12,636	19,430	60
369	889	--	4,272	225	455	25
--	--	--	--	969	--	--
--	--	--	--	783	--	--
--	--	--	--	--	679	--
45	--	--	--	--	--	--
329	122	--	215	--	--	20
--	--	--	1,011	274	2,806	--
--	--	--	1,410	--	4,130	86
--	--	--	6,038	--	542	--
--	--	--	108	--	36,230	--
--	--	--	2,000	--	--	--
2,548	1,678	--	90,144	--	294	3,675
5,688	--	--	--	--	--	--
679	508	--	--	--	--	--
<u>56,087</u>	<u>30</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 98,223</u>	<u>\$ 4,783</u>	<u>\$ 6</u>	<u>\$ 184,839</u>	<u>\$ 57,172</u>	<u>\$ 66,848</u>	<u>\$ 3,943</u>
\$ 4,451	\$ 444	\$ --	\$ 1,511	\$ 80	\$ 166	\$ 40
--	902	--	--	--	--	--
679	508	--	391	--	85	15
409	--	--	1,158	--	1,373	1
350	--	--	--	--	--	--
516	--	--	--	--	--	--
--	--	--	--	--	1,043	--
--	30	--	--	--	--	--
61,775	--	--	25,000	--	--	--
--	--	--	--	--	--	--
--	36	--	176	1,820	--	--
<u>68,180</u>	<u>1,920</u>	<u>--</u>	<u>28,236</u>	<u>1,900</u>	<u>2,667</u>	<u>56</u>
2,548	1,678	--	--	--	--	--
--	--	--	21,739	--	--	4,979
1,130	--	--	7,542	--	41,915	--
--	--	6	127,322	55,272	22,266	(1,282)
7,072	--	--	--	--	--	--
330	122	--	--	--	--	--
--	--	--	--	--	--	--
12,065	--	--	--	--	--	--
63	--	--	--	--	--	87
6,835	1,013	--	--	--	--	--
--	50	--	--	--	--	103
<u>30,043</u>	<u>2,863</u>	<u>6</u>	<u>156,603</u>	<u>55,272</u>	<u>64,181</u>	<u>3,887</u>
<u>\$ 98,223</u>	<u>\$ 4,783</u>	<u>\$ 6</u>	<u>\$ 184,839</u>	<u>\$ 57,172</u>	<u>\$ 66,848</u>	<u>\$ 3,943</u>

State of Louisiana

COMBINING BALANCE SHEET DISCRETELY REPORTED COMPONENT UNITS

JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	LOUISIANA STADIUM AND EXPOSITION DISTRICT	LOUISIANA WORKERS' COMPENSATION CORPORATION (2)	NEW ORLEANS PORT COMMISSION	ORLEANS LEVEE DISTRICT
<u>ASSETS AND OTHER DEBITS</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 20,686	\$ 25,652	\$ 2,620	\$ 1,702
INVESTMENTS	52,407	517,706	56,601	55,461
RECEIVABLES	5,386	99,372	6,103	1,618
NOTES RECEIVABLE	--	--	--	--
DUE FROM OTHER FUNDS	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--
PREPAYMENTS	--	--	--	--
INVENTORIES	79	--	2,158	534
OTHER ASSETS	45	7,459	3,330	895
RESTRICTED ASSETS:				
CASH	10,776	--	--	696
INVESTMENTS	--	--	--	1,959
RECEIVABLES	166	--	--	--
DIRECT FINANCING LEASE PAYMENTS RECEIVABLE	--	--	--	--
PROPERTY, PLANT AND EQUIPMENT (NET WHERE APPLICABLE)	199,387	14,470	322,248	101,802
OTHER DEBITS:				
AMOUNT AVAILABLE FOR DEBT SERVICE	17,628	--	--	24,883
AMOUNT TO BE PROVIDED FOR COMPENSATED ABSENCES	--	--	--	870
AMOUNT TO BE PROVIDED FOR RETIREMENT OF GENERAL LONG TERM DEBT	181,217	--	--	60,341
TOTAL ASSETS AND OTHER DEBITS	\$ <u>487,777</u>	\$ <u>664,659</u>	\$ <u>393,060</u>	\$ <u>250,761</u>
<u>LIABILITIES, EQUITY, AND OTHER CREDITS</u>				
LIABILITIES:				
ACCOUNTS PAYABLE AND ACCRUALS	\$ 1,232	\$ --	\$ 2,293	\$ 4,226
CONTRACTS AND RETAINAGE PAYABLE	5,123	--	310	--
COMPENSATED ABSENCES PAYABLE	185	--	1,375	870
DEFERRED REVENUES	--	--	1,632	1,186
DUE TO LOCAL GOVERNMENTS	--	--	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	--
LIABILITIES PAYABLE FROM RESTRICTED ASSETS	--	--	--	1,285
OBLIGATIONS UNDER CAPITAL LEASE	--	--	--	--
BONDS PAYABLE	198,845	--	7,093	120,521
ESTIMATED LIABILITIES FOR CLAIMS	--	440,691	--	--
OTHER LIABILITIES	4,076	86,353	2,658	606
TOTAL LIABILITIES	<u>209,461</u>	<u>527,044</u>	<u>15,361</u>	<u>128,694</u>
EQUITY AND OTHER CREDITS:				
INVESTMENT IN FIXED ASSETS	81,164	--	--	39,910
CONTRIBUTED CAPITAL	99,019	--	254,163	52,984
RETAINED EARNINGS: RESERVED	10,841	--	--	--
UNRESERVED (DEFICIT)	27,370	137,615	123,536	(23,915)
FUND BALANCES:				
RESERVED FOR DEBT SERVICE	17,628	--	--	24,286
RESERVED FOR INVENTORIES	--	--	--	--
RESERVED FOR ENCUMBRANCES	--	--	--	4,075
RESERVED FOR CONSTRUCTION	42,294	--	--	--
OTHER RESERVES	--	--	--	2,213
UNRESERVED: DESIGNATED	--	--	--	433
UNDESIGNATED (DEFICIT)	--	--	--	22,081
TOTAL EQUITY AND OTHER CREDITS	<u>278,316</u>	<u>137,615</u>	<u>377,699</u>	<u>122,067</u>
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ <u>487,777</u>	\$ <u>664,659</u>	\$ <u>393,060</u>	\$ <u>250,761</u>

(Concluded)

(1) As of October 31, 1997.

(2) As of December 31, 1997.

State of Louisiana

OTHER LEVEE DISTRICTS AND PORT COMMISSIONS	SABINE RIVER AUTHORITY	ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT	TOTAL JUNE 30, 1998
\$ 28,425	\$ 5,433	\$ 932	\$ 144,926
53,025	2,079	--	881,454
5,205	463	118	126,733
--	--	--	969
--	--	--	786
--	--	--	679
--	--	--	45
71	--	--	3,881
308	15	291	16,600
--	1,641	34	20,719
--	--	--	8,539
--	--	--	36,504
--	--	--	2,000
87,956	53,569	24,435	941,163
1,429	--	--	49,628
771	--	--	3,042
<u>9,197</u>	<u>--</u>	<u>--</u>	<u>306,872</u>
<u>\$ 186,387</u>	<u>\$ 63,200</u>	<u>\$ 25,810</u>	<u>\$ 2,544,540</u>
\$ 5,510	\$ 929	\$ 207	\$ 22,479
--	11,366	--	18,220
925	--	85	5,767
347	--	42	6,438
--	--	--	350
--	--	--	516
--	--	--	2,823
177	--	--	207
10,130	4,355	427	431,276
15	--	--	440,706
<u>506</u>	<u>1,195</u>	<u>65</u>	<u>99,560</u>
<u>17,610</u>	<u>17,845</u>	<u>826</u>	<u>1,028,342</u>
87,956	--	--	218,238
--	47,568	23,813	523,894
--	--	--	61,875
--	(2,213)	1,171	486,242
1,604	--	--	50,590
71	--	--	876
--	--	--	4,075
--	--	--	54,359
6,928	--	--	9,291
7,802	--	--	18,119
<u>64,416</u>	<u>--</u>	<u>--</u>	<u>88,639</u>
<u>168,777</u>	<u>45,355</u>	<u>24,984</u>	<u>1,516,198</u>
<u>\$ 186,387</u>	<u>\$ 63,200</u>	<u>\$ 25,810</u>	<u>\$ 2,544,540</u>

State of Louisiana

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - DISCRETELY REPORTED COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	BOARDS AND COMMISSIONS	CAPITAL AREA HUMAN SERVICES DISTRICT	GREATER NEW ORLEANS EXPRESSWAY COMMISSION (1)	JEFFERSON PARISH HUMAN SERVICES AUTHORITY	LOUISIANA NAVAL WAR MEMORIAL COMMISSION (2)
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ 10,679	\$ 753	\$ 3,279	\$ --
TAXES	--	--	--	--	--
USE OF MONEY AND PROPERTY	329	--	19,957	--	8
LICENSES, PERMITS, AND FEES	5,088	--	--	--	--
OTHER	152	--	216	908	149
TOTAL REVENUES	5,569	10,679	20,926	4,187	157
EXPENDITURES:					
CURRENT:					
GENERAL GOVERNMENT	--	--	--	--	--
HEALTH AND WELFARE	--	15,247	--	16,784	--
OTHER	5,780	--	7,338	--	68
INTERGOVERNMENTAL	--	--	350	--	--
CAPITAL OUTLAY	--	--	6,771	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	1,540	--	--
INTEREST AND FISCAL CHARGES	--	--	3,686	--	--
TOTAL EXPENDITURES	5,780	15,247	19,685	16,784	68
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(211)	(4,568)	1,241	(12,597)	89
OTHER FINANCING SOURCES (USES):					
OPERATING TRANSFERS IN - PRIMARY GOVERNMENT	--	4,617	--	12,651	--
OPERATING TRANSFERS IN - COMPONENT UNIT	--	--	--	--	--
OPERATING TRANSFERS OUT - COMPONENT UNIT	--	--	--	--	--
OTHER	--	--	--	91	1
TOTAL OTHER FINANCING SOURCES (USES)	--	4,617	--	12,742	1
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	(211)	49	1,241	145	90
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED					
INCREASES (DECREASES) IN RESERVE FOR INVENTORIES	4,540	--	25,124	1,040	100
FUND BALANCES (DEFICIT) AT END OF YEAR	\$ 4,329	\$ 49	\$ 26,365	\$ 1,185	\$ 190

(1) For the period ending October 31, 1997.

(2) For the period ending December 31, 1997.

State of Louisiana

LOUISIANA STADIUM AND EXPOSITION DISTRICT	ORLEANS LEVEE DISTRICT	OTHER LEVEE DISTRICTS AND PORT COMMISSIONS	TOTAL JUNE 30, 1998
\$ --	\$ 1,758	\$ 11,370	\$ 27,839
13,334	16,948	22,805	53,087
4,560	4,873	5,935	35,662
--	--	249	5,337
<u>101</u>	<u>568</u>	<u>2,132</u>	<u>4,226</u>
<u>17,995</u>	<u>24,147</u>	<u>42,491</u>	<u>126,151</u>
2,600	--	23,319	25,919
--	--	--	32,031
--	814	392	14,392
--	13,598	17	13,965
44,596	10,433	13,834	75,634
2,375	2,115	902	6,932
<u>11,803</u>	<u>4,860</u>	<u>509</u>	<u>20,858</u>
<u>61,374</u>	<u>31,820</u>	<u>38,973</u>	<u>189,731</u>
<u>(43,379)</u>	<u>(7,673)</u>	<u>3,518</u>	<u>(63,580)</u>
7,015	--	--	24,283
--	224	--	224
--	(524)	--	(524)
<u>740</u>	<u>333</u>	<u>(392)</u>	<u>773</u>
<u>7,755</u>	<u>33</u>	<u>(392)</u>	<u>24,756</u>
(35,624)	(7,640)	3,126	(38,824)
95,546	60,728	77,688	264,766
--	--	7	7
<u>\$ 59,922</u>	<u>\$ 53,088</u>	<u>\$ 80,821</u>	<u>\$ 225,949</u>

State of Louisiana

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCES - DISCRETELY REPORTED COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	GREATER BATON ROUGE PORT COMMISSION(1)	GREATER KROTZ SPRINGS PORT COMMISSION	GREATER NEW ORLEANS EXPRESSWAY COMMISSION(1)	KENNER NAVAL MUSEUM COMMISSION	LAKE CHARLES HARBOR AND TERMINAL DISTRICT(2)
OPERATING REVENUES:					
CONTRIBUTIONS	\$ --	\$ --	\$ --	\$ --	\$ --
USE OF MONEY AND PROPERTY	874	227	399	--	1,696
LICENSES, PERMITS, AND FEES	2,136	33	--	--	12,614
SALES OF COMMODITIES AND SERVICES	100	--	--	--	--
OTHER	870	--	--	--	1,608
TOTAL OPERATING REVENUES	3,980	260	399	--	15,918
OPERATING EXPENSES:					
COST OF SALES AND SERVICES	--	--	--	--	--
PERSONAL SERVICES	1,700	87	--	--	5,291
CONTRACTUAL SERVICES	--	--	139	--	3,708
TRAVEL	50	6	--	--	--
OPERATING SERVICES	469	75	--	1	4,844
SUPPLIES	187	6	--	--	--
PROFESSIONAL SERVICES	245	11	--	1	--
ADMINISTRATIVE	--	--	--	--	--
DEPRECIATION	1,669	58	--	--	3,704
BAD DEBT EXPENSE	1	--	--	--	--
RETIREMENT BENEFITS	--	--	--	--	--
REFUNDS	--	--	--	--	--
OTHER	205	--	203	--	--
TOTAL OPERATING EXPENSES	4,526	243	342	2	17,547
OPERATING INCOME (LOSS)	(546)	17	57	(2)	(1,629)
NONOPERATING REVENUES (EXPENSES):					
DISPOSAL OF FIXED ASSETS	62	--	--	--	--
INTEREST REVENUE	336	97	--	--	5,488
FEDERAL GRANTS	--	--	--	--	--
INTEREST EXPENSE	(120)	--	--	--	(278)
OTHER	(4)	--	--	--	(110)
TOTAL NONOPERATING REVENUES (EXPENSES)	274	97	--	--	5,100
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(272)	114	57	(2)	3,471
OPERATING TRANSFERS:					
OPERATING TRANSFERS IN - PRIMARY GOVERNMENT	--	--	--	--	--
OPERATING TRANSFERS OUT - PRIMARY GOVERNMENT	--	--	--	--	--
OPERATING TRANSFERS IN - COMPONENT UNIT	--	--	--	--	--
OPERATING TRANSFERS OUT - COMPONENT UNIT	--	--	--	--	--
NET OPERATING TRANSFERS	--	--	--	--	--
NET INCOME (LOSS)	(272)	114	57	(2)	3,471
RETAINED EARNINGS/FUND BALANCES (DEFICIT)					
AT BEGINNING OF YEAR AS RESTATED	17,438	2,261	1,073	8	131,393
RETAINED EARNINGS/FUND BALANCES (DEFICIT) AT END OF YEAR	\$ 17,166	\$ 2,375	\$ 1,130	\$ 6	\$ 134,864

(1) For the period ending October 31, 1997.

(2) For the period ending December 31, 1997.

State of Louisiana

LOUISIANA ECONOMIC DEVELOPMENT CORPORATION	LOUISIANA HOUSING FINANCE AGENCY	LOUISIANA MARITIME DEVELOPMENT AUTHORITY	LOUISIANA NAVAL WAR MEMORIAL COMMISSION(2)	LOUISIANA STADIUM AND EXPOSITION DISTRICT	LOUISIANA WORKERS' COMPENSATION CORPORATION(2)	NEW ORLEANS PORT COMMISSION
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 258
4,029	5,981	--	--	8,981	--	39,071
154	--	--	--	--	--	--
--	--	--	369	--	--	--
44	--	--	15	8,332	171,558	24
<u>4,227</u>	<u>5,981</u>	<u>--</u>	<u>384</u>	<u>17,313</u>	<u>171,558</u>	<u>39,353</u>
--	--	--	71	--	--	--
361	1,196	--	302	8,760	--	15,725
6,000	--	--	--	--	--	986
--	115	--	--	--	--	176
--	464	--	--	5,629	--	4,830
--	55	--	26	--	--	322
587	608	--	--	587	--	1,043
129	--	--	137	--	--	66
--	86	--	107	7,191	2,190	11,252
--	--	--	--	--	--	--
--	--	--	--	--	--	964
--	--	--	--	--	--	72
3	--	--	--	9,775	170,922	--
<u>7,080</u>	<u>2,524</u>	<u>--</u>	<u>643</u>	<u>31,942</u>	<u>173,112</u>	<u>35,436</u>
<u>(2,853)</u>	<u>3,457</u>	<u>--</u>	<u>(259)</u>	<u>(14,629)</u>	<u>(1,554)</u>	<u>3,917</u>
--	--	--	--	--	--	--
--	955	--	--	547	35,266	3,685
--	9,939	--	132	--	--	--
--	--	--	--	--	--	(420)
(350)	(5,402)	(4)	12	12,428	--	274
<u>(350)</u>	<u>5,492</u>	<u>(4)</u>	<u>144</u>	<u>12,975</u>	<u>35,266</u>	<u>3,539</u>
<u>(3,203)</u>	<u>8,949</u>	<u>(4)</u>	<u>(115)</u>	<u>(1,654)</u>	<u>33,712</u>	<u>7,456</u>
7,000	--	--	--	--	--	--
(20,435)	--	--	--	--	--	--
--	--	--	--	--	--	--
<u>(13,435)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
(16,638)	8,949	(4)	(115)	(1,654)	33,712	7,456
<u>71,910</u>	<u>55,232</u>	<u>4</u>	<u>(1,167)</u>	<u>39,865</u>	<u>103,903</u>	<u>116,080</u>
<u>\$ 55,272</u>	<u>\$ 64,181</u>	<u>\$ --</u>	<u>\$ (1,282)</u>	<u>\$ 38,211</u>	<u>\$ 137,615</u>	<u>\$ 123,536</u>

State of Louisiana

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCES - DISCRETELY REPORTED COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	ORLEANS LEVEE DISTRICT	SABINE RIVER AUTHORITY	ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT	TOTAL JUNE 30, 1998
OPERATING REVENUES:				
CONTRIBUTIONS	\$ --	\$ --	\$ --	\$ 258
USE OF MONEY AND PROPERTY	6,025	286	1,804	69,373
LICENSES, PERMITS, AND FEES	4,153	--	57	19,147
SALES OF COMMODITIES AND SERVICES	--	6,248	--	6,717
OTHER	134	422	1	183,008
TOTAL OPERATING REVENUES	10,312	6,956	1,862	278,503
OPERATING EXPENSES:				
COST OF SALES AND SERVICES	--	--	--	71
PERSONAL SERVICES	2,481	--	721	36,624
CONTRACTUAL SERVICES	863	--	--	11,696
TRAVEL	1	--	--	348
OPERATING SERVICES	--	4,139	887	21,338
SUPPLIES	2,726	--	15	3,337
PROFESSIONAL SERVICES	57	--	213	3,352
ADMINISTRATIVE	--	--	--	332
DEPRECIATION	3,221	1,616	462	31,556
BAD DEBT EXPENSE	--	--	--	1
RETIREMENT BENEFITS	--	--	--	964
REFUNDS	--	--	--	72
OTHER	162	--	--	181,270
TOTAL OPERATING EXPENSES	9,511	5,755	2,298	290,961
OPERATING INCOME (LOSS)	801	1,201	(436)	(12,458)
NONOPERATING REVENUES (EXPENSES):				
DISPOSAL OF FIXED ASSETS	9	--	--	71
INTEREST REVENUE	211	266	64	46,915
FEDERAL GRANTS	--	--	16	10,087
INTEREST EXPENSE	(2,615)	(349)	(33)	(3,815)
OTHER	(3,163)	268	713	4,662
TOTAL NONOPERATING REVENUES (EXPENSES)	(5,558)	185	760	57,920
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(4,757)	1,386	324	45,462
OPERATING TRANSFERS:				
OPERATING TRANSFERS IN - PRIMARY GOVERNMENT	--	--	--	7,000
OPERATING TRANSFERS OUT - PRIMARY GOVERNMENT	--	--	--	(20,435)
OPERATING TRANSFERS IN - COMPONENT UNIT	524	--	--	524
OPERATING TRANSFERS OUT - COMPONENT UNIT	(224)	--	--	(224)
NET OPERATING TRANSFERS	300	--	--	(13,135)
NET INCOME (LOSS)	(4,457)	1,386	324	32,327
RETAINED EARNINGS/FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR AS RESTATED	(19,458)	(3,599)	847	515,790
RETAINED EARNINGS/FUND BALANCES (DEFICIT) AT END OF YEAR	\$ (23,915)	\$ (2,213)	\$ 1,171	\$ 548,117

(Concluded)

(1) For the period ending October 31, 1997.

(2) For the period ending December 31, 1997.



State of Louisiana

COMBINING STATEMENT OF CASH FLOWS - DISCRETELY REPORTED COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	GREATER BATON ROUGE PORT COMMISSION(1)	GREATER KROTZ SPRINGS PORT COMMISSION	GREATER NEW ORLEANS EXPRESSWAY COMMISSION(1)	KENNER NAVAL MUSEUM COMMISSION
OPERATING INCOME (LOSS)	\$ (546)	\$ 17	\$ 57	(2)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
REFUNDS AND LEASE SETTLEMENTS	\$ --	\$ --	\$ --	--
DEPRECIATION AND AMORTIZATION	1,669	58	--	--
PROVISION FOR DOUBTFUL ACCOUNTS	(12)	--	--	--
CHANGES IN ASSETS AND LIABILITIES:				
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	(309)	617	--	--
(INCREASE)/DECREASE IN DUE FROM OTHER FUNDS	--	--	(318)	--
(INCREASE)/DECREASE IN DUE FROM FEDERAL GOVERNMENT	--	--	--	--
(INCREASE)/DECREASE IN INVENTORIES	--	--	--	--
(INCREASE)/DECREASE IN OTHER ASSETS	(2)	(2)	--	--
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE AND ACCRUALS	297	(745)	88	--
INCREASE/(DECREASE) IN COMPENSATED ABSENCES	(6)	--	--	--
INCREASE/(DECREASE) IN DUE TO OTHER FUNDS	--	--	--	--
INCREASE/(DECREASE) IN DEFERRED REVENUES	27	--	--	--
INCREASE/(DECREASE) IN OTHER LIABILITIES	(23)	--	--	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 1,095	\$ (55)	\$ (173)	(2)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
OPERATING GRANTS RECEIVED	--	--	--	--
DONATIONS RECEIVED	--	--	--	--
INTERGOVERNMENTAL REVENUE	--	--	--	--
OPERATING TRANSFERS-IN FROM OTHER FUNDS	--	--	--	--
OPERATING TRANSFERS-OUT TO OTHER FUNDS	--	--	--	--
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ --	\$ --	\$ --	--
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
PROCEEDS FROM SALE OF BONDS	\$ 1,000	\$ --	\$ --	--
PRINCIPAL PAID ON BOND MATURITIES	(370)	--	--	--
INTEREST PAID ON BONDS	(133)	--	--	--
REPAYMENT OF NOTES PAYABLE	--	--	--	--
ACQUISITION/CONSTRUCTION OF CAPITAL ASSETS	(5,593)	(343)	--	--
PROCEEDS FROM SALE OF CAPITAL ASSETS	62	--	--	--
CAPITAL CONTRIBUTIONS	4,520	279	--	--
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$ (514)	\$ (64)	\$ --	--
CASH FLOWS FROM INVESTING ACTIVITIES:				
PURCHASE OF INVESTMENT SECURITIES	\$ (3,972)	\$ --	\$ --	--
PROCEEDS FROM SALE OF INVESTMENT SECURITIES	4,394	--	173	--
INTEREST AND DIVIDENDS ON INVESTMENTS	336	97	--	--
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 758	\$ 97	\$ 173	--
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 1,339	\$ (22)	\$ --	(2)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR AS RESTATED	3,112	1,841	--	8
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 4,451	\$ 1,819	\$ --	6

(1) For the period ending October 31, 1997.

(2) For the period ending December 31, 1997.

State of Louisiana

LAKE CHARLES HARBOR AND TERMINAL DISTRICT(2)	LOUISIANA ECONOMIC DEVELOPMENT CORPORATION	LOUISIANA HOUSING FINANCE AGENCY	LOUISIANA MARITIME DEVELOPMENT AUTHORITY	LOUISIANA NAVAL WAR MEMORIAL COMMISSION(2)	LOUISIANA STADIUM AND EXPOSITION DISTRICT	LOUISIANA WORKERS' COMPENSATION CORPORATION(2)	NEW ORLEANS PORT COMMISSION
\$ (1,629)\$	(2,853)\$	3,457 \$	-- \$	(259)\$	(14,629)\$	(1,554)\$	3,917
\$ -- \$	-- \$	-- \$	-- \$	-- \$	-- \$	-- \$	--
3,704	--	86	--	107	7,191	2,190	11,252
--	(48)	339	--	--	--	--	60
336	262	(4,239)	--	(22)	(385)	(15,198)	(1,085)
--	(783)	--	--	--	--	--	--
--	--	(484)	--	--	--	--	--
12	--	--	--	3	(7)	--	(345)
94	56	(1,892)	--	--	2	(144)	(503)
207	(630)	(23)	--	7	805	--	(1,277)
43	--	34	--	--	14	--	(14)
--	--	--	--	--	--	--	--
(36)	--	(274)	--	--	--	--	(149)
(92)	(93)	684	--	--	242	37,440	(831)
\$ 2,639 \$	(4,089)\$	(2,312)\$	-- \$	(164)\$	(6,767)\$	22,734 \$	11,025
--	--	4,497	--	136	--	--	278
--	--	--	--	12	(125)	--	--
88	--	--	--	--	12,385	--	--
--	7,000	--	--	--	--	--	--
--	(20,435)	--	--	--	--	--	--
\$ 88 \$	(13,435)\$	4,497 \$	-- \$	148 \$	12,260 \$	-- \$	278
\$ -- \$	-- \$	-- \$	-- \$	-- \$	-- \$	-- \$	--
--	--	--	--	--	--	--	(2,462)
(265)	--	--	--	--	(51)	--	(420)
--	(350)	--	--	--	--	--	--
(21,746)	--	(173)	--	--	(2,140)	(772)	(10,214)
--	--	--	--	--	--	--	--
2,310	--	--	(4)	--	--	--	--
\$ (19,701)\$	(350)\$	(173)\$	(4)\$	-- \$	(2,191)\$	(772)\$	(13,096)
\$ (34,749)\$	(5,640)\$	(26,785)\$	-- \$	-- \$	-- \$	(206,428)\$	(46,314)
30,679	3,119	23,139	--	--	--	148,914	43,391
5,488	(1,306)	955	--	--	547	33,057	2,763
\$ 1,418 \$	(3,827)\$	(2,691)\$	-- \$	-- \$	547 \$	(24,457)\$	(160)
\$ (15,556)\$	(21,701)\$	(679)\$	(4)\$	(16)\$	3,849 \$	(2,495)\$	(1,953)
21,647	63,986	7,091	4	26	17,677	28,147	4,573
\$ 6,091 \$	42,285 \$	6,412 \$	-- \$	10 \$	21,526 \$	25,652 \$	2,620

State of Louisiana

COMBINING STATEMENT OF CASH FLOWS - DISCRETELY REPORTED COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

	ORLEANS LEVEE DISTRICT	SABINE RIVER AUTHORITY	ST. BERNARD PORT, HARBOR AND TERMINAL DISTRICT	TOTAL JUNE 30, 1998
OPERATING INCOME (LOSS)	\$ 801	\$ 1,201	\$ (436)	\$ (12,458)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
REFUNDS AND LEASE SETTLEMENTS	\$ --	\$ 34	\$ --	\$ 34
DEPRECIATION AND AMORTIZATION	3,221	1,616	462	31,556
PROVISION FOR DOUBTFUL ACCOUNTS	--	--	--	339
CHANGES IN ASSETS AND LIABILITIES:				
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	378	(183)	9	(19,819)
(INCREASE)/DECREASE IN DUE FROM OTHER FUNDS	(1,489)	--	--	(2,590)
(INCREASE)/DECREASE IN DUE FROM FEDERAL GOVERNMENT	--	--	--	(484)
(INCREASE)/DECREASE IN INVENTORIES	(34)	--	--	(371)
(INCREASE)/DECREASE IN OTHER ASSETS	--	10	628	(1,753)
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE AND ACCRUALS	76	(742)	(680)	(2,617)
INCREASE/(DECREASE) IN COMPENSATED ABSENCES	(12)	--	(9)	50
INCREASE/(DECREASE) IN DUE TO OTHER FUNDS	830	--	--	830
INCREASE/(DECREASE) IN DEFERRED REVENUES	11	--	(50)	(471)
INCREASE/(DECREASE) IN OTHER LIABILITIES	(337)	158	14	37,162
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 3,445	\$ 2,094	\$ (62)	\$ 29,408
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
OPERATING GRANTS RECEIVED	--	--	--	\$ 4,911
DONATIONS RECEIVED	--	--	--	(113)
INTERGOVERNMENTAL REVENUE	--	--	729	13,202
OPERATING TRANSFERS-IN FROM OTHER FUNDS	524	--	--	7,524
OPERATING TRANSFERS-OUT TO OTHER FUNDS	(224)	--	--	(20,659)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ 300	\$ --	\$ 729	\$ 4,865
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
PROCEEDS FROM SALE OF BONDS	\$ --	\$ --	\$ --	\$ 1,000
PRINCIPAL PAID ON BOND MATURITIES	(1,057)	(900)	(38)	(4,827)
INTEREST PAID ON BONDS	(3,699)	(349)	(33)	(4,950)
REPAYMENT OF NOTES PAYABLE	--	--	--	(350)
ACQUISITION/CONSTRUCTION OF CAPITAL ASSETS	(104)	(2,397)	(4,983)	(48,465)
PROCEEDS FROM SALE OF CAPITAL ASSETS	12	--	--	74
CAPITAL CONTRIBUTIONS	--	3,476	4,066	14,647
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$ (4,848)	\$ (170)	\$ (988)	\$ (42,871)
CASH FLOWS FROM INVESTING ACTIVITIES:				
PURCHASE OF INVESTMENT SECURITIES	\$ --	\$ --	\$ --	\$ (323,888)
PROCEEDS FROM SALE OF INVESTMENT SECURITIES	1,225	1,193	--	256,227
INTEREST AND DIVIDENDS ON INVESTMENTS	212	266	64	42,479
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ 1,437	\$ 1,459	\$ 64	\$ (25,182)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 334	\$ 3,383	\$ (257)	\$ (33,780)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR AS RESTATED	397	3,691	1,223	153,423
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 731	\$ 7,074	\$ 966	\$ 119,643

(Continued)

(1) For the period ending October 31, 1997.

(2) For the period ending December 31, 1997.

COMBINING STATEMENT OF CASH FLOWS DISCRETELY REPORTED COMPONENT UNITS FOR THE YEAR ENDED JUNE 30, 1998

(EXPRESSED IN THOUSANDS)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

	<u>1998</u>
LAKE CHARLES HARBOR AND TERMINAL DISTRICT	
ADJUSTMENT TO GRANTS RECEIVABLE	(47)
DISPOSAL OF FIXED ASSETS	(197)
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION	
CONVERSION OF LOAN RECEIVABLE TO COMMON STOCK	370
LOUISIANA STADIUM AND EXPOSITION DISTRICT	
CONTRIBUTED BUILDING IMPROVEMENT	282
ORLEANS LEVEE DISTRICT	
ASSETS ACQUIRED BY TRANSFER	10
ASSETS TRANSFERRED TO OTHER FUND	(8)
ASSETS WRITTEN-OFF	(4)
SABINE RIVER AUTHORITY	
DEBT FORGIVEN	342

(Concluded)



MISCELLANEOUS STATISTICS

Date Entered the Union (18th State)	April 30, 1812
Land Area	43,411 square miles
Number of Parishes	64
Capital City	Baton Rouge
Form of Government	Legislative - Executive -Judicial
Number of State Representatives	105
Number of State Senators	39
State Symbols	
Flower	Magnolia
Tree	Bald Cypress
Bird	Eastern Brown Pelican
Dog	Catahoula Leopard Dog
Insect	Honeybee
Miles of Roads and Streets Open to Traffic	60,697
State Highways	16,681
Parish Roads	33,137
City Streets	10,879
Number of Bridges in Louisiana	13,688
Bridges on State Highway System	7,928
Bridges off State Highway System	5,760
State Police Protection	
Number of Troops	9
Number of State Police Employees	1,548
Number of State Employees	
Classified	66,432
Unclassified	33,967
Recreation	
Number of State Parks	16
Area of State Parks	21,229 acres
Number of Commemorative Sites	13
Area of Commemorative Sites	2,052 acres

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

(4) Louisiana Department of State Civil Service

(5) State Land Office

State of Louisiana

GENERAL REVENUES BY SOURCE - ALL FUNDS LAST TEN YEARS

(EXPRESSED IN THOUSANDS)

REVENUES REFLECT INTERAGENCY TRANSFER ELIMINATION.

	DEPARTMENT/AGENCY	1997-1998	1996-1997	1995-1996	1994-1995
GENERAL FUND:					
FEDERAL GRANTS	ALL DEPARTMENTS	\$ 4,241,721	\$ 4,526,211	\$ 4,605,558	\$ 4,470,861
25% NATIONAL FOREST	TREASURY	3,445	3,754	3,461	3,112
FEDERAL ENERGY SETTLEMENT	TREASURY	--	--	--	--
GOVERNOR'S SPECIAL COMM. ON EDUCATION	EDUCATION	--	--	--	--
INTEREST EARNINGS-GASB 31	TREASURY	19,138	--	--	--
SUPERDOME	SUPERDOME	--	--	--	--
MISCELLANEOUS	VARIOUS	8,436	7,445	7,087	6,553
TOTAL GENERAL FUND		4,272,740	4,537,410	4,616,106	4,480,526
SPECIAL REVENUE:					
ALCOHOL AND DRUG ABUSE	REVENUE	--	2	2	2
ARTIFICIAL REEF DEVELOPMENT	AGRICULTURE	14	--	--	--
ASCENSION-ST. JAMES BRIDGE AND FERRY	ASCENSION-ST. JAMES	2,464	2,310	2,349	2,628
BOARDS AND COMMISSIONS	VARIOUS	20,753	19,396	16,358	15,205
CHILDREN'S TRUST FUND	HEALTH/HUMAN	--	6	3	5
CLASSROOM BASED TECHNOLOGY FUND	EDUCATION	449	--	--	--
CONSERVATION	NATURAL RESOURCES	--	--	--	--
CRESCENT CITY CONNECTION DIVISION	TRANSPORTATION AND DEVEL.	26,767	25,525	24,500	26,587
DEFICIT AND SHORTFALL	TREASURY	335	57	--	--
DRUG ENFORCEMENT AND RECOVERY	REVENUE	--	--	3	3
ENVIRONMENTAL TRUST FUND	ENVIRONMENTAL QUALITY	379	--	--	--
FEDERAL ENERGY SETTLEMENT	TREASURER	4,995	6,958	6,761	4,119
FEDERAL STATE FISCAL ASSISTANCE TRUST	TREASURER	29	26	26	25
FEED COMMISSION	AGRICULTURE	832	637	614	558
FERTILIZER COMMISSION	AGRICULTURE	1,193	167	681	608
* GREATER NEW ORLEANS EXPRESSWAY	NEW ORLEANS	--	--	--	--
HIGHER EDUCATION LIBRARY AND SCIENTIFIC	EDUCATION	122	--	--	--
LA ECONOMIC DEVELOPMENT AND GAMING	ECONOMIC DEVELOP. CORP.	--	--	--	--
LAKE CHARLES HARBOR AND TERMINAL	REVENUE	--	--	--	986
* LEVEE DISTRICTS	VARIOUS	--	--	--	--
LITERACY FUND	REVENUE	--	--	4	3
LOTTERY PROCEEDS FUND	TREASURY	716	--	--	--
LOUISIANA CHILDREN'S TRUST	REVENUE	--	--	--	--
LOUISIANA DUCK STAMP	REVENUE	--	--	--	--
LOUISIANA ECONOMIC DEVELOPMENT	ECONOMIC DEVELOPMENT	--	--	21,238	133,339
LOUISIANA HOMELESS TRUST	REVENUE	--	--	4	5
LOUISIANA MEDICAL ASSISTANCE TRUST	HEALTH AND HOSPITALS	622	--	--	--
LOUISIANA OPERATION GAME THIEF	REVENUE	2	1	--	--
LOUISIANA SENIOR CITIZENS TRUST	REVENUE	5	4	--	--
LOUISIANA SPECIAL OLYMPICS CHECKOFF	REVENUE	6	--	--	--
LOUISIANA TAX FREE SHOPPING	LA TAX FREE SHOPPING, INC.	716	729	682	662
LOUISIANA TECHNOLOGY INNOVATIONS	DIVISION OF ADMINISTRATION	122	--	--	--
LOUISIANA TOURISM PROMOTION	REVENUE AND PUBLIC SAFETY	18,091	16,884	16,471	16,395
MARSH ISLAND OPERATING	NATURAL RESOUR. & WILDLIFE	135	148	161	112
MOTOR FUELS UNDERGROUND STORAGE TANK	ENVIRONMENTAL QUALITY	127	--	--	--
MUNICIPAL FACILITIES	ENVIRONMENTAL QUALITY	--	--	--	--
OILFIELD SITE RESTORATION	ENVIRONMENTAL QUALITY	119	--	--	--
PARISH ROAD ROYALTY	NATURAL RESOURCES	25,057	33,420	25,606	23,643
PATIENT'S COMPENSATION	OFFICE OF THE GOVERNOR	1,867	--	--	--
PESTICIDE FUND	AGRICULTURE	1,183	2,124	850	1,591
PORT OF NEW ORLEANS GAS TAX	TREASURER	--	--	--	--
* PORTS AND HARBORS	VARIOUS	--	--	--	--
RETIREMENT SYSTEM INSURANCE PROCEEDS	INSURANCE	12,689	27,856	25,282	23,679
ROCKEFELLER REFUGE	NATURAL RESOUR. & WILDLIFE	14,491	3,068	7,723	2,375
STATE HIGHWAY NO. 2	PUBLIC SAFETY	10,040	9,413	9,494	9,037
TRANSPORTATION TRUST FUND	REVENUE AND PUBLIC SAFETY	282,511	241,876	266,481	237,948
TUITION ASSISTANCE	EDUCATION	64	50	--	--
UNITED STATES OLYMPIC CHECKOFF	REVENUE	2	1	--	--
VICTIMS OF FAMILY VIOLENCE	HEALTH AND HUMAN RESO.	--	1	4	4
WASTE TIRE MANAGEMENT	ENVIRONMENTAL QUALITY	138	--	--	--
WETLANDS CONSERVATION	NATURAL RESOURCES	2,473	105	12	100
WILDLIFE HABITAT AND NATURAL HERITAGE	WILDLIFE	--	8	29	163
TOTAL SPECIAL REVENUE		429,508	390,772	425,338	499,782

(Continued)

State of Louisiana

1993-1994	1992-1993	1991-1992	1990-1991	1989-1990	1988-1989
\$ 4,629,879	\$ 4,604,556	\$ 3,586,546	\$ 2,568,630	\$ 2,119,242	\$ 1,880,049
2,857	4,419	3,230	3,831	2,992	3,069
--	--	--	--	12,178	8,593
--	--	--	--	--	6,454
--	--	17,787	17,547	22,114	8,421
2,109	--	--	--	--	--
<u>4,634,845</u>	<u>4,608,975</u>	<u>3,607,563</u>	<u>2,590,008</u>	<u>2,156,526</u>	<u>1,906,586</u>
--	--	--	--	--	--
--	--	--	--	--	--
2,599	2,563	2,473	3,589	--	--
12,641	14,348	16,329	15,766	18,763	14,980
--	--	--	--	--	--
--	--	166	--	--	--
24,855	24,578	24,645	24,701	21,644	5,549
--	--	--	--	--	--
6	21	23	--	--	--
--	--	--	--	--	--
2,844	7,699	8,986	9,959	--	--
15	14	20	29	35	35
--	--	--	--	--	--
--	--	7,197	6,745	7,905	11,878
--	--	--	--	--	--
--	312	--	--	--	--
967	985	943	933	912	960
--	--	33,754	42,043	39,047	36,800
4	--	--	--	--	--
--	--	--	--	--	--
28	--	--	--	--	164
--	--	--	--	--	--
2,607	--	--	--	--	--
7	34	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
678	630	449	504	--	--
--	--	--	--	--	--
14,339	13,340	13,026	8,978	--	--
280	581	370	332	484	275
--	--	--	--	--	--
--	--	--	--	863	--
35,778	26,713	22,909	22,402	24,546	23,658
--	--	--	--	--	--
--	--	--	--	3,424	8,854
--	--	3,471	3,425	3,329	3,798
23,995	23,240	--	--	--	--
2,017	1,702	2,033	2,491	1,483	3,330
8,879	8,408	7,685	7,977	8,505	10,122
247,230	263,331	186,209	203,048	(136)	--
--	--	--	--	--	--
5	--	--	--	--	--
--	--	--	--	--	--
20	62	164	4	--	--
93	106	118	150	12	--
<u>379,887</u>	<u>388,667</u>	<u>330,970</u>	<u>353,076</u>	<u>130,816</u>	<u>120,403</u>

State of Louisiana

GENERAL REVENUES BY SOURCE - ALL FUNDS LAST TEN YEARS

(EXPRESSED IN THOUSANDS)

REVENUES REFLECT INTERAGENCY TRANSFER ELIMINATION.

	DEPARTMENT/AGENCY	1997-1998	1996-1997	1995-1996	1994-1995
DEBT SERVICE:					
ASCENSION ST. JAMES-BRIDGE AND FERRY	ASCENSION ST. JAMES	160	145	182	123
CRESCENT CITY CONNECTION DIVISION	NEW ORLEANS	324	319	467	386
* GREATER NEW ORLEANS EXPRESSWAY	NEW ORLEANS	--	--	--	--
LOUISIANA RECOVERY DISTRICT	TREASURY AND REVENUE	--	149,216	563,256	490,676
* LEVEE DISTRICTS	VARIOUS	--	--	--	--
TIMED	REVENUE	40,487	38,113	38,161	39,030
BOND SECURITY AND REDEMPTION:					
INCOME NOT AVAILABLE	ALL DEPARTMENTS	12,293	10,770	15,930	10,033
ALCOHOLIC BEVERAGE AND BEER TAX:					
ALCOHOLIC BEVERAGE TAX	REVENUE	16,131	15,636	16,030	16,210
BEER TAX	REVENUE	36,173	34,406	36,926	37,594
P & M BEER	REVENUE	96	64	128	96
ABC BOARD PERMITS	PUBLIC SAFETY	--	--	--	1,149
ANHYDROUS AMMONIA PERMITS	PUBLIC SAFETY	--	--	--	--
AUTOMOBILE RENTAL TAX	REVENUE	4,160	3,691	4,105	3,686
AVIATION FUEL	REVENUE	5,000	5,000	5,000	5,000
CORPORATION FRANCHISE TAX	REVENUE	251,170	243,972	233,516	267,800
ELECTRIC CO-OP	REVENUE	33	39	21	43
EXCISE LICENSE TAX	INSURANCE	117,728	123,248	149,244	149,280
FIRE MARSHALL TAX	INSURANCE	6,054	14,448	5,402	5,402
GASOLINE TAX	REVENUE	500	500	500	500
GIFT TAX	REVENUE	5,273	3,832	3,502	3,266
HOTEL - MOTEL OCCUPANCY TAX	REVENUE	759	722	646	685
INCOME TAX:					
INDIVIDUAL INCOME TAX	REVENUE	1,450,814	1,260,048	1,160,362	1,061,606
CORPORATE INCOME TAX	REVENUE	323,230	375,310	323,221	260,798
FIDUCIARY INCOME TAX	REVENUE	8,761	13,147	4,824	3,852
INHERITANCE TAX	REVENUE	84,513	73,903	54,805	57,966
INSPECTION FEES - PETROLEUM PRODUCTS	REVENUE	862	768	755	851
INSPECTION AND SUPERVISION FEES	REVENUE	(1)	--	3,383	3,466
LIQUEFIED PETROLEUM GAS PERMITS	PUBLIC SAFETY	63	--	--	--
MOTOR CARRIER REGULATORY TAX	PUBLIC SERVICE COMMISSION	6,125	5,732	5,773	5,401
NATURAL GAS FRANCHISE TAX	REVENUE	7,612	6,314	7,585	7,452
OCCUPATIONAL LICENSE TAX	REVENUE	--	--	--	--
PUBLIC UTILITIES TAX	REVENUE	2,674	2,628	6,760	5,886
REFORESTATION	REVENUE	--	--	--	--
SALES TAX:					
GENERAL SALES TAX	REVENUE	1,981,267	1,828,328	1,431,707	1,326,588
MOTOR VEHICLE SALES TAX	PUBLIC SAFETY	258,832	223,494	190,882	163,647
LOUISIANA ECONOMIC DEVELOPMENT	REVENUE	--	--	--	--
SEVERANCE TAX	REVENUE	352,109	419,423	349,069	377,736
SEVERANCE OIL SPILL	REVENUE	--	--	--	--
SOFT DRINK TAX	REVENUE	(7)	4,740	7,597	6,797
SPECIAL FUELS TAX	REVENUE	--	--	--	--
TOBACCO TAX	REVENUE	87,209	88,256	87,944	88,863
TRANSPORTATION TRUST FUND	REVENUE AND PUBLIC SAFETY	455,095	424,138	427,378	415,403
TTF TIMED	TREASURER	--	--	--	217
UNCLAIMED PROPERTY	REVENUE	(161)	3,623	10,982	5,772
VEHICLE & DRIVER FEES:					
CERTIFICATE OF TITLE	PUBLIC SAFETY	20,799	20,022	20,588	19,523
MOTOR VEHICLE TAX	PUBLIC SAFETY	36,796	35,193	34,729	34,034
DRIVERS LICENSE PERMITS	PUBLIC SAFETY	10,137	7,146	6,980	8,708

(Continued)

State of Louisiana

1993-1994	1992-1993	1991-1992	1990-1991	1989-1990	1988-1989
153	253	379	3,070	--	--
254	120	70	440	996	861
--	--	4,505	4,772	5,686	605
477,095	365,282	349,308	346,249	319,404	308,836
--	--	9,323	10,404	9,019	8,098
41,009	25,360	23,688	10,100	17,500	--
9,385	10,492	7,405	9,728	12,808	13,424
15,516	15,746	15,953	15,853	15,990	16,238
34,540	33,123	46,087	26,046	26,601	38,502
96	96	72	96	72	96
1,098	1,044	1,033	1,023	1,025	1,064
--	--	--	--	--	26
3,321	3,035	2,744	2,357	--	--
5,000	5,000	5,273	--	--	--
257,638	263,434	262,400	244,011	256,851	259,996
8	30	30	50	12	29
152,110	141,421	137,070	125,521	118,720	121,013
5,102	4,789	3,027	5,953	7,599	--
500	737	918	39,734	160,356	306,892
4,006	6,961	2,207	2,819	4,380	2,672
591	556	457	492	474	421
977,593	929,706	867,478	803,592	737,156	676,843
219,190	245,273	232,061	326,659	343,978	344,584
3,275	3,811	2,611	2,799	3,808	2,687
48,571	43,544	43,951	39,360	46,799	34,071
739	801	796	857	816	853
3,234	3,455	3,481	3,502	3,261	2,991
--	--	--	337	--	245
4,957	--	--	--	--	5,200
7,407	6,796	16,863	6,116	7,594	8,987
2	1	--	19	25	112
7,562	13,406	4,963	5,661	27,918	25,401
--	--	24	120	62	74
1,264,854	1,197,319	1,152,274	1,187,164	1,136,607	1,172,233
144,258	125,116	116,421	120,104	126,280	134,059
6,736	12,407	6,572	--	--	--
364,407	437,482	484,200	--	427,794	401,408
--	11,012	9,301	578,141	--	--
13,209	11,992	12,724	11,638	11,159	11,001
--	--	4	7,767	31,770	58,513
81,910	84,796	86,783	84,206	68,227	72,792
397,225	398,807	379,022	319,854	163,423	--
--	--	17,112	74,940	28,096	--
9,069	11,273	9,264	7,860	10,522	11,553
18,692	17,718	17,833	18,227	17,177	17,209
36,007	35,567	30,885	31,841	36,056	40,769
9,882	7,151	6,349	7,656	8,136	7,721

State of Louisiana

GENERAL REVENUES BY SOURCE - ALL FUNDS LAST TEN YEARS

(EXPRESSED IN THOUSANDS)

REVENUES REFLECT INTERAGENCY TRANSFER ELIMINATION.

	DEPARTMENT/AGENCY	1997-1998	1996-1997	1995-1996	1994-1995
ROYALTY	NATURAL RESOURCES	209,692	258,320	247,725	208,365
CONSERVATION FUND	NATURAL RESOURCES	3,240	4,213	3,932	3,232
RENTALS	NATURAL RESOURCES	28,397	20,666	15,637	6,422
BONUSES	NATURAL RESOURCES	40,443	50,152	35,236	23,704
FEES	NATURAL RESOURCES	5,163	6,426	6,684	7,907
INTEREST ON INVESTMENTS	TREASURY	141,321	148,372	122,033	127,782
SEVERANCE	WILDLIFE AND FISHERIES	--	--	167	--
RENTALS	WILDLIFE AND FISHERIES	3,984	4,883	2,826	--
HUNTING AND FISHING LICENSES	WILDLIFE AND FISHERIES	26,023	27,019	23,521	24,638
ADMINISTRATIVE FUND OF THE DEPT. OF INS.	INSURANCE	224	--	--	--
AGRICULTURAL COMMODITIES	AGRICULTURE	50	77	83	86
AGRICULTURAL FINANCIAL	AGRICULTURE	2	2	4	10
ALARM REGULATORY TRUST	PUBLIC SAFETY	171	129	202	--
ALTERNATE TECHNOLOGY	ENVIRONMENTAL QUALITY	--	--	823	843
ARTIFICIAL REEF	TREASURY	--	--	1	--
BAIL BONDS PREMIUM FEES	INSURANCE	--	--	--	--
BATTERED WOMEN SHELTER	TREASURY	96	69	20	--
BLIND VENDORS TRUST	HEALTH/HUMAN RESOURCES	387	352	363	--
BOLL WEEVIL	AGRICULTURE	805	17	--	--
BOND SERVICING	TREASURY	4,900	4,961	4,815	5,262
BOSSIER CITY CIVIC CENTER	REVENUE	1,127	756	668	501
CAPITAL OUTLAY TIMED RESERVE	TREASURY	70,783	64,007	68,105	62,159
CASINO GAMING PROCEEDS	TREASURY	--	7	--	--
CHILDREN'S TRUST FUND	HEALTH/HUMAN RESOURCES	596	548	307	323
CLAIMS RECOVERY	ATTORNEY GENERAL	--	776	854	51
CONCEALED HANDGUN PERMIT	PUBLIC SAFETY	339	649	--	--
CONTRACTORS LICENSING	TREASURY	--	20	--	45
CRIME VICTIMS REPARATION	LA COMM ON LAW ENFORCEMENT	1,407	1,384	1,235	1,124
DISABILITY AFFAIRS TRUST	TREASURY	43	45	7	--
DOTD RIGHT OF WAY PERMIT FEES	TRANSPORTATION & DEVELOP.	174	171	175	375
DRUG ABUSE EDUCATION AND TREATMENT	LA COMM ON LAW ENFORCEMENT	102	99	89	71
DWI TESTING MAINTENANCE	PUBLIC SAFETY	601	--	--	--
EAST BATON ROUGE CENTROPLEX	REVENUE	637	583	544	492
ECONOMIC AND RATE ANALYSIS	REVENUE	639	717	541	482
ECONOMIC DEVELOPMENT AWARD	ECONOMIC DEVELOPMENT	86	--	--	--
ENVIRONMENTAL TRUST FUND	ENVIRONMENTAL QUALITY	38,777	39,602	39,578	39,273
EXPLOSIVE CIVIL PENALTY	PUBLIC SAFETY	116	65	21	37
FEDERAL MINERAL LEASING	TREASURY	--	--	--	--
FEED COMMISSION	AGRICULTURE	2	2	1	50
FERTILIZER COMMISSION	AGRICULTURE	--	--	--	500
FIRE EXTINGUISHER FEE	PUBLIC SAFETY	168	--	--	--
FIRE INSURANCE TAX	INSURANCE	--	--	--	--
FOREST PROTECTION	AGRICULTURE	777	783	770	771
FRAUD DETECTION	HEALTH/HUMAN RESOURCES	630	451	563	300
FUR AND ALLIGATOR	TREASURY	--	--	67	70
GAMING MITIGATION	INDIAN AFFAIRS	9,356	4,625	1,885	--
GARNISHMENTS	HEALTH/HUMAN RESOURCES	7	8	9	16
HAZARDOUS WASTE SITE CLEANUP	REVENUE	1,102	1,419	--	--
HAZARDOUS WASTE SITE CLEANUP	ENVIRONMENTAL QUALITY	5,092	872	1,094	1,039
HAZARDOUS WASTE TAX	REVENUE	3,306	4,115	4,787	7,488
HEALTH CARE FACILITY	HEALTH/HUMAN RESOURCES	15	--	--	--
INSURANCE RATING COMMISSION FEES	INSURANCE	--	148	--	--
INTEREST ON REPOS	REVENUE	--	--	--	--
JUDGES SUPPLEMENTAL	JUDICIARY	3,645	--	3,375	3,142
KEEP LOUISIANA BEAUTIFUL	TREASURY	--	--	--	--
LA STATE PARKS LAND ACQUISITION	CULTURE, RECREATION	--	--	3,598	26

(Continued)

State of Louisiana

1993-1994	1992-1993	1991-1992	1990-1991	1989-1990	1988-1989
315,002	241,089	184,936	221,347	197,466	214,755
6,230	4,013	4,562	3,975	3,102	4,593
4,537	5,480	7,492	8,604	8,472	8,746
12,658	8,358	6,317	10,871	19,481	14,652
6,821	13,386	5,402	3,859	3,512	3,015
94,096	104,221	127,872	142,787	126,541	120,797
106	135	118	128	138	4,823
3,530	5,836	2,724	3,602	4,163	809
19,388	16,770	20,494	18,953	16,930	15,339
--	--	--	--	--	--
50	--	--	--	--	--
9	253	--	47	--	--
--	--	--	--	--	--
936	--	416	--	--	--
--	--	--	--	--	--
2,546	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
16,318	12,743	8,979	9,933	9,729	8,657
392	295	--	--	--	--
55,013	69,512	60,022	--	--	--
--	--	--	--	--	--
318	--	--	--	--	--
64	--	--	--	--	--
--	--	--	--	--	--
58	--	73	111	24	--
1,002	996	1,016	934	768	--
--	--	--	--	--	--
193	--	--	--	--	--
51	50	50	45	34	--
--	--	--	--	--	--
480	460	395	--	--	--
379	--	--	--	--	--
--	--	--	--	--	--
35,991	34,554	24,010	20,697	20,640	--
20	--	--	--	--	--
--	418	339	359	474	528
--	--	119	17	25	--
--	--	--	24	46	--
--	--	--	--	--	--
5,148	6,656	6,220	5,146	--	5,031
766	765	762	697	--	--
272	--	194	174	--	--
60	58	72	93	66	85
--	--	--	--	--	--
18	310	8	7	5	5
--	--	--	--	--	--
1,580	1,198	1,188	2,233	--	--
5,247	27,932	4,650	5,483	7,085	8,637
--	--	--	--	--	--
8	--	22,423	21,334	20,833	21,004
--	--	--	--	--	81
2,872	2,797	2,871	2,778	2,812	--
2	--	--	--	--	--
47	52	83	35	12	--

State of Louisiana

GENERAL REVENUES BY SOURCE - ALL FUNDS LAST TEN YEARS

(EXPRESSED IN THOUSANDS)

REVENUES REFLECT INTERAGENCY TRANSFER ELIMINATION.

DEPARTMENT/AGENCY	1997-1998	1996-1997	1995-1996	1994-1995	
LABUS COLLEGE	EDUCATION	--	141	(9)	--
LEAD HAZARD REDUCTION	ENVIRONMENTAL QUALITY	9	--	--	--
LEO, RESERVE	EDUCATION	2	39	236	335
LOGO SIGN PROCESSING	TRANSPORTATION & DEVELOP.	113	617	158	--
LOTTERY PROCEEDS	TREASURY	--	--	--	(12)
LOUISIANA ALLIGATOR MARKET	AGRICULTURE	30	7	--	28
LOUISIANA ALLIGATOR MARKET	TREASURY	--	--	--	--
LOUISIANA CONSUMER CREDIT EDUCATION	ECONOMIC DEVELOPMENT	4	3	--	--
LOUISIANA CRAWFISH MARKETING	AGRICULTURE	--	--	--	--
LOUISIANA ECONOMIC DEVELOPMENT	PUBLIC SAFETY	--	--	--	--
LOUISIANA ECONOMIC DEVELOPMENT	COMMERCE AND INDUSTRY	--	--	--	--
LOUISIANA ENVIRONMENTAL EDUCATION	PUBLIC SAFETY	9	--	--	--
LOUISIANA HOMELESS TRUST	TREASURY	--	--	2	--
LOUISIANA OPPORTUNITY LOAN	STUDENT FINANCIAL ASSISTANCE	21	--	--	--
LOUISIANA SPECIAL OLYMPICS	REVENUE	--	5	4	--
LOUISIANA TOWING AND STORAGE	PUBLIC SAFETY	239	248	259	--
LOUISIANA WILD TURKEY STAMP	PUBLIC SAFETY	1	--	--	--
LOUISIANA WILDLIFE PROTECTION	TREASURY	--	--	--	--
LOUISIANA WORKER'S COMPENSATION ADMIN	LABOR	27,087	6,354	--	--
MAIL ORDER SALES	REVENUE	8	--	94	153
MARIJUANA CONTROL	REVENUE	8	3	13	3
MASTER METER SAFETY	REVENUE	--	--	--	--
MEDICAL ASSISTANCE FRAUD DETECTION	ATTORNEY GENERAL	25	--	--	--
MISCELLANEOUS	AGRICULTURE	3	4	4	17
MISCELLANEOUS	COMMERCE AND INDUSTRY	--	--	--	--
MISCELLANEOUS	PUBLIC SAFETY	--	743	625	--
MISCELLANEOUS	TRANSPORTATION AND DEVELOP	475	586	--	--
MISCELLANEOUS DRIVING FEES	PUBLIC SAFETY	1,605	1,647	1,704	1,603
MISCELLANEOUS INTEREST EARNINGS	TREASURY	1,471	138	--	3,645
MISCELLANEOUS	TREASURY	1,472	1,384	--	--
MISCELLANEOUS MOTOR VEHICLE FEES	PUBLIC SAFETY	2,994	2,864	3,432	2,462
MOTOR VEHICLE INSPECTION STICKERS	PUBLIC SAFETY	--	--	--	--
MOTORCYCLE SAFETY	PUBLIC SAFETY	100	72	76	81
MUNICIPAL FACILITIES	ENVIRONMENTAL QUALITY	--	--	--	--
MUNICIPAL FIRE/CIVIL SERVICE	INSURANCE	830	799	722	677
NATURAL HERITAGE	PUBLIC SAFETY	13	--	--	--
NEW ORLEANS METRO CONVENTION	REVENUE	5,772	--	4,988	--
NON-RESIDENT CONTRACTORS	REVENUE	18	16	10	8
N.O. EXPOSITION HALL	REVENUE	--	--	--	--
OIL SPILL CONTINGENCY	EXECUTIVE OFFICE AND TREASURY	50	3	1	--
OILFIELD SITE RESTORATION	REVENUE	3,837	3,578	3,886	3,902
OYSTER SANITATION	ENVIRONMENTAL QUALITY	152	201	205	210
P & M RECEIPTS	PUBLIC SAFETY	--	--	--	--
PARISH AND MUNICIPALITIES FUNDS	REVENUE	19,062	13,133	5,425	3,168
PATIENT'S COMPENSATION	TREASURY	19	59	17	--
PATIENT'S COMPENSATION	DIVISION OF ADMINISTRATION	66,923	62,851	56,747	58,806
PATIENT'S COMPENSATION	INSURANCE	--	--	--	--
PERMANENT TRUST FUND	TREASURY	22,565	8,442	5,218	4,624
PESTICIDE	AGRICULTURE	1,165	1,300	800	1,330
PREMIUM AND ACCRUED INTEREST	TREASURY	--	--	--	--
PROVIDER FEES	HEALTH AND HUMAN	73,397	70,037	70,351	69,670
PUBLIC SAFETY COMPLEX FUND	PUBLIC SAFETY	92	--	--	--
RAPIDES ECONOMIC DEVELOPMENT	REVENUE	--	--	--	--
REFUND OFFSET	REVENUE	93	91	71	49
RESIDENTS TRUST FUND	HEALTH/HUMAN RESOURCES	35	48	8	14

(Continued)

State of Louisiana

1993-1994	1992-1993	1991-1992	1990-1991	1989-1990	1988-1989
4	2	2	22	--	--
--	--	--	--	--	--
129	505	--	--	--	--
--	--	--	--	--	--
131,968	179,165	115,000	--	--	--
--	--	--	--	--	--
--	1,000	--	--	--	--
--	--	--	--	--	--
555	2,572	445	--	14	--
1,715	--	4,946	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	144	3	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
13	38	8	--	--	--
--	--	--	--	6	4
--	--	--	--	--	--
38	7	7	13	22	58
--	--	--	--	--	16
--	--	--	--	--	--
--	--	--	--	--	--
1,396	1,384	1,580	1,547	2,767	2,506
2,831	2,591	3,541	192	228	--
--	--	--	93	--	2,665
4,139	2,891	2,932	2,537	2,553	2,378
--	--	--	11,581	11,371	11,842
89	--	74	71	78	84
--	408	--	--	--	--
686	664	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
7	8	6	6	10	12
--	--	--	--	--	1,186
11	--	--	--	--	--
3,353	--	--	--	--	--
189	--	--	--	--	--
--	--	30	354	354	354
2,375	1,390	699	654	567	--
9	119	--	--	--	125
52,048	42,409	35,396	23,803	--	--
--	--	--	--	25,248	26,130
13,547	11,232	7,710	5,478	5,201	5,958
1,000	1,600	--	--	--	--
--	18	745	--	--	--
70,602	186,662	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
66	53	47	55	46	--
88	--	--	--	--	--

State of Louisiana

GENERAL REVENUES BY SOURCE - ALL FUNDS LAST TEN YEARS

(EXPRESSED IN THOUSANDS)

REVENUES REFLECT INTERAGENCY TRANSFER ELIMINATION.

	DEPARTMENT/AGENCY	1997-1998	1996-1997	1995-1996	1994-1995
RIGHT TO KNOW FUND	PUBLIC SAFETY	456	--	--	--
RIVERBOAT FRANCHISE FEE	PUBLIC SAFETY	190,971	189,434	174,564	140,524
RIVERBOAT GAMING	PUBLIC SAFETY	48,011	47,430	44,734	36,597
RURAL DEVELOPMENT	EXECUTIVE OFFICE	398	248	--	--
SALE OF TIMBER	TREASURY	--	--	--	--
SALE-PONCHARTRAIN LODGE	TREASURY	--	--	--	--
SEVERANCE OIL SPILL	REVENUE	3,327	--	(1)	24
STATE FIRE MARSHALL FEES	PUBLIC SAFETY	--	--	--	149
STATE PARKS IMPROVEMENT AND REPAIR	CULTURE, RECREATION	2,922	2,495	21	2,582
STATE POLICE FEES	PUBLIC SAFETY	--	--	--	--
STRUCTURAL PEST CONTROL	AGRICULTURE	762	522	625	597
STUDENT PROTECTION	EDUCATION	59	--	130	148
**SUPERDOME	SUPERDOME	--	--	--	--
SUPPORT FUND	TREASURY	(340)	20,341	14,172	10,152
TAX COMMISSION EXPENSE FUND	TAX COMMISSION AND TREASURY	730	761	588	559
TELEPHONE TAX FOR THE DEAF	REVENUE	1,391	1,364	1,344	1,317
TRADE PRACTICES	JUSTICE	--	--	--	--
TRAUMATIC HEAD AND SPINAL CORD	HEALTH/HUMAN RESOURCES	1,461	1,485	1,589	1,350
TREASURY MISCELLANEOUS	TREASURY	--	--	1,374	3,053
TRIAL COURT CASE MANAGEMENT	JUDICIARY	1,291	4,983	1,145	638
UNDERGROUND MOTOR FUELS	ENVIRONMENTAL QUALITY	22,421	19,707	18,679	6,049
UTILITY CARRIER	REVENUE AND PUBLIC SERVICE	3,642	3,711	143	115
VIDEO DRAW POKER	PUBLIC SAFETY	193,280	182,084	172,487	152,800
WASTE TIRE MANAGEMENT	ENVIRONMENTAL QUALITY	7,759	7,206	6,420	4,863
WATERFOWL ACCOUNT	PUBLIC SAFETY	2	--	--	--
WEIGHTS AND STANDARDS	PUBLIC SAFETY	1,716	--	--	--
WILDLIFE PROTECTION	TREASURY	--	--	--	--
WILDLIFE TAX FUND	REVENUE	--	--	--	--
WORKFORCE DEVELOPMENT	REVENUE AND PUBLIC SAFETY	9,322	9,240	--	--
WORKER'S COMPENSATION	EMPLOYMENT AND TRAINING	7,660	25,278	38,119	37,327
YOUTHFUL OFFENDER	CORRECTIONS AND TREASURY	165	--	79	49
AGENCY RECEIPTS (MEANS OF FINANCING)	ALL DEPARTMENTS	<u>833,798</u>	<u>772,776</u>	<u>740,229</u>	<u>603,060</u>
TOTAL DEBT SERVICE		<u>7,748,398</u>	<u>7,548,322</u>	<u>7,172,173</u>	<u>6,564,837</u>
CAPITAL OUTLAY:					
CAPITAL IMPROVEMENT BOND FUND	TRANSPORTATION AND DEVEL.	--	--	--	--
CAPITAL OUTLAY ESCROW	TRANSPORTATION AND DEVEL.	26,469	22,515	43,751	47,055
CRESCENT CITY CONNECTION	TRANSPORTATION AND DEVEL.	2,503	2,427	2,355	1,204
* GREATER NEW ORLEANS EXPRESSWAY		--	--	--	--
* LEVEE DISTRICTS		--	--	--	--
* PORTS AND HARBORS		--	--	--	--
TOTAL CAPITAL OUTLAY		<u>28,972</u>	<u>24,942</u>	<u>46,106</u>	<u>48,259</u>
EXPENDABLE TRUST	VARIOUS AGENCIES	<u>309,057</u>	<u>287,002</u>	<u>283,156</u>	<u>283,160</u>
TOTAL GOVERNMENTAL REVENUES AND EXPENDABLE TRUST FUNDS		<u>12,788,675</u>	<u>12,788,448</u>	<u>12,542,879</u>	<u>11,876,564</u>
PROPRIETARY, SIMILAR TRUST, AND COLLEGES AND UNIVERSITY FUND TYPES					
ENTERPRISE FUNDS	VARIOUS AGENCIES	306,024	289,515	296,533	312,731
INTERNAL SERVICE FUNDS	OFFICE OF THE GOVERNOR	80,696	78,405	76,241	71,925
NONEXPENDABLE TRUST FUNDS	VARIOUS AGENCIES	23,036	1,813	1,497	1,349
PENSIONS AND INVESTMENT TRUST	RETIREMENT SYSTEMS AND LAMP	4,089,235	3,173,402	2,581,745	1,711,184
COLLEGE AND UNIVERSITY FUND	VARIOUS AGENCIES	<u>2,160,188</u>	<u>1,733,214</u>	<u>1,604,211</u>	<u>1,637,146</u>
TOTAL PROPRIETARY, SIMILAR TRUST, AND COLLEGES AND UNIVERSITY FUND TYPES		<u>6,659,179</u>	<u>5,276,349</u>	<u>4,560,227</u>	<u>3,734,335</u>
TOTAL PRIMARY GOVERNMENT		<u>\$ 19,447,854</u>	<u>\$18,064,797</u>	<u>\$17,103,106</u>	<u>\$15,610,899</u>
COMPONENT UNITS (DISCRETE)		<u>\$ 404,654</u>	<u>\$ 402,082</u>	<u>\$ 425,537</u>	<u>\$ 442,174</u>

*Due to the requirements of GASB 14, These reporting entities are discrete beginning in 1992-1993.

**Due to the requirements of GASB 14, This reporting entity is discrete beginning in 1994-1995.

Note: Due to the requirements of NCGA statement 3, Beginning with fiscal year 1986-87 and continuing through 1988-89, additional Reporting component units have been added to the entity definition and consequently to the reported data. Those units addInclude harbors and ports, levee districts, colleges and universities, and various publicly created financing authorities.

(Concluded)

State of Louisiana

1993-1994	1992-1993	1991-1992	1990-1991	1989-1990	1988-1989
--	--	--	--	--	--
27,893	--	--	--	--	--
9,025	2,324	--	--	--	--
20	--	--	--	--	--
--	--	--	--	--	1
--	228	228	147	126	140
(2)	--	--	--	--	--
148	139	--	1,008	628	333
2,302	2,141	2,142	1,860	1,756	--
--	--	--	--	--	290
--	--	--	--	--	--
122	118	127	125	91	--
21,106	19,594	--	--	--	--
23,002	16,057	5,489	8,875	8,044	10,250
167	--	--	--	--	--
1,257	1,218	1,236	1,256	1,156	890
--	--	26	--	--	--
403	--	--	--	--	--
1,461	168	1,290	1,423	511	719
422	--	--	--	--	--
5,536	2,904	2,887	2,524	2,024	1,848
125	--	--	--	--	--
107,811	52,161	1,970	--	--	--
3,178	2,840	--	--	--	--
--	--	--	--	--	--
1	--	--	--	--	--
--	--	--	--	--	1
--	--	--	--	--	--
33,796	25,817	15,625	--	12,458	--
21	--	--	2	--	--
<u>814,780</u>	<u>788,235</u>	<u>452,414</u>	<u>353,447</u>	<u>332,002</u>	<u>324,742</u>
<u>6,557,841</u>	<u>6,382,055</u>	<u>5,523,333</u>	<u>5,388,484</u>	<u>5,043,776</u>	<u>4,932,168</u>
20	--	12,039	100	--	10
46,229	42,707	119,234	123,891	264,555	240,441
1,713	1,026	1,338	1,493	375	343
--	--	1,050	1,353	1,604	2,261
--	--	20,950	17,270	14,699	13,599
--	--	6,468	5,180	4,768	5,226
<u>47,962</u>	<u>43,733</u>	<u>161,079</u>	<u>149,287</u>	<u>286,001</u>	<u>261,880</u>
<u>364,911</u>	<u>595,692</u>	<u>541,343</u>	<u>513,216</u>	<u>511,185</u>	<u>545,451</u>
<u>11,985,446</u>	<u>12,019,122</u>	<u>10,164,288</u>	<u>8,994,071</u>	<u>8,128,304</u>	<u>7,766,488</u>
356,365	497,968	444,886	58,937	72,091	125,972
72,035	68,222	303,048	378,321	329,200	301,162
678	658	640	581	520	516
1,694,971	1,725,245	1,742,392	1,379,089	1,343,540	1,067,191
<u>1,658,758</u>	<u>1,521,857</u>	<u>1,355,610</u>	<u>1,116,677</u>	<u>1,003,719</u>	<u>924,049</u>
<u>3,782,807</u>	<u>3,813,950</u>	<u>3,846,576</u>	<u>2,933,605</u>	<u>2,749,070</u>	<u>2,418,890</u>
<u>\$15,768,253</u>	<u>\$15,833,072</u>	<u>\$14,010,864</u>	<u>\$11,927,676</u>	<u>\$10,877,374</u>	<u>\$10,185,378</u>
<u>\$ 359,308</u>	<u>\$ 155,679</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

State of Louisiana

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION - ALL FUNDS LAST TEN YEARS

(EXPRESSED IN THOUSANDS)

EXPENDITURES REFLECT INTERAGENCY TRANSFER ELIMINATION.

	1997-1998	1996-1997	1995-1996	1994-1995	1993-1994
GENERAL GOVERNMENT	\$ 1,379,171	\$ 1,336,118	\$ 1,304,935	\$ 1,300,814	\$ 1,145,202
CULTURE, RECREATION AND TOURISM	45,426	40,649	35,194	34,926	28,019
TRANSPORTATION AND DEVELOPMENT	276,679	244,976	236,536	235,452	227,661
PUBLIC SAFETY	170,055	155,148	178,259	167,642	145,395
HEALTH & HOSPITALS	4,092,231	4,626,809	4,868,926	4,733,069	4,738,301
CORRECTIONS	437,170	406,689	378,229	358,281	320,429
CONSERVATION	193,317	166,337	143,282	132,133	131,798
EDUCATION	3,055,941	2,854,205	2,698,166	2,643,175	2,518,359
OTHER	2,863	2,696	--	--	32,001
INTERGOVERNMENTAL	328,561	339,656	303,513	247,195	245,421
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE	167,010	382,392	184,625	145,120	44,165
GENERAL FUND	10,148,424	10,555,675	10,331,665	9,997,807	9,576,751
SPECIAL REVENUE FUNDS	114,555	117,080	113,477	114,339	112,183
DEBT SERVICE FUNDS	260,771	637,874	467,281	555,563	549,438
CAPITAL OUTLAY FUNDS	833,602	641,547	664,984	635,504	649,894
EXPENDABLE TRUST FUND	136,424	151,199	151,010	150,525	770,709
TOTAL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS	\$ 11,493,776	\$ 12,103,375	\$ 11,728,417	\$ 11,453,738	\$ 11,658,975
ENTERPRISE FUNDS	195,473	185,988	191,587	205,114	362,326
INTERNAL SERVICE FUND	79,002	77,827	74,714	70,414	69,784
NONEXPENDABLE TRUST FUNDS	1,209	602	790	588	427
PENSION TRUST FUNDS	1,726,949	1,103,797	1,044,029	1,018,532	910,566
COLLEGE AND UNIVERSITY FUND	2,972,468	2,222,602	2,105,924	2,023,006	2,037,000
TOTAL PROPRIETARY SIMILAR TRUST FUNDS AND COLLEGE AND UNIVERSITY FUNDS	\$ 4,975,101	\$ 3,590,816	\$ 3,417,044	\$ 3,317,654	\$ 3,380,103
TOTAL PRIMARY GOVERNMENT	\$ 16,468,877	\$ 15,694,191	\$ 15,145,461	\$ 14,771,392	\$ 15,039,078
COMPONENT UNITS	\$ 480,692	\$ 522,310	\$ 458,171	\$ 428,850	\$ 345,788

State of Louisiana

	<u>1992-1993</u>	<u>1991-1992</u>	<u>1990-1991</u>	<u>1989-1990</u>	<u>1988-1989</u>
\$	1,220,415	\$ 593,735	\$ 541,232	\$ 542,846	\$ 516,505
	28,276	29,264	24,462	21,111	21,875
	220,574	232,884	218,994	226,272	199,606
	146,029	147,072	144,694	133,136	121,667
	4,660,493	3,991,001	3,012,464	2,358,181	2,073,289
	304,653	292,913	265,779	228,284	202,224
	116,506	113,596	111,337	88,313	75,009
	2,428,785	2,418,372	2,247,669	2,118,114	1,879,675
	28,678	35,660	32,544	21,763	22,550
	256,528	201,036	193,756	173,721	36,407
	69,890	--	--	--	--
	<u>18,145</u>	<u>9,244</u>	<u>13,365</u>	<u>11,515</u>	<u>1,483</u>
	<u>9,498,972</u>	<u>8,064,777</u>	<u>6,806,296</u>	<u>5,923,256</u>	<u>5,150,290</u>
	93,680	127,560	127,154	127,012	206,016
	405,670	568,932	563,968	541,926	546,610
	684,988	739,788	692,944	539,360	484,789
	<u>505,692</u>	<u>468,248</u>	<u>358,674</u>	<u>354,396</u>	<u>458,973</u>
\$	<u>11,189,002</u>	<u>9,969,305</u>	<u>8,549,036</u>	<u>7,485,950</u>	<u>6,846,678</u>
	488,841	422,504	61,488	70,733	125,684
	69,197	459,862	415,216	330,674	369,251
	404	448	712	475	442
	868,556	829,828	788,471	729,267	705,645
	<u>1,948,245</u>	<u>1,738,997</u>	<u>1,647,120</u>	<u>1,398,087</u>	<u>1,310,757</u>
\$	<u>3,375,243</u>	<u>3,451,639</u>	<u>2,913,007</u>	<u>2,529,236</u>	<u>2,511,779</u>
\$	<u><u>14,564,245</u></u>	<u><u>13,420,944</u></u>	<u><u>11,462,043</u></u>	<u><u>10,015,186</u></u>	<u><u>9,358,457</u></u>

State of Louisiana

REVENUE DOLLAR - WHERE THE MONEY CAME FROM DURING THE FISCAL YEAR 1997-1998

(EXPRESSED IN THOUSANDS)

SOURCE	AMOUNT	PERCENT	SOURCE	AMOUNT	PERCENT
GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS			USE OF MONEY AND PROPERTY:		
INTERGOVERNMENTAL REVENUES:			INTEREST INCOME ON INVESTMENTS	\$ 168,946	0.87
FEDERAL GRANTS	\$4,269,441	21.97	INCOME- ROYALTIES ON LAND	209,692	1.08
TRANSPORTATION TRUST-FEDERAL	278,244	1.43	INCOME - RENTALS ON LAND	28,397	0.15
NON-FEDERAL REVENUES	<u>18,028</u>	<u>0.09</u>	INCOME - RENTALS ON LAND (WILDLIFE & FISHERIES)	3,984	0.02
TOTAL INTERGOVERNMENTAL REVENUES	\$ <u>4,565,713</u>	<u>23.49</u>	INCOME - BONUSES ON LAND	40,443	0.20
			USE OF MONEY AND PROPERTY-OTHER	<u>125,496</u>	<u>0.65</u>
			TOTAL USE OF MONEY AND PROPERTY	\$ <u>576,958</u>	<u>2.97</u>
TAXES:			LICENSES, PERMITS AND FEES:		
ALCOHOLIC BEVERAGE TAX	\$ 16,131	0.08	MOTOR VEHICLE - REGISTRATION	\$ 36,383	0.19
AUTOMOBILE RENTAL TAX	4,160	0.02	MOTOR VEHICLE - DRIVERS LICENSE	10,137	0.05
AVIATION FUEL	5,000	0.03	PUBLIC SAFETY - OTHER FEES	39,423	0.20
BEER TAX	36,173	0.19	PUBLIC SAFETY-TRANSPORTATION TRUST	30,740	0.16
CORPORATION FRANCHISE TAX	251,170	1.29	OTHER LICENSES - PERMITS & FEES	<u>349,280</u>	<u>1.80</u>
EXCISE LICENSE TAX	117,728	0.61	TOTAL LICENSES, PERMITS AND FEES	\$ <u>465,963</u>	<u>2.40</u>
FIRE MARSHALL FUND	6,054	0.03			
GASOLINE INSPECTION TAX	862	0.00	SALES OF COMMODITIES AND SERVICES	\$ 573,539	2.95
GIFT TAX	5,273	0.03			
HAZARDOUS WASTE DISPOSAL TAX	3,306	0.02	OTHER REVENUE SOURCES:		
HOTEL-MOTEL TAX (WITHHOLDS)	758	0.00	OTHER	\$ 273,917	1.41
INHERITANCE TAX	84,513	0.43	BOARDS AND COMMISSIONS	20,753	0.11
INCOME TAX	1,782,804	9.17	EXPENDABLE TRUST FUNDS	<u>309,057</u>	<u>1.58</u>
LOUISIANA TOURISM PROMOTION	17,911	0.09	TOTAL OTHER REVENUE SOURCES	\$ <u>603,727</u>	<u>3.10</u>
LOUISIANA SALES AND USE TAX	2,240,099	11.53			
NATURAL GAS FRANCHISE TAX	7,612	0.04	TOTAL GOVERNMENTAL REVENUES AND EXPENDABLE TRUST FUNDS	\$ <u>12,788,675</u>	<u>65.80</u>
PUBLIC UTILITIES TAX	2,674	0.01			
SEVERANCE TAX	352,109	1.81	COLLEGE AND UNIVERSITY, PROPRIETARY AND SIMILAR TRUST FUNDS		
MISCELLANEOUS	27,684	0.14	ENTERPRISE FUNDS	\$ 306,024	1.57
TOBACCO TAX	87,198	0.45	INTERNAL SERVICE FUNDS	80,696	0.42
TRANSPORTATION TRUST FUND	424,355	2.18	NON EXPENDABLE TRUST FUNDS	23,036	0.12
TIMED ACCOUNT	<u>106,089</u>	<u>0.56</u>	PENSION TRUST AND INVESTMENT FUNDS	4,089,235	21.04
TOTAL TAXES	\$ <u>5,579,663</u>	<u>28.71</u>	COLLEGE AND UNIVERSITY FUND	<u>2,160,188</u>	<u>11.05</u>
			TOTAL COLLEGE AND UNIVERSITY, PROPRIETARY AND SIMILAR TRUST FUNDS	\$ <u>6,659,179</u>	<u>34.20</u>
GAMING:			TOTAL PRIMARY GOVERNMENT REVENUES	\$ <u>19,447,854</u>	<u>100.00</u>
RIVERBOAT	235,531	1.21	COMPONENT UNIT REVENUES	\$ <u>404,654</u>	<u>100.00</u>
VIDEO DRAW POKER	182,695	0.94			
MISCELLANEOUS	<u>4,886</u>	<u>0.03</u>			
TOTAL GAMING	\$ <u>423,112</u>	<u>2.18</u>			

State of Louisiana

EXPENDITURE DOLLAR - WHERE THE MONEY WAS SPENT DURING THE FISCAL YEAR 1997-1998

(EXPRESSED IN THOUSANDS)

ORGANIZATION		EXPENDITURES	PERCENT
BUDGET			
SCHEDULE	GOVERNMENTAL FUND TYPES AND		
CATEGORY	<u>EXPENDABLE TRUST FUNDS</u>		
1	OFFICE OF THE GOVERNOR	\$ 267,566	1.62
2	LEGISLATIVE DEPARTMENT	49,306	0.30
3	JUDICIARY DEPARTMENT	89,589	0.54
4	ELECTED OFFICIALS	143,056	0.87
5	DEPARTMENT OF ECONOMIC DEVELOPMENT	36,028	0.22
6	CULTURE, RECREATION, AND TOURISM	45,426	0.28
7	DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT	276,679	1.68
8	DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS	607,225	3.69
9	DEPARTMENT OF HEALTH AND HOSPITALS	3,042,567	18.47
10	DIVISION OF SOCIAL SERVICES	1,049,834	6.37
11	DEPARTMENT OF NATURAL RESOURCES	74,360	0.45
12	DEPARTMENT OF REVENUE AND TAXATION	58,936	0.36
13	DEPARTMENT OF ENVIRONMENTAL QUALITY	77,269	0.47
14	DEPARTMENT OF LABOR	152,849	0.93
16	DEPARTMENT OF WILDLIFE AND FISHERIES	41,688	0.25
17	DEPARTMENT OF STATE CIVIL SERVICE	8,582	0.05
19	DEPARTMENT OF EDUCATION	3,053,907	18.54
20	OTHER APPROPRIATIONS	331,425	2.01
21	GROUP BENEFITS	435,753	2.65
22	RISK MANAGEMENT	141,530	0.86
23	DEBT SERVICE	425,996	2.59
24	CAPITAL OUTLAY	833,226	5.06
27	EXPENDABLE TRUST	136,424	0.83
29	SPECIAL REVENUES FUNDS	<u>114,555</u>	<u>0.70</u>
	TOTAL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS	\$ <u>11,493,776</u>	<u>69.79</u>
<u>COLLEGE AND UNIVERSITY, PROPRIETARY AND SIMILAR TRUST FUNDS</u>			
31	ENTERPRISE FUNDS	\$ 195,473	1.18
25	INTERNAL SERVICE FUNDS	79,002	0.48
27	NONEXPENDABLE TRUST FUNDS	1,209	0.01
28	PENSION AND INVESTMENT TRUST FUNDS	1,726,949	10.49
19A	COLLEGE AND UNIVERSITY FUNDS	<u>2,972,468</u>	<u>18.05</u>
	TOTAL PROPRIETARY, SIMILAR TRUST FUND TYPES, AND COLLEGE AND UNIVERSITIES FUNDS	\$ <u>4,975,101</u>	<u>30.21</u>
	TOTAL PRIMARY GOVERNMENT	\$ <u>16,468,877</u>	<u>100.00</u>
	DISCRETE ENTITIES	\$ <u>480,692</u>	<u>100.00</u>
	TOTAL COMPONENT UNITS	\$ <u>480,692</u>	<u>100.00</u>

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	\$10 per 31-gallon barrel. This includes all alcoholic beverages with alcohol content of 6% or less.
Liquor and Wine Tax	Department of Revenue	\$0.66 per liter on liquor; \$0.42 per liter on sparkling wine; \$0.03 per liter on still wine with alcoholic content not over 14%; \$0.06 per liter on still wine with alcoholic content over 14% but not over 24%.
<u>Corporation Franchise Tax</u>		
	Department of Revenue	\$1.50 per \$1,000 of capital stock, surplus, undivided profits, and borrowed capital (taxable base) up to \$300,000 and \$3 for each \$1,000 of taxable base over \$300,000. The minimum amount of tax paid by a corporation is \$10 per year.
<u>Gasoline Tax</u>		
	Department of Revenue	\$0.20 per gallon is levied on gasoline. The fee for testing the quality and quantity of petroleum products is 1/32 cent per gallon.
<u>Hazardous Liquid Pipeline Tax</u>		
	Department of Revenue	An annual tax of \$12 per mile, or fraction thereof, of hazardous liquids pipeline operated.
<u>Hazardous Waste Disposal Tax</u>		
	Department of Revenue	Tax of \$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	The taxpayer's federal adjusted gross income, less federal excess itemized deductions and federal income tax is used as the entry to Louisiana's tax tables. The rate of tax for taxpayers filing as single, married filing separately, or head of household is: 2% on the first \$10,000 of taxable income; 4% on the next \$40,000; and 6% on taxable income over \$50,000. Married persons filing a joint return or qualifying surviving spouses are taxed at the following rates: 2% on the first \$20,000; 4% of the next \$80,000; and 6% of taxable income in excess of \$100,000. The combined personal exemption and standard deduction is \$4,500 for single individuals and married persons filing separately, and \$9,000 for married couples filing jointly or qualified surviving spouses and heads of households. The dependency deduction is \$1,000 per dependent, \$1,000 each for taxpayer and/or spouse who is over 65 years old, and \$1,000 each for taxpayer and/or spouse who is blind.
<u>Inheritance Tax</u>		
	Department of Revenue	Direct descendants by blood or affinity, ascendants, or surviving spouses are taxed at the following rates: 0% is due on the first \$25,000; 2% on the next \$20,000; and 3% on the amount in excess of \$45,000. If the date of death occurred during the calendar year 1992 and thereafter, the total value to the surviving spouse is exempted from tax. Collateral relations (including brothers and sisters by affinity and their descendants) are taxed at the following rates: 0% is due on the first \$1,000; 5% is due on the next \$20,000; and 7% on the amount in excess of \$21,000. Other recipients are taxed at the following rates: 0% is due on the first \$500; 5% is due on the next \$5,000; and 10% on the amount in excess of \$5,500. For deaths occurring after June 30, 1998 and before July 1, 2001, the tax rates are reduced by 18%.
<u>Insurance Excise License Tax</u>		
	Department of Insurance	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. B. The rate for fire, marine, transportation and casualty and surety is \$180 for annual premiums up to \$6,000 and \$300 for each additional \$10,000 or fraction thereof.

(Continued)

State of Louisiana

TAX TYPE	COLLECTION UNIT	RATE/DESCRIPTION
<u>Mineral Resources - Royalties and Bonuses</u>	Department of Natural Resources	Most oil and gas leases provide for a bonus which is bid on at the time the lease is let, and a royalty of a minimum of 1/8 of the value of the production. Other leases such as for the production of salt, sulfur, etc. provide for a royalty based on the amount of the production (per ton, etc.).
<u>Motor Vehicle - Licenses and Fees</u>	Department of Public Safety	<p>A. The minimum vehicle registration license tax is \$20 biannually for private passenger vehicles purchased before January 1, 1990. If purchased after January 1, 1990, the registration is based on the value of the vehicle-\$1 per \$1,000 per year with a minimum of \$10. The registration fee is \$40 (four year increments) for trucks up to 6,000 pounds and the fees vary annually for trucks over 6,000 pounds depending on the usage and the gross axle weight (usually from \$10 to \$480).</p> <p>B. Driver's license fee is \$18 for four years for drivers of private vehicles. Other driver's license fees may vary.</p> <p>C. A fee not to exceed \$2 per service or transaction, at a local field office, enacted by LRS 32:429, 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>Public Utilities Tax</u>	Department of Revenue	2% of the gross receipts from intrastate business.
<u>Sales Tax</u>	Department of Revenue	Four percent sales tax is collected on leases and rentals, retail sales, and <u>certain</u> sales of services including repairs of tangible personal property. Most exemptions from the 4% Louisiana general sales tax have been suspended through June 30, 1997, and 3% through June 30, 2000. Therefore, most traditionally exempt transactions are subject to the 3% sales tax. The provisions that suspended the exemptions continued provisions that were in effect for the preceding years.
<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% of the value. The incapable oil rate is 6% of the value. The stripper oil rate is 3 1/8% 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 \$0.77 per MCF at 15.025 pounds per square inch absolute for the period 7/1/97 through 6/30/98. The rate on incapable oil well gas is \$0.03 MCF. The rate on incapable gas well gas is \$0.013 MCF.</p> <p>C. The tax rate on sulphur 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% 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. The tax on gravel was repealed by Act 40 of 1997.</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>Soft Drink Tax</u>	Department of Revenue	The soft drink tax is 1% of the wholesale selling price on bottled soft drinks, but the Act was repealed effective February 1, 1997.
<u>Special Fuels Tax</u>	Department of Revenue	The tax on special fuels is levied at a rate of \$0.20 per gallon on motor fuel other than gasoline.
<u>Surface Mining and Reclamation Fee</u>	Department of Revenue	The fee on 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 manufacturers net invoice price, while 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 cigarettes is \$.01 per cigarette.

(Concluded)

State of Louisiana

RATIO OF GENERAL OBLIGATION ANNUAL DEBT SERVICE EXPENDITURES TO GENERAL GOVERNMENTAL EXPENDITURES - LAST TEN YEARS

(EXPRESSED IN THOUSANDS)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL (1) DEBT SERVICE	GENERAL (2) GOVERNMENTAL EXPENDITURES	RATIO DEBT SERVICE TO TOTAL GOVERNMENTAL EXPENDITURES
1997-1998	\$ 136,221	\$ 121,664	\$ 257,885	\$ 10,528,662	2.45%
1996-1997	488,079	142,195	630,274	11,315,991	5.57%
1995-1996	275,017	183,380	458,397	10,919,795	4.20%
1994-1995	348,977	198,652	547,629	10,676,068	5.13%
1993-1994	335,202	204,253	539,455	10,263,438	5.25%
1992-1993	180,013	207,626	387,639	10,018,566	3.87%
1991-1992	310,524	244,757	555,281	8,807,431	6.30%
1990-1991	296,255	263,990	560,245	7,519,955	7.45%
1989-1990	275,228	259,161	534,389	6,606,761	8.09%
1988-1989	273,375	252,784	526,159	5,922,345	8.88%

(1) TOTALS DO NOT INCLUDE SELF-SUPPORTING ISSUES.

(2) EXPENDITURES DO NOT INCLUDE CAPITAL OUTLAY AND EXPENDABLE TRUST FUNDS OF THE STATE OVERSIGHT UNIT, BUT DOES INCLUDE THE CAPITAL PROJECT EXPENDITURES OF COMPONENT UNITS.

SOURCE: OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY

COLLEGE AND UNIVERSITY REVENUE BONDS FOR THE LAST TEN YEARS

(EXPRESSED IN THOUSANDS)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	PRINCIPAL TO MATURITY	INTEREST TO MATURITY
1997-1998	\$ 13,713	\$ 6,993	\$ 20,706	\$ 137,759	\$ 78,877
1996-1997	10,237	6,258	16,495	133,232	76,328
1995-1996	11,736	5,137	16,873	93,210	34,475
1994-1995	12,763	5,491	18,254	101,256	39,598
1993-1994	12,643	4,703	17,346	108,648	45,977
1992-1993	10,665	6,448	17,113	93,342	33,453
1991-1992	7,008	5,809	12,817	104,007	41,423
1990-1991	7,339	5,603	12,942	108,001	43,934
1989-1990	6,355	6,013	12,368	115,072	48,658
1988-1989	5,958	6,484	12,442	121,326	54,535

Source: Office of Statewide Reporting and Accounting Policy

State of Louisiana

BANK DEPOSITS AND INDIVIDUAL INTERNAL REVENUE SERVICE COLLECTIONS FOR THE LAST TEN CALENDAR YEARS

(EXPRESSED IN THOUSANDS)

YEAR	BANK DEPOSITS * (1)	INDIVIDUAL IRS COLLECTIONS (2)
1997	\$13,824,816	**
1996	14,616,047	13,281,575
1995	14,454,097	12,725,191
1994	14,317,865	13,134,569
1993	16,051,685	12,934,843
1992	17,331,797	11,469,477
1991	18,427,716	9,914,533
1990	20,050,253	9,220,243
1989	19,374,942	7,662,886
1988	20,940,596	7,451,972

* Includes banks and savings and loan institutions

** The information for 1997 is not available because the IRS provided only the total of individual income tax collections by district instead of by state.

SOURCES: (1) Louisiana Department of Economic Development
Office of Financial Institutions

(2) Internal Revenue Service

25 LARGEST PRIVATE EMPLOYERS IN LOUISIANA AS OF FIRST QUARTER, 1998 *

Wal-Mart Stores, Inc.
Winn Dixie Louisiana, Inc,
Avondale Industries, Inc.
Exxon Corporation
Bellsouth Telecommunications
The Hibernia National Bank
K Mart Corporation
Burger King
Sears Roebuck & Co.
General Motors Corp.
Alton Ochsner Foundation Hospital
Falcon Drilling Company, Inc.
Tulane University
Dillard's Department Stores, Inc.
Conagra Poultry Company
Columbia HCA Health Care Corp.
Our Lady of the Lake Regional Medical Center
International Paper Co., Inc.
Willis-Knighton Medical Center, Inc.
Southeast La Contractors of Narco
J. Ray McDermott, Inc.
Schwegmann Giant Supermarkets
Horseshoe Entertainment
K & B Trainees, Inc.
Brown & Root, Inc.

* This list includes only those employers who voluntarily supplied information and is stated in descending order.

SOURCE: Louisiana Department of Labor

State of Louisiana

POPULATION AND EMPLOYMENT TRENDS FOR THE LAST TEN CALENDAR YEARS

YEAR	POPULATION * (1)	MEDIAN AGE (1)	CIVILIAN LABOR FORCE * (2)	EMPLOYMENT * (2)	LOUISIANA UNEMPLOYMENT NUMBER * (2)	LOUISIANA UNEMPLOYMENT RATE (2)	U. S. UNEMPLOYMENT RATE (2)
1997	4,352	33.6	2,024	1,900	124	6.1%	4.9%
1996	4,351	33.0	1,997	1,863	135	6.7	5.4
1995	4,342	32.7	1,956	1,822	135	6.9	5.6
1994	4,315	32.4	1,941	1,785	156	8.0	6.1
1993	4,295	32.1	1,888	1,746	141	7.5	6.8
1992	4,287	31.8	1,935	1,777	158	8.2	7.4
1991	4,252	31.4	1,915	1,777	138	7.2	6.7
1990	4,220	31.2	1,837	1,721	117	6.3	5.5
1989	4,382	30.9	1,900	1,749	151	7.9	5.3
1988	4,408	30.4	1,921	1,712	209	10.9	5.5

* Expressed in thousands

Note: State employment statistics are based on figures benchmarked to 1997 Current Population Survey data. Population figures are estimated by the U.S. Census Bureau and are revised yearly. We report only the original estimates.

SOURCES: (1) U.S. Census Bureau
(2) Louisiana Department of Labor

PERSONAL INCOME AND GROSS STATE PRODUCT IN CURRENT DOLLARS AND ADJUSTED FOR INFLATION FOR THE LAST TEN CALENDAR YEARS

YEAR	PER CAPITA PERSONAL INCOME (A) (1)	PER CAPITA PERSONAL INCOME (INFLATION ADJUSTED) (A)	PER CAPITA DISPOSABLE PERSONAL INCOME (A) (1)	PER CAPITA DISPOSABLE PERSONAL INCOME (INFLATION ADJUSTED) (A)	GROSS STATE PRODUCT (B) (3)	GROSS STATE PRODUCT (INFLATION ADJUSTED) (B)	CONSUMER PRICE INDEX (2)
	1997	\$20,473	\$12,748	\$18,138	\$11,294	*	*
1996	19,664	12,525	17,605	11,213	** 114,813	** 73,129	157.0
1995	18,891	12,388	17,088	11,205	** 109,697	** 71,932	152.5
1994	17,615	11,878	15,712	10,595	106,515	71,824	148.3
1993	16,667	11,526	14,947	10,337	99,820	69,032	144.6
1992	15,712	11,191	14,163	10,088	96,244	68,550	140.4
1991	15,143	11,110	13,349	\$9,794	95,606	70,144	136.3
1990	14,391	11,011	12,625	\$9,660	91,795	70,233	130.7
1989	13,041	10,517	11,516	\$9,287	84,322	68,002	124.0
1988	12,193	10,307	10,568	\$8,933	82,585	69,810	118.3

* The information for this year is not available.

** Amounts included for gross state product for 1995 and 1996 were estimated. Although data has been revised, we only report the original estimate.

(A) Expressed in dollars
(B) Expressed in millions

SOURCES: (1) Survey of Current Business, United States Department of Commerce, Bureau of Economic Analysis
(2) U.S. Economic Outlook
(3) University of New Orleans, Division of Business and Economic Research

State of Louisiana

REVENUE BOND COVERAGE FOR THE LAST FIVE FISCAL YEARS

(EXPRESSED IN THOUSANDS EXCEPT COVERAGE RATIO)

	Fiscal	Direct Available			Annual		Coverage
	Year	Gross	Operating	for debt	Debt	Service	
	Ended	Revenue	Expenses	Service	Principal	Interest	Ratio
	June 30						
Primary Government							
Louisiana Office Building Corporation							
	1998	\$ 346	\$ 77	\$ 269	\$ 485	\$ 57	0.50
	1997	261	191	70	550	83	0.11
	1996	277	625	(348)	495	107	(0.58)
	1995	364	2,100	(1,736)	110	112	(7.82)
	1994	293	1,695	(1,402)	460	134	(2.36)
Louisiana Correctional Facilities Corporation							
	1998	\$ 737	\$ 1,193	\$ (456)	\$ 11,925	\$ 5,022	\$ 16,947 (0.03)
	1997	313	77	236	11,280	5,544	16,824 0.01
	1996	380	65	315	10,710	6,012	16,722 0.02
	1995	364	69	295	10,100	6,535	16,635 0.02
	1994	240	309	(69)	9,595	6,967	16,562 0.00
Louisiana Office Facilities Corporation							
	1998	\$ 4,961	\$ 2,451	\$ 2,510	\$ 625	\$ 1,071	\$ 1,696 1.48
	1997	4,846	2,078	2,768	585	1,114	1,699 1.63
	1996	4,197	1,984	2,213	550	1,153	1,703 1.30
	1995	3,920	2,034	1,886	515	1,189	1,704 1.11
	1994	3,764	1,682	2,082	485	1,221	1,706 1.22
Discrete							
Orleans Levee District							
	1998	\$ 10,523	\$ 6,290	\$ 4,233	\$ 1,066	\$ 3,167	\$ 4,233 1.00
	1997	11,467	7,364	4,103	33,898	5,955	39,853 0.10
	1996	13,411	6,864	6,547	912	5,282	6,194 1.06
	1995	14,559	8,909	5,650	4,500	5,585	10,085 0.56
	1994	12,352	8,666	3,686	1,102	5,491	6,593 0.56
New Orleans Port Commission							
	1998	\$ 43,038	\$ 24,184	\$ 18,854	\$ 2,455	\$ 453	\$ 2,908 6.48
	1997	43,648	22,897	20,751	3,764	599	4,363 4.76
	1996	43,079	23,238	19,841	4,521	755	5,276 3.76
	1995	46,239	24,453	21,786	4,331	948	5,279 4.13
	1994	37,790	21,571	16,219	9,495	1,130	10,625 1.53
Greater Baton Rouge Port Commission							
	1998	\$ 4,316	\$ 2,857	\$ 1,459	\$ 385	\$ 82	\$ 467 3.12
	1997	4,376	3,288	1,088	370	94	464 2.34
	1996	4,922	3,008	1,914	360	105	465 4.12
	1995	3,700	2,772	928	590	104	694 1.34
	1994	4,188	2,624	1,564	825	145	970 1.61
Lake Charles Harbor and Terminal District							
	1998	\$ 21,406	\$ 13,843	\$ 7,563	\$ --	\$ 1,250	\$ 1,250 6.05
	1997	21,122	12,640	8,482	--	1,250	1,250 6.79
	1996	20,006	10,801	9,205	495	365	860 10.70
	1995	17,237	10,663	6,574	480	202	682 9.64
	1994	18,469	10,879	7,590	600	134	734 10.34

Source: Office of Statewide Reporting and Accounting Policy

State of Louisiana

TOTAL PUBLIC EDUCATION ENROLLMENT IN PUBLIC SCHOOLS, COLLEGES, AND UNIVERSITIES FOR THE LAST TEN SCHOOL YEARS

EDUCATIONAL FACILITY	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93	1991-92	1990-91	1989-90	1988-89
GRADES K-12 (A)	*763,840	**775,817	780,000	781,763	783,452	786,659	786,920	779,548	778,901	785,984
LOUISIANA STATE UNIVERSITY (B)	40,963	39,574	39,187	38,745	39,085	39,872	39,284	37,427	37,460	38,190
DELGADO COMMUNITY COLLEGE	14,111	14,112	13,936	14,845	14,932	15,115	14,424	11,414	9,100	7,315
NUNEZ COMMUNITY COLLEGE (C)	2,107	2,202	2,104	2,096	2,018	--	--	--	--	--
GRAMBLING STATE UNIVERSITY	5,864	6,700	6,800	7,609	7,833	7,533	7,030	6,485	6,205	6,003
LOUISIANA TECH UNIVERSITY	9,500	9,272	9,584	9,947	10,041	10,197	10,322	10,011	9,938	10,044
MCNEESE STATE UNIVERSITY	8,131	8,087	8,443	8,726	8,376	8,438	7,786	7,671	7,547	7,378
NICHOLLS STATE UNIVERSITY	7,187	7,210	7,366	7,205	7,071	7,599	7,519	7,356	6,840	7,159
NORTHEAST LOUISIANA UNIVERSITY	10,945	11,128	11,570	11,379	11,571	11,732	11,189	10,686	10,560	10,498
NORTHWESTERN STATE UNIVERSITY	8,873	9,037	9,040	8,761	8,552	8,420	7,626	7,334	6,926	6,455
SOUTHEASTERN STATE UNIVERSITY	15,330	14,592	14,368	13,915	13,168	12,777	11,298	10,262	9,392	8,520
SOUTHERN UNIVERSITY (B)	15,214	15,774	15,909	15,504	14,862	16,061	15,101	14,025	13,141	13,631
UNIVERSITY OF NEW ORLEANS	15,833	15,665	15,483	15,239	15,570	16,308	16,084	15,322	15,559	16,076
UNIVERSITY OF SOUTHWESTERN LOUISIANA	17,044	16,741	16,902	16,787	16,573	16,652	16,185	15,769	15,461	15,033
TOTAL COLLEGES & UNIVERSITIES	171,102	170,094	170,692	170,758	169,652	170,704	163,848	153,762	148,129	146,302
TOTAL ENROLLMENT IN PUBLIC SCHOOLS, COLLEGES, AND UNIVERSITIES	934,942	945,911	950,692	952,521	953,104	957,363	950,768	933,310	927,030	932,286

* Preliminary count - subject to change

** Amount for 1996-97 has been revised by Board of Elementary and Secondary Education

(A) Does not include enrollment at non-public schools receiving state funding

(B) Includes all campuses and programs

(C) First year of operation 1993-94

SOURCES: Louisiana Board of Elementary and Secondary Education
Louisiana Board of Regents

VALUE OF FIRST SALES OF AGRICULTURAL, FISHERIES, GAME, AND TIMBER PRODUCTS FOR THE LAST TEN CALENDAR YEARS

(EXPRESSED IN THOUSANDS)

Year	Crops (1)	Livestock (1)	Fish and Shellfish (A) (2)	Alligator and Game (B) (C) (D) (3)	Timber (E) 4	Total
1997	\$1,453,848	\$655,210	\$306,528	\$23,872	\$610,314	\$3,049,772
1996	1,669,246	678,694	270,801	24,705	594,396	3,237,842
1995	1,396,783	629,837	315,724	21,139	635,285	2,998,768
1994	1,305,190	703,723	339,782	24,193	554,015	2,926,903
1993	1,073,432	714,511	266,565	16,695	491,266	2,562,469
1992	1,299,336	611,702	289,968	16,150	720,013	2,937,169
1991	1,089,746	636,312	268,603	10,890	667,162	2,672,713
1990	1,283,167	632,771	275,718	13,890	655,757	2,861,303
1989	1,093,821	614,026	271,661	13,187	610,112	2,602,807
1988	1,295,522	587,967	316,084	11,905	599,984	2,811,462

(A) All fresh- and salt-water species including shrimp

(B) Values of meat and skins or pelts only

(C) Values included for alligator harvest for 1997 are estimated

(D) Values included for alligator harvest for 1996 are revised

(E) Estimated stumpage value of severed timber delivered to mills

SOURCES: (1) State Financial Summary, Economic Research Service, USDA

(2) U.S. Department of Commerce, National Oceanic and Atmospheric Administration, National Marine Fisheries Service

(3) Louisiana Department of Wildlife and Fisheries, Office of Wildlife, Game Division

(4) Louisiana Department of Agriculture and Forestry, Office of Forestry, Louisiana Forest Products, Quarterly Market Report

State of Louisiana

DEBT SERVICE REQUIREMENTS PER CAPITA AND GENERAL OBLIGATION DEBT PER CAPITA FOR THE LAST TEN YEARS

YEAR	POPULATION * (1)	GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS TO MATURITY * (2)	SELF- SUPPORTING DEBT SERVICE REQUIREMENTS TO MATURITY * (2)	STATE SUPPORTED DEBT SERVICE REQUIREMENTS TO MATURITY * (2)	INTEREST TO MATURITY * (2)	STATE-SUPPORTED GENERAL OBLIGATION DEBT TO MATURITY * (2)	DEBT SERVICE PER CAPITA (2)	GENERAL OBLIGATION BONDED DEBT PER CAPITA (2)
1998	**	\$2,767,509	\$89,728	\$2,677,781	\$842,020	\$1,835,761	**	**
1997	4,352	2,823,306	100,075	2,723,231	859,644	1,863,587	625.74	428.21
1996	4,351	3,055,575	113,861	2,941,714	859,361	2,082,353	676.10	478.59
1995	4,342	3,505,955	128,010	3,377,945	1,037,085	2,340,860	777.97	539.12
1994	4,315	3,643,851	149,268	3,494,583	1,037,588	2,456,995	809.87	569.41
1993	4,295	3,726,350	165,719	3,560,631	1,042,966	2,517,665	829.02	586.19
1992	4,287	3,866,076	178,999	3,687,077	1,188,740	2,498,337	860.06	582.77
1991	4,252	3,860,088	106,244	3,753,844	1,216,308	2,537,536	882.84	596.79
1990	4,220	3,937,075	65,882	3,871,193	1,292,003	2,579,190	917.34	611.18
1989	4,382	4,349,239	71,144	4,278,095	1,482,246	2,795,849	976.29	638.03

* Expressed in thousands

** Current year information not yet available

SOURCES: (1) U.S. Census Bureau
(2) Office of Statewide Reporting and Accounting Policy

RATIO OF DEBT SERVICE REQUIREMENTS TO ASSESSED VALUE AND FAIR MARKET VALUE OF ALL TAXABLE PROPERTY FOR THE LAST TEN YEARS

GENERAL OBLIGATION BONDS	DEBT SERVICE REQUIREMENTS TO MATURITY (A) (1)	ASSESSED VALUE OF TAXABLE PROPERTY (A) (B) (2)	RATIO OF DEBT SERVICE TO ASSESSED VALUE OF TAXABLE PROPERTY	FAIR MARKET VALUE OF TAXABLE PROPERTY (A) (2)	RATIO OF DEBT SERVICE TO FAIR MARKET VALUE OF TAXABLE PROPERTY
1998	\$2,767,509	*	*	*	*
1997	2,823,306	\$14,711,026	19.2 %	\$162,173,058	1.7 %
1996	3,055,575	13,743,189	22.2	154,449,581	2.0
1995	3,505,955	12,567,779	27.9	135,343,917	2.6
1994	3,643,851	12,463,894	29.2	137,163,531	2.7
1993	3,726,350	11,633,912	32.0	133,403,099	2.8
1992	3,866,076	11,339,174	34.1	130,631,168	3.0
1991	3,860,088	11,101,185	34.8	128,750,434	3.0
1990	3,937,075	10,856,145	36.3	126,833,243	3.1
1989	4,349,239	10,922,391	39.8	127,053,177	3.4

* Information not yet available

(A) Expressed in thousands

(B) Does not include values for homestead exemption

SOURCES: (1) Office of Statewide Reporting and Accounting Policy
(2) Louisiana State Tax Commission

State of Louisiana

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