



LOUISIANA

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2017

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**State of Louisiana
Comprehensive Annual Financial Report
for the Year Ended June 30, 2017**

JOHN BEL EDWARDS
Governor



Prepared By
DIVISION OF ADMINISTRATION
JAY DARDENNE
Commissioner

On the Cover

This year's cover features the magnolia, the state flower of Louisiana. The magnolia, which symbolizes purity and dignity, often appears in bridal bouquets to symbolize the bride's purity and nobility. Magnolias are pollinated by beetles, which are attracted to the flower's sweet smell.

The photos on the cover were taken by **Houston Williams**, a student at Baton Rouge Community College and an employee of State of Louisiana, Division of Administration, Office of Statewide Reporting and Accounting Policy.



John Bel Edwards

Governor

State of Louisiana

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State of Louisiana

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I. INTRODUCTORY SECTION

Office of the Commissioner
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARZENNE
Commissioner of Administration

December 29, 2017

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

It is my privilege to present the State of Louisiana's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. State law requires that the CAFR be prepared for the State within six months after the close of each fiscal year. The report was prepared in conformity with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

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

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

The basic financial statements have been audited by the Louisiana Legislative Auditor and qualified opinions have been issued on the financial statements for the year ended June 30, 2017. This audit report is located at the front of the "Financial Section" of this report.

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

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

PROFILE OF THE GOVERNMENT

Located on the Gulf of Mexico and bordered by Arkansas, Texas, and Mississippi, Louisiana serves a population of 4,682,000. The powers of government of the state are divided into three separate branches: legislative, executive, and judicial. Except as otherwise provided by the Louisiana Constitution, no one of these branches, or any person holding office in one of them, shall exercise power belonging to another branch.

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

The State’s financial reporting entity includes 59 active component units, which are reported discretely in the financial statements. These component units include colleges and universities, boards and commissions, ports, levee districts, and other special purpose authorities.

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

ECONOMIC CONDITIONS AND OUTLOOK

Louisiana is a major energy producing state. In fact, Louisiana is ranked second in the nation in production of both oil and natural gas if the Gulf waters are included. When energy prices are strong, the state prospers. When oil prices are declining, the economy weakens – especially for certain areas of the State. Louisiana is finally emerging from a 20-month recession due to a dramatic downturn in the state’s oil. Recovery will be muted by the completion of several large industrial projects and a slight delay in the startup of new ones. The good news is the recovery will be bolstered by a slightly faster growing national

economy, low inflation, and only a slight increase in interest rates. In total, the State is projected to add 12,000 jobs in 2018 (up 0.6%) and another 22,300 jobs in 2019 (up 1.1%).

Louisiana is home to nine metropolitan statistical areas (MSA), each with unique demographic and economic profiles. Essentially, the State is split into three regions: (1) the rapidly expanding Baton Rouge and Lake Charles regions; (2) the northern tier of the state; and (3) an oil patch region that is projected to decline through 2017. The economic outlook for each region is forecasted as follows:

- Louisiana's largest MSA, New Orleans, is projected to be the third fastest growing MSA of the state, adding 4,600 jobs (0.8%) in 2018 and 7,600 jobs (1.3%) in 2019. Huge industrial projects, especially to the west in St. James Parish, will drive this growth, with 2019 being a year of new ground-breaking that will give the economy an extra kick upwards. Significant expansions in the region's healthcare sector, construction of the new airport and expansion of the WWII Museum will further boost the MSA.
- Almost all of the \$16 billion industrial projects in the Baton Rouge MSA are completed or drawing to an end. Vanishing construction jobs will lower this MSA's growth rates over 2014-16 to a modest 0.7% rate in 2018 and 0.9% in 2019. Offsetting the industrial construction job loss will be four major projects in the healthcare sector, the Baton Rouge Port, and the high-tech sector.
- After almost a decade of decline, the Shreveport-Bossier MSA will begin two years of moderate growth, adding about 1,400 jobs a year (0.8%) over 2018-19. Fueling this recovery will be a rising rig count in the Haynesville Shale, gains in the region's high-tech sector, and a larger bounty of state road lettings than in the past.
- Solid performance in Lafayette's Big Four: Stuller Settings, Acadian Ambulance, the Schumacher Group, and LHC will help lessen the bite from a still recessionary oil and gas extraction sector. Over a \$60 million boost to the state road lettings budget in this region will also help. If our oil price forecasts are near the mark, the Lafayette MSA will begin to add jobs in 2019 (+1,600 jobs) after experiencing another slight down year (-800 jobs) in 2018.
- The Houma MSA is being pounded by the shipbuilding industry in 2018 and will add to the continuing woes in the area's oil and gas exploration and closely related industries in 2018, resulting in a further loss of 1,800 jobs. Additional hires at Gulf Island Fabricators, higher sustained oil prices, and a significant new LNG facility at Port Fourchon should be enough to get Houma back on a growth path (+700 jobs) in 2019.
- The Lake Charles MSA has a remarkable \$126 billion in industrial announcements since 2012 (\$55.9 billion underway or completed) has been one of the fastest growing MSAs in the country for the past four years. We are projecting a pullback in the region's 4-5% growth pace to about 1.6% in 2018 as construction of many projects comes to an end. However, in the latter part of

2018 or early 2019, construction starts on 2-3 huge LNG projects to create a new spark of growth in 2019 (+4%).

- After 9 years of decline, the Monroe MSA has now enjoyed six straight years of modest growth. Over 2018-19 the MSA is projected to add 800 jobs a year, finally setting new employment records in 2018. Expansions at CenturyLink, IBM, and Vantage Health Plan are leading this recovery.
- A 2-year IT project at Cleco, expansion in hiring at Union Tank Car, and new hires at Crest Industries are expected to reverse the employment fortunes in the Alexandria MSA over 2018-19 (+300 jobs per year). Unfortunately, the plug was pulled on three big proposed projects for this region: Sundrop, Investimus Fortis, and Revolution Aluminum.
- Louisiana's smallest MSA is Hammond. Hammond's record of adding about 600 jobs a year since 2015 is expected to continue over 2018 (+600 jobs) and 2019 (+400 jobs). Slight additions to employment at North Oaks Hospital and some of the region's smaller manufacturers will aid growth.

The information for the economic discussion is from [The Louisiana Economic Outlook: 2018 and 2019](#), by Loren C. Scott and Judy S. Collins, published in October, 2017.

Major Fiscal Initiatives

During the 2017 legislative process, the administration worked aggressively for a revamp of the state's budget and tax structure to provide more fiscal stability and end years of budget balancing battles. Unfortunately, today's system, which is plagued with structural flaws, remains in place despite best efforts. We remain committed to adopting a more balanced and fair tax system that produces sufficient revenue to fund government. The administration continued open and honest budgeting practices, with an eye on savings and efficiencies. Once more there was no use of one-time money for recurring expenses and no fund sweeps. Adequate funding of health care and education topped the list of budget priorities with the knowledge that investment in both are key to the future well-being of Louisiana and the quality of life of its citizens, as well as attracting new business investments.

We successfully managed two mid-year deficits with a bright spot at the fiscal year's end. The state registered a budget surplus of more than \$120 million, the first surplus since fiscal year 2014.

Here are some of the measures in fiscal year 2017 that resulted in major fiscal impacts:

- Enacted a criminal justice reform package estimated to reduce the state's prison population by 10% over the next decade, saving an estimated \$262 million.

- Began implementing Medicaid expansion, with the initiative producing a \$205 million state general fund savings.
- Embarked on an integrated eligibility contract that will establish a single point of entry to apply for Medicaid, SNAP (Supplemental Nutrition Assistance Program), and TANF (Temporary Assistance for Needy Families), leading to efficiencies and cross checks to determine eligibility and reduce fraud.
- Instructed state agencies to set-aside 5% of their appropriation in case of a mid-year deficit.
- Adopted a new coastal master plan with projects aimed at fighting coastal loss, benefiting the state and nation's economy and creating jobs and natural habitats for Louisiana's abundant wildlife.
- Continued the administration's implementation of a new state financial system, moving away from the antiquated LEGACY system. The new system provides agencies with a greater level of detail related to their financial transactions, more real-time monitoring, greater ability to track expenditures and additional reporting capabilities – all of which provides greater accountability and transparency.

Relevant Financial Policies

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

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

To aid the State in balancing its budget in years of declining revenue, the Budget Stabilization Fund was created. The fund was created in the 1990's and receives its monies from excess mineral revenues, non-recurring revenues, monies in excess of the expenditure limit, and other monies appropriated by the legislature. The monies can be spent if the official forecast for recurring revenues for the next fiscal year

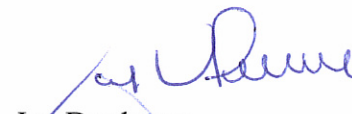
is less than the official forecast of recurring revenues for the current fiscal year, or if a deficit for the current fiscal year is projected due to a decrease in recurring revenues. At the end of the fiscal year, the fund balance in the Budget Stabilization Fund was \$287 million.

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

ACKNOWLEDGEMENTS

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

Sincerely yours,



Jay Dardenne
Commissioner of Administration



State of Louisiana

PRINCIPAL STATE OFFICIALS

Executive (Elected)

John Bel Edwards
Governor
William "Billy" H. Nungesser
Lieutenant Governor
J. Thomas "Tom" Schedler
Secretary of State
Jeff Landry
Attorney General
John Schroder
Treasurer
Dr. Mike Strain
Commissioner of Agriculture and Forestry
James J. Donelon
Commissioner of Insurance

Legislative (Elected)

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

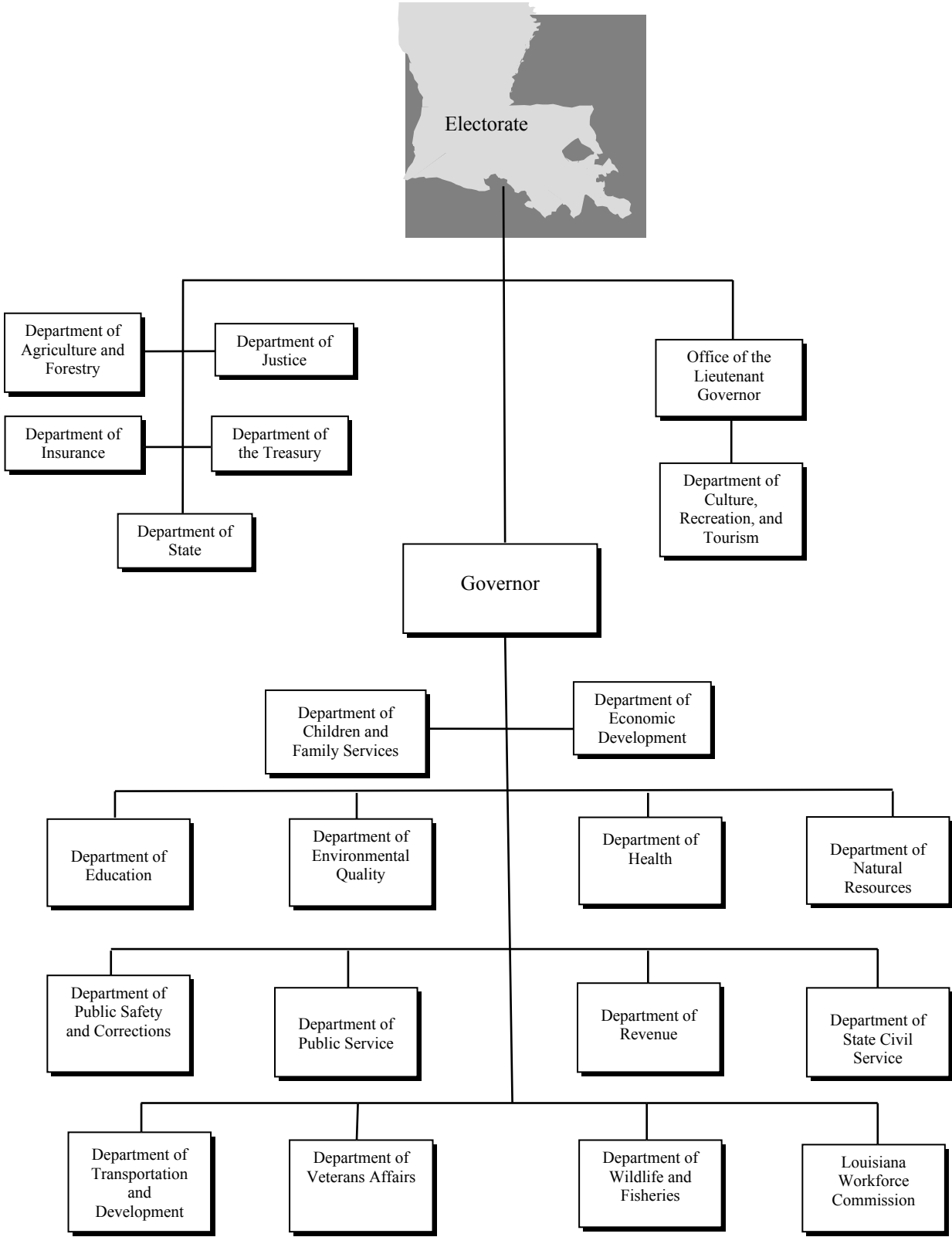
Judicial (Elected)

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

Executive (Appointed)

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

STATE ORGANIZATIONAL CHART





II. FINANCIAL SECTION



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

December 29, 2017

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Louisiana, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

| <u>Opinion Unit</u> | <u>Percentage of Total Assets and Deferred Outflows of Resources</u> | <u>Percentage of Expenditures/ Expenses (Including Deductions)</u> | <u>Percentage of Revenues (Including Additions)</u> |
|---|--|--|---|
| General Fund | 0.05% | 0.03% | 0.05% |
| Business-Type Activities | 15.32% | 6.65% | 11.52% |
| Aggregate Discretely Presented Component Units | 26.03% | 14.14% | 16.98% |
| Aggregate Remaining Funds (includes pension trust funds) | 81.60% | 57.99% | 65.26% |

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

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

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

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

Summary of Opinions

| Opinion Unit | Type of Opinion |
|--|-----------------|
| Governmental Activities | Qualified |
| Business-Type Activities | Unmodified |
| Aggregate Discretely Presented Component Units | Qualified |
| General Fund | Unmodified |
| Bond Security and Redemption Fund | Unmodified |
| Capital Outlay Escrow Fund | Unmodified |
| Louisiana Education Quality Trust Fund | Unmodified |
| Unemployment Trust Fund | Qualified |
| Louisiana Community and Technical College System | Unmodified |
| Aggregate Remaining Funds | Unmodified |

Basis for Qualified Opinions on Governmental Activities and Aggregate Discretely Presented Component Units

As disclosed in note 9 to the financial statements, management has not recorded a liability for the Coastal Protection and Restoration Authority's (CPRA) 35% cost share relating to two project partnership agreements with the United States Army Corps of Engineers (USACE) to construct and improve the levee systems in the greater New Orleans area. CPRA and the USACE also have deferred payment agreements allowing CPRA to defer its cost share until the completion of the projects, which is estimated to occur in 2019. The USACE has provided CPRA with deferred payment calculation reports which include the project costs subject to cost share and CPRA's cost share obligation. As of June 30, 2017, those project costs are approximately \$3.4 billion, and CPRA's cost share obligation is \$1.5 billion, which includes accrued interest during construction of \$400 million. Management contends these amounts are not verifiable because the USACE has not permitted CPRA to examine the calculations and other documentation supporting the project costs, and, therefore, CPRA's liability cannot be reasonably estimated. Accounting principles generally accepted in the United States of America require liabilities be accrued for present obligations, which would increase liabilities and decrease the net position of the governmental activities. The amount by which liabilities and net position would be affected has not been determined.

The Southeast Louisiana Flood Protection Authority-East, the Southeast Louisiana Flood Protection Authority-West, and the Pontchartrain Independent Levee District, all discretely presented component units of the State, are currently operating and maintaining significant portions of the projects that have been completed under the project partnership agreements. This includes the previously mentioned projects totaling \$3.4 billion requiring a 35% cost share for CPRA and additional projects estimated at \$11 billion that are funded solely by the USACE. Accounting principles generally accepted in the United States of America require those project

assets be capitalized, which would increase assets and net position of the aggregate discretely presented component units. The amount by which the assets and net position would be affected has not been determined.

Basis for Qualified Opinion on the Unemployment Trust Fund

A new information system was implemented in the prior fiscal year for the unemployment insurance benefit program administered through the Unemployment Trust Fund, a major enterprise fund of the State of Louisiana. We identified material weaknesses in the implementation of this new system in the prior year that have not been fully corrected. As a result, we are unable to rely on the system to provide sufficient appropriate audit evidence to support overpayments due back from claimants as well as the portion of those overpayments that are due back to the federal government. The accounts receivable, net of the allowance for uncollectible accounts, and the amounts due to the Federal government which we were unable to confirm or verify by alternate means total \$23,954,000 and \$9,059,000, respectively, at June 30, 2017. As of the date of our audit report, management is still in the process of rectifying the system deficiencies

Qualified Opinions

In our opinion, based on our audit and the reports of other auditors, except for the possible effects of the matter described in the “Basis for Qualified Opinions on Governmental Activities and Aggregate Discretely Presented Component Units” and “Basis for Qualified Opinion on the Unemployment Trust Fund” paragraphs, the financial statements referred to above present fairly, in all material effects, the respective financial position of the governmental activities, aggregate discretely presented component units, and the Unemployment Trust Fund of the State of Louisiana, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Business-Type Activities, General Fund, the Bond Security and Redemption Fund, the Capital Outlay Escrow Fund, the Louisiana Education Quality Trust Fund, the Louisiana Community and Technical College System, and the Aggregate Remaining Funds information of the State of Louisiana, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As disclosed in note 6 to the financial statements, the total net pension liability for governmental and business-type activities was approximately \$7.1 billion at June 30, 2017, as determined by certain State and statewide pension systems. The related actuarial valuations were performed by the pension systems' actuaries using various assumptions. Because actual experience may differ from the assumptions used, there is a risk that this amount at June 30, 2017, could be under or overstated.

As disclosed in note 6 to the financial statements, the primary government's proportionate share of the Louisiana State Employees' Retirement System's (LASERS) net pension liability was \$6.3 billion at June 30, 2017. The actuarial valuation of the total pension liability is very sensitive to the underlying actuarial assumptions, including a discount rate as of June 30, 2016, of 7.75%. A 1% reduction in the current discount rate would increase the primary government's net pension liability by \$1.4 billion. For future valuations, LASERS currently intends to reduce the current 7.75% discount rate by 0.05% annually, until it reaches 7.50%.

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

As discussed in note 12-B to the financial statements, the State implemented Governmental Accounting Standards Board (GASB) Statement 77, *Tax Abatement Disclosures* for the year ended June 30, 2017, and the disclosures required by this statement are presented in note 11 to the financial statements.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that *Management's Discussion and Analysis* and the *Required Supplementary Information Other Than Management's Discussion and Analysis* presented on pages 19 through 26 and 119 through 130, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which

consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Louisiana's basic financial statements. The accompanying Introductory Section (pages 1 through 9), the Budgetary Comparison Schedule - Budget to Actual - Bond Security and Redemption Fund (page 131), the Combining and Individual Fund Statements - Nonmajor Funds (pages 134 through 167), and the Statistical Section (pages 169 through 198) listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Statements - Nonmajor Funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

New Accounting Standard Not Yet Effective

The implementation of the Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for fiscal year 2018, will require the State of Louisiana to recognize its proportionate share of the other postemployment benefits liability. Though the State's proportionate share of the other postemployment benefits liability is currently unknown, the impact on the State's net position is expected to be significant.

December 29, 2017

Page Seven

Other Reporting Required by *Government Auditing Standards*

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

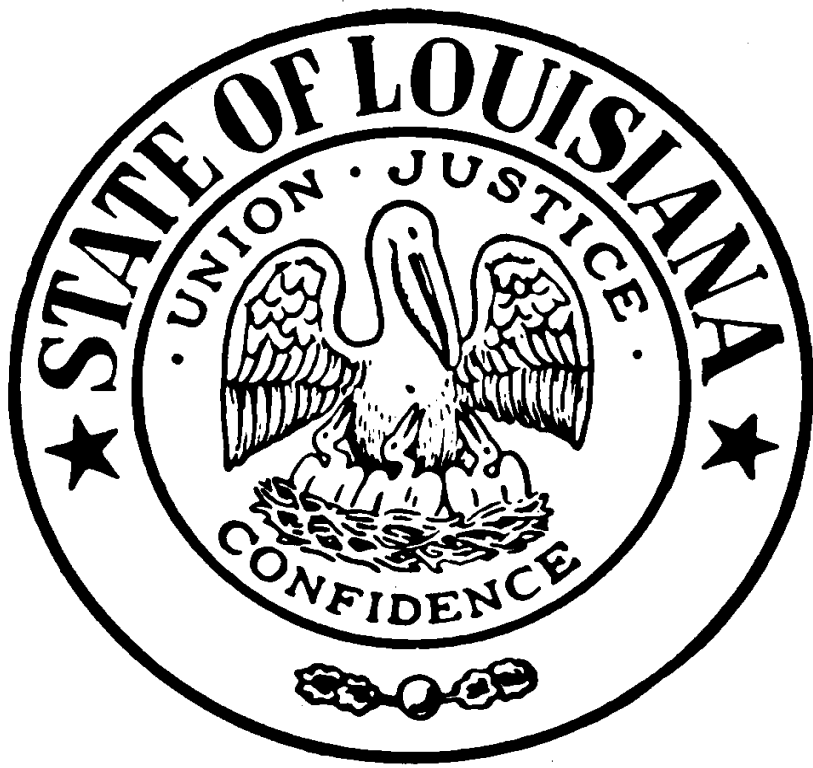
Respectfully submitted,

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

Daryl G. Purpera, CPA, CFE
Legislative Auditor

BF:BQD:EFS:ch

CAFR2017



MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) of the financial performance of the State of Louisiana presents a narrative overview and analysis of the financial activities of the State for the year ended June 30, 2017. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Transmittal Letter presented on pages 1-6 and the financial statements of the State, which begin on page 28.

FINANCIAL HIGHLIGHTS

- The State's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$6.3 billion, an increase of 4.7% from the prior fiscal year.
- The increase in net position was attributable to the State's governmental activities, which experienced a \$285.4 million increase in net position, and its business-type activities experienced a \$1.3 million decrease in net position.
- Actual budgetary basis revenues of General Fund taxes, licenses and fees exceeded actual expenditures resulting in an approximate \$123 million surplus at the end of fiscal year 2017.
- The State's outstanding bonds decreased by \$81.7 million due to bond payments, bond refundings, and bond defeasance exceeding new issues of debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Reporting the State as a Whole

Government-wide Financial Statements

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

Two financial statements are presented beginning on page 28 to assist the reader in assessing the State's financial position as a whole. First, the Statement of Net Position, presents the State's financial position – called net position – as of the fiscal year-end. Second, the Statement of Activities, details whether net position has improved or deteriorated since the prior year-end.

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

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

State of Louisiana

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

Component Units – Component units are legally separate organizations for which the elected officials of the government are financially accountable or have significant influence in governing board appointments. Among the component units included are public colleges and universities, the Louisiana Lottery Corporation, and others. For a list of the component units included in the government-wide statements, see Note 1 (page 45) of the notes to the basic financial statements.

Reporting the State’s Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 31 and provide more detailed information than the government-wide statements by providing information about the most significant funds of the State – not the State as a whole. The three categories into which the funds of the State can be classified are governmental funds, proprietary funds, and fiduciary funds.

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45 – 117 of this report.

Required Supplementary Information (RSI)

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

Other Information

The CAFR also includes other information that is not part of the basic financial statements or required by the GASB. This information is included for additional analysis and is comprised of the Fund Combining Statements (pages 134 – 167), the budgetary comparison schedule for the Bond Security and Redemption Fund (page 131), and the Statistical Section.

THE STATE AS A WHOLE

Government-wide Financial Analysis

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

Condensed Statement of Net Position

(in thousands)

| | Governmental Activities | | Business-type Activities | | Primary Government | |
|--------------------------------------|-------------------------|---------------|--------------------------|--------------|--------------------|---------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Current and other assets | \$ 12,026,281 | \$ 10,894,308 | \$ 2,421,931 | \$ 2,507,540 | \$ 14,448,212 | \$ 13,401,848 |
| Capital Assets | 15,361,760 | 15,385,659 | 1,006,953 | 936,479 | 16,368,713 | 16,322,138 |
| Total Assets | 27,388,041 | 26,279,967 | 3,428,884 | 3,444,019 | 30,816,925 | 29,723,986 |
| Total Deferred Outflows of Resources | 2,094,340 | 1,361,463 | 112,978 | 75,164 | 2,207,318 | 1,436,627 |
| Other Liabilities | 5,092,598 | 4,389,185 | 75,839 | 79,969 | 5,168,437 | 4,469,154 |
| Long-term debt outstanding | 19,751,282 | 18,965,771 | 1,366,517 | 1,328,243 | 21,117,799 | 20,294,014 |
| Total Liabilities | 24,843,880 | 23,354,956 | 1,442,356 | 1,408,212 | 26,286,236 | 24,763,168 |
| Total Deferred Inflows of Resources | 375,101 | 308,429 | 19,642 | 29,841 | 394,743 | 338,270 |
| Net Investment in Capital Assets | 11,641,540 | 11,664,584 | 446,609 | 429,685 | 12,088,149 | 12,094,269 |
| Restricted | 4,571,712 | 4,656,885 | 1,127,101 | 1,109,109 | 5,698,813 | 5,765,994 |
| Unrestricted | (11,949,852) | (12,343,424) | 506,154 | 542,336 | (11,443,698) | (11,801,088) |
| Total Net Position | \$ 4,263,400 | \$ 3,978,045 | \$ 2,079,864 | \$ 2,081,130 | \$ 6,343,264 | \$ 6,059,175 |

As noted earlier, net position over time may serve as a useful indicator of a government's financial health. In the case of Louisiana, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$6.3 billion, at the close of the fiscal year. The largest portion of Louisiana's net position, \$12.1 billion, reflects its investment in capital assets (e.g., land, roads, buildings, machinery, and equipment), less any related outstanding debt that was issued to acquire those assets. The State uses these assets to provide services to residents of the State, and consequently are not available for future spending. Although the State's investment in capital assets is reported net of related debt, this debt must be paid from other sources since the capital assets themselves cannot be used to liquidate these liabilities. An additional \$5.7 billion of Louisiana's net position is subject to external restrictions. These restricted amounts are only available for spending as provided for by law and/or contract and grant agreements.

The remaining portion of net position is considered to be unrestricted. Any positive amounts reported for unrestricted net position could be used to meet Louisiana's ongoing obligations to its citizens and creditors. This year, however, Louisiana's net investment in capital assets and restricted assets and deferred outflows of resources less its restricted liabilities and deferred inflows of resources exceeded the State's total net position resulting in the State reporting unrestricted net position of negative \$11.4 billion. The State's negative unrestricted net position is mainly caused by the following:

- A net pension liability and pension-related deferred inflows and outflows for the State's participation in various defined benefit plans of approximately \$5.6 billion.
- The effect of continued issuance of long-term debt to fund annual expenses for capital grants to other entities of approximately \$3.3 billion.
- A liability for post-employment benefits other than pensions of \$3.0 billion attributable to continuous under-fundings of annual required contributions.
- Unfunded reserves for incurred claims payable to outside parties for worker's compensation, disallowed costs, and various law suits of approximately \$2.0 billion.

State of Louisiana

Condensed Statement of Activities

(in thousands)

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|-------------------------|---------------------|--------------------------|---------------------|--------------------------|---------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 2,449,907 | \$ 2,451,399 | \$ 487,506 | \$ 483,146 | \$ 2,937,413 | \$ 2,934,545 |
| Operating Grants & Contributions | 14,464,231 | 10,614,966 | 168,135 | 183,245 | 14,632,366 | 10,798,211 |
| Capital Grants & Contributions | 607,380 | 686,918 | 56,539 | 67,147 | 663,919 | 754,065 |
| General Revenues: | | | | | | |
| Income Taxes | 3,187,322 | 3,330,491 | -- | -- | 3,187,322 | 3,330,491 |
| Sales & Use Taxes | 4,335,828 | 3,294,191 | -- | -- | 4,335,828 | 3,294,191 |
| Other Taxes | 2,518,424 | 2,093,893 | -- | -- | 2,518,424 | 2,093,893 |
| Other | 1,460,521 | 1,578,408 | 595 | 949 | 1,461,116 | 1,579,357 |
| Total Revenues | <u>29,023,613</u> | <u>24,050,266</u> | <u>712,775</u> | <u>734,487</u> | <u>29,736,388</u> | <u>24,784,753</u> |
| Expenses | | | | | | |
| Governmental Activities: | | | | | | |
| General Government | 2,527,768 | 2,625,646 | -- | -- | 2,527,768 | 2,625,646 |
| Culture, Recreation & Tourism | 103,386 | 112,186 | -- | -- | 103,386 | 112,186 |
| Transportation & Development | 1,560,415 | 1,446,159 | -- | -- | 1,560,415 | 1,446,159 |
| Public Safety | 1,872,279 | 886,259 | -- | -- | 1,872,279 | 886,259 |
| Health & Welfare | 14,044,785 | 11,287,812 | -- | -- | 14,044,785 | 11,287,812 |
| Corrections | 713,713 | 670,100 | -- | -- | 713,713 | 670,100 |
| Youth Development | 91,636 | 78,435 | -- | -- | 91,636 | 78,435 |
| Conservation & Environment | 550,652 | 571,969 | -- | -- | 550,652 | 571,969 |
| Education | 6,147,844 | 6,184,322 | -- | -- | 6,147,844 | 6,184,322 |
| Agriculture & Forestry | 89,613 | 83,850 | -- | -- | 89,613 | 83,850 |
| Economic Development | 259,836 | 256,067 | -- | -- | 259,836 | 256,067 |
| Military & Veterans Affairs | 183,731 | 171,718 | -- | -- | 183,731 | 171,718 |
| Workforce Support & Training | 251,137 | 257,060 | -- | -- | 251,137 | 257,060 |
| Interest on Long-term Debt | 289,139 | 258,062 | -- | -- | 289,139 | 258,062 |
| Business-Type Activities: | | | | | | |
| Higher Education | -- | -- | 488,498 | 478,874 | 488,498 | 478,874 |
| Lending & Financing Activities | -- | -- | 24,749 | 29,311 | 24,749 | 29,311 |
| Property Assistance | -- | -- | 9,892 | 7,866 | 9,892 | 7,866 |
| Prison Enterprises | -- | -- | 29,230 | 30,489 | 29,230 | 30,489 |
| Regulation & Oversight | -- | -- | 48,926 | 45,699 | 48,926 | 45,699 |
| Unemployment Insurance | -- | -- | 242,249 | 251,175 | 242,249 | 251,175 |
| Total Expenses | <u>28,685,934</u> | <u>24,889,645</u> | <u>843,544</u> | <u>843,414</u> | <u>29,529,478</u> | <u>25,733,059</u> |
| Net Increase (Decrease) before Extraordinary Item & Transfers | 337,679 | (839,379) | (130,769) | (108,927) | 206,910 | (948,306) |
| Extraordinary Item | -- | 1,000,000 | -- | -- | -- | 1,000,000 |
| Transfers In (Out) | (124,701) | (153,459) | 124,701 | 153,459 | -- | -- |
| Net Increase (Decrease) | <u>212,978</u> | <u>7,162</u> | <u>(6,068)</u> | <u>44,532</u> | <u>206,910</u> | <u>51,694</u> |
| Net Position - Beginning, as Restated | 4,050,422 | 3,970,883 | 2,085,932 | 2,036,598 | 6,136,354 | 6,007,481 |
| Net Position - Ending | <u>\$ 4,263,400</u> | <u>\$ 3,978,045</u> | <u>\$ 2,079,864</u> | <u>\$ 2,081,130</u> | <u>\$ 6,343,264</u> | <u>\$ 6,059,175</u> |

Louisiana's overall net position increased by \$206.9 million from the prior fiscal year. The following contributed to the changes in the state's net position:

- *The increased federal revenue of \$1.2 billion due to the recent natural disasters, including the March 2016 and August 2016 floods.* The increase in revenue is due to a significant increase in the estimated amounts to be paid to subrecipients for disaster relief activities and the amounts that will be received from Federal Emergency Management Agency (FEMA). Record flooding occurred along a sizable stretch of the Sabine River along the Texas/Louisiana border and other areas of Louisiana experienced flooding when 26 inches of rain fell in a 3 day period in March 2016. Then in August 2016, prolonged rainfall in southern parts of Louisiana resulted in catastrophic flooding that submerged thousands of houses and businesses. The governor declared a state of emergency and FEMA provided disaster aid.

- *An increase of net pension liability of \$989 million.*
- *The funding of post-employment benefits other than pensions (OPEB) on a pay-as-you-go basis.* Under this funding methodology, no contributions are made to fund future OPEB payments that have been earned by employees. Rather, OPEB are paid as they become due. The State records annual OPEB cost equal to under-fundings of the annual required contributions (ARC). The ARC is an actuarially determined amount that is equal to the discounted present value of the future OPEB earned by active employees during the year plus an amount to amortize prior under-fundings. The State's OPEB cost increased by smaller amounts in the current fiscal year. The State's annual OPEB cost was \$320 million and the increase in the net OPEB obligation was \$100 million.

THE STATE'S FUNDS

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

Governmental Funds

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

Fiscal year 2017 saw the results of the tax increases that were passed and enacted in recent legislative sessions. The tax with the largest percentage change was the general sales tax (or the penny sales tax), which increased the sales tax rate from 4% to 5%. Also, the excise license tax (insurance premium tax) increased because of the tax rates for the Health Maintenance Organizations (HMOs). The state also received federal FEMA reimbursements relating to the devastating floods of 2016 and other natural disasters. Fiscal year 2017 also saw decreases to some revenue streams. The decreases in collections happened mainly in mineral revenue and in the interest earnings.

In January of 2016 the governor signed Executive Order 16-01 expanding the Managed Care and Medicaid Program, which is an entitlement program. As the expenditures for Medicaid increase so do the draws for the associated federal financial participation. General fund expenditures increased by \$3.4 billion while revenues increased by approximately \$3.8 billion from the previous year. A large portion of this increase is due to the Medicaid expansion.

The fund balance in the Capital Outlay Escrow Fund increased by \$77.6 million as transfers from the General Fund and the Transportation Infrastructure Model for Economic Development (TIMED) Fund and proceeds from general obligation bonds issued during the year exceeded expenditures for highway and road construction and maintenance. The fund balance for nonmajor governmental funds increased by \$46.5 million. The increase was driven largely by activity in the Transportation Trust Fund (TTF), due to increased revenue collections for gasoline taxes and motor vehicle license taxes, which increased its fund balance by \$35.6 million.

Enterprise Funds

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

- The Louisiana Community and Technical Colleges System (LCTCS) experienced an increase in net position of \$26.0 million due mainly to an increase of \$80.2 in capital assets offset partially by decreases in investments. \$72.4 million of the capital asset increase is a result of capital improvements and enhancement to certain LCTCS facilities authorized by Act 360 of the 2013 Regular Session.

State of Louisiana

- Long-term liabilities increased by \$38.3 million mainly due to an increase of Net Pension and OPEB Liability for LCTCS of \$53.6 million. This was partially offset by a decrease in bonds payable of \$16.3 million at LCTCS and \$14.8 million in other non-major enterprise funds.
- Net position for aggregate remaining nonmajor enterprise funds decreased by \$25.1 million due to a decrease in the net position in the Louisiana Gulf Opportunity Loan Fund from the transfer of loan proceeds to the Bond Security and Redemption Fund, which was used in part to aid in balancing the FY 17 mid-year budget shortfall.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

The fiscal year ended in a surplus because revenues forecasted by the REC were higher than budgeted expenditures. This is mainly due to the increases in taxes and reductions in tax credits passed by the legislature during the First and Second Extraordinary Legislative Sessions of 2016, as well as the increased federal disaster relief related to the 2016 flood (The Great Flood). A majority of these increases were projected in the fiscal year 2017 original budget.

Despite several factors, the final budgeted expenditures for the General Fund was \$353.7 million greater than the budgeted expenditures originally appropriated by the Legislature, while the final revenues were \$220 million higher than originally appropriated. A portion of this increase, \$191.5 million, is due to budget adjustments related to the Medicaid Expansion. Also, in January 2017, the REC recognized a shortfall in the fiscal year 2017 budget. In order to address the shortfall in the timeframe required by law, the governor called the legislature into a special session in February 2017. Act 34 of the 2017 First Extraordinary Session resolved the short fall through adjustments to the budget including the transfer of \$99 million from the Budget Stabilization Fund.

Actual budgetary basis General Fund expenditures were \$1.8 billion lower than final budgeted amounts. This variance is due in part to forecasts for budgeted expenditures of federal receipts which are largely based on remaining grant balances. Since the entire remaining allocations of grants are rarely spent within one year, budgeted amounts are inflated relative to actuals. Additional reasons that actual budgeted revenues and expenditures are lower than final budgeted amounts include a less than expected number of recipients enrolled in the Medicaid program and a less than expected level of federal disaster recovery activity from the 2016 Great Flood.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year, the State had \$16.4 billion invested in a broad range of capital assets. This amount represents a net increase of \$46.6 million, or 0.3%, from the prior year.

State of Louisiana

Capital Assets

(net of depreciation and amortization in thousands)

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|-------------------------------|-------------------------|---------------|--------------------------|------------|--------------------------|---------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Land | \$ 2,265,842 | \$ 2,231,607 | \$ 60,201 | \$ 51,427 | \$ 2,326,043 | \$ 2,283,034 |
| Building & Improvements (Net) | 1,577,580 | 1,611,328 | 455,825 | 415,728 | 2,033,405 | 2,027,056 |
| Machinery & Equipment (Net) | 109,385 | 120,591 | 37,377 | 40,536 | 146,762 | 161,127 |
| Infrastructure (Net) | 9,894,776 | 9,944,401 | 310,066 | 318,467 | 10,204,842 | 10,262,868 |
| Intangible Assets (Net) | 31,953 | 37,747 | 9,714 | 11,142 | 41,667 | 48,889 |
| Construction in Progress | 1,482,224 | 1,439,985 | 133,770 | 99,179 | 1,615,994 | 1,539,164 |
| Total | \$ 15,361,760 | \$ 15,385,659 | \$ 1,006,953 | \$ 936,479 | \$ 16,368,713 | \$ 16,322,138 |

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

Infrastructure for governmental activities decreased by approximately \$49.6 million. DOTD manages dozens of state and federal programs to ensure the safety and efficiency of Louisiana's transportation systems. The various programs include the Geaux South program, which is a \$3 billion multi-year construction initiative. Much of the program is complete; however, some of the projects are still underway, which includes a \$57.1 million design-build project that involves widening U.S. 90 to six lanes. The Geaux South program supports economic growth, improves access, reduces traffic congestion, and improves connectivity throughout the state's transportation system.

The state is continuing to install cable barriers throughout the state. Cable barriers are a safety feature designed to deflect a vehicle that enters the median, keeping it from potentially crossing over into oncoming traffic. Currently there are approximately 181 miles of cable barriers being installed along various interstates and roadways at a cost of nearly \$26 million.

Refer to Note 5 – "Capital Assets" on page 78 for more details of the changes in capital assets.

Debt Administration

The State's bonded debt decreased by \$81.7 million, or -1.0%, from the prior year. Presented below is a table comparing outstanding bonds for the current and prior year.

State of Louisiana

Outstanding Debt General Obligation and Revenue Bonds (in thousands)

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|----------------------------------|-------------------------|--------------|--------------------------|------------|--------------------------|--------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| General obligation bonds | \$ 3,565,590 | \$ 3,510,155 | \$ -- | \$ -- | \$ 3,565,590 | \$ 3,510,155 |
| Revenue bonds and notes | 3,726,351 | 3,860,817 | 580,540 | 611,000 | 4,306,891 | 4,471,817 |
| Unamortized discounts & premiums | 647,035 | 618,638 | 24,608 | 25,193 | 671,643 | 643,831 |
| Total | \$ 7,938,976 | \$ 7,989,610 | \$ 605,148 | \$ 636,193 | \$ 8,544,124 | \$ 8,625,803 |

The State's bonded debt for its governmental activities was driven largely by the issuance of \$564.2 million in general obligation bonds. The Bond Anticipation Notes was refunded by Series 2016-A. In addition, the state issued Series 2017-A for Gasoline and Fuels Tax Refunding Bond, to refund Series 2013-B-1 in the amount of \$200 million. Bonded debt decreased for the State's business-type activities since no new debt was issued and debt service payments reduced the outstanding principal.

The State's credit rating was downgraded by Standard & Poor's Ratings Services in March 2017 from AA to AA- with a negative outlook. Moody's rating remained at Aa3 with a negative outlook and Fitch Ratings remained at AA- with a stable outlook. Additional details on long-term debt, including a discussion of debt authorization and limitations are included in Note 8, Long-term Obligations (page 92).

A LOOK FORWARD

While the State General Fund appropriation decreased for fiscal year 2018, there are other initiatives that are either not fully funded or substantially reduced in comparison to fiscal year 2017. Some of these initiatives along with other currently known factors that will affect the State's net position for fiscal year 2018 include:

- Based on actuarial valuations dated June 30, 2017, the State's net pension liability will decrease due to the increased rate of return on the retirement systems' investments in FY 2017.
- The State continues to fund other post-employment benefits on a pay-as-you-go basis. The State's net position will decrease during fiscal year 2018 due to the recognition of the entire OPEB liability on the government-wide statements for the first time with the implementation of GASB Statement No. 75.
- As of August 2017, the majority of the available bond proceeds in the Capital Outlay Escrow Fund had been spent. However, expenditures continued to be made using cash lines of credit which necessitated another bond issuance, which occurred in September 2017. Net position is expected to decrease during fiscal year 2018 to the extent that the grant expenses fund from newly issued bonds exceed retirement of bond principal.

More than \$1 billion in temporary taxes passed by lawmakers in 2016, mainly a 1 percent state sales tax, is set to expire on June 30, 2018, thus creating an estimated deficit exceeding \$1 billion. At the time the temporary taxes were approved, officials described it as a short-term fix to pay for services while they worked on a larger plan to overhaul Louisiana's tax structure. However, there hasn't been any legislation passed yet to resolve the future budget deficit.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**



State of Louisiana

STATEMENT OF NET POSITION

JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | PRIMARY GOVERNMENT | | | COMPONENT UNITS |
|---|----------------------------|-----------------------------|-----------------------------|--------------------|
| | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL PRIMARY GOVERNMENT | |
| ASSETS | | | | |
| CASH & CASH EQUIVALENTS | \$ 2,001,282 | \$ 1,555,342 | \$ 3,556,624 | \$ 1,385,425 |
| INVESTMENTS | 3,680,930 | 97,589 | 3,778,519 | 2,602,947 |
| RECEIVABLES (NET) | 3,160,699 | 86,856 | 3,247,555 | 5,137,723 |
| AMOUNTS DUE FROM PRIMARY GOVERNMENT | -- | -- | -- | 53,239 |
| AMOUNTS DUE FROM COMPONENT UNITS | 34,319 | -- | 34,319 | -- |
| DUE FROM FEDERAL GOVERNMENT | 2,771,810 | 14,881 | 2,786,691 | 76,179 |
| INVENTORIES | 73,996 | 6,864 | 80,860 | 16,262 |
| PREPAYMENTS | 304,247 | 1,030 | 305,277 | 33,681 |
| INTERNAL BALANCES | (1,066) | 1,066 | -- | -- |
| NOTES RECEIVABLES | -- | 653,391 | 653,391 | 465,421 |
| OTHER ASSETS | 64 | 4,912 | 4,976 | 268,115 |
| CAPITAL ASSETS (NOTE 5) | | | | |
| LAND | 2,265,842 | 60,201 | 2,326,043 | 276,421 |
| BUILDING & IMPROVEMENTS (NET) | 1,577,580 | 455,825 | 2,033,405 | 3,721,794 |
| MACHINERY & EQUIPMENT (NET) | 109,385 | 37,377 | 146,762 | 378,880 |
| INFRASTRUCTURE (NET) | 9,894,776 | 310,066 | 10,204,842 | 403,801 |
| INTANGIBLE ASSETS (NET) | 31,953 | 9,714 | 41,667 | 19,821 |
| CONSTRUCTION IN PROGRESS | 1,482,224 | 133,770 | 1,615,994 | 498,442 |
| TOTAL ASSETS | 27,388,041 | 3,428,884 | 30,816,925 | 15,338,151 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| ACCRUED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVES | 33,189 | -- | 33,189 | -- |
| DEFERRED AMOUNTS ON DEBT REFUNDING | 259,104 | -- | 259,104 | 82,768 |
| PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES | 1,802,047 | 112,978 | 1,915,025 | 795,491 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 2,094,340 | 112,978 | 2,207,318 | 878,259 |
| LIABILITIES | | | | |
| ACCOUNTS PAYABLE | 2,265,872 | 40,295 | 2,306,167 | 269,610 |
| ACCRUED INTEREST | 72,849 | 2,148 | 74,997 | 68 |
| DERIVATIVE INSTRUMENTS | 33,189 | -- | 33,189 | -- |
| AMOUNTS DUE TO PRIMARY GOVERNMENT | -- | -- | -- | 34,319 |
| AMOUNTS DUE TO COMPONENT UNITS | 53,239 | -- | 53,239 | -- |
| DUE TO FEDERAL GOVERNMENT | 591,121 | 9,067 | 600,188 | 9,924 |
| DUE TO LOCAL GOVERNMENTS | 1,135,706 | -- | 1,135,706 | -- |
| UNEARNED REVENUES | 369,545 | 13,224 | 382,769 | 4,348,872 |
| TAX REFUNDS PAYABLE | 370,326 | -- | 370,326 | -- |
| UNCLAIMED PROPERTY LIABILITY | 175,793 | -- | 175,793 | -- |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | 24,901 | 2,610 | 27,511 | 40,850 |
| OTHER LIABILITIES | 57 | 8,495 | 8,552 | 49,324 |
| CURRENT PORTION OF LONG-TERM LIABILITIES (NOTE 8): | | | | |
| CONTRACTS PAYABLE | 5,611 | -- | 5,611 | 3,381 |
| COMPENSATED ABSENCES PAYABLE | 15,639 | 1,817 | 17,456 | 19,241 |
| CAPITAL LEASE OBLIGATIONS | -- | 90 | 90 | 6,345 |
| NOTES PAYABLE | 2,056 | -- | 2,056 | 11,241 |
| BONDS PAYABLE | 412,077 | 26,301 | 438,378 | 336,668 |
| POLLUTION REMEDIATION OBLIGATIONS | 5,113 | -- | 5,113 | 70 |
| ESTIMATED LIABILITY FOR CLAIMS | 237,439 | -- | 237,439 | 40,559 |
| OTHER LONG-TERM LIABILITIES | 4,065 | 7,449 | 11,514 | 71,392 |
| NONCURRENT PORTION OF LONG-TERM LIABILITIES (NOTE 8): | | | | |
| CONTRACTS PAYABLE | -- | -- | -- | 37 |
| COMPENSATED ABSENCES PAYABLE | 183,093 | 19,079 | 202,172 | 135,874 |
| CAPITAL LEASE OBLIGATIONS | -- | 2,655 | 2,655 | 33,550 |
| NOTES PAYABLE | 3,192 | -- | 3,192 | 97,451 |
| BONDS PAYABLE | 7,526,899 | 578,847 | 8,105,746 | 3,126,147 |
| NET OPEB OBLIGATION | 2,830,599 | 196,407 | 3,027,006 | 1,840,299 |
| NET PENSION LIABILITY | 6,599,089 | 533,872 | 7,132,961 | 3,697,062 |
| POLLUTION REMEDIATION OBLIGATIONS | 13,995 | -- | 13,995 | -- |
| ESTIMATED LIABILITY FOR CLAIMS | 1,803,729 | -- | 1,803,729 | 2,126 |
| OTHER LONG-TERM LIABILITIES | 108,686 | -- | 108,686 | 93,693 |
| TOTAL LIABILITIES | 24,843,880 | 1,442,356 | 26,286,236 | 14,268,103 |

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

State of Louisiana

| | PRIMARY GOVERNMENT | | | COMPONENT UNITS |
|--|----------------------------|-----------------------------|-----------------------------|---------------------|
| | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL PRIMARY GOVERNMENT | |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| DEFERRED AMOUNTS ON DEBT REFUNDING | -- | 6,595 | 6,595 | 440 |
| GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS | -- | -- | -- | 4,212 |
| PENSION-RELATED DEFERRED INFLOWS OF RESOURCES | 375,101 | 13,047 | 388,148 | 249,538 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 375,101 | 19,642 | 394,743 | 254,190 |
| NET POSITION | | | | |
| NET INVESTMENT IN CAPITAL ASSETS | 11,641,540 | 446,609 | 12,088,149 | 3,400,446 |
| RESTRICTED FOR: | | | | |
| EXPENDABLE: | | | | |
| ADMINISTRATION & REGULATORY OVERSIGHT | 65,214 | -- | 65,214 | -- |
| AGRICULTURE & FORESTRY PROGRAMS | 444 | -- | 444 | -- |
| BUDGET STABILIZATION | 286,793 | -- | 286,793 | -- |
| CAPITAL PROJECTS | 374,988 | -- | 374,988 | 31,989 |
| CONSERVATION & ENVIRONMENT PROGRAMS: | | | | |
| ARTIFICIAL REEF DEVELOPMENT | 19,949 | -- | 19,949 | -- |
| COASTAL PROTECTION & RESTORATION | 197,915 | -- | 197,915 | -- |
| OILFIELD SITE RESTORATION | 21,685 | -- | 21,685 | -- |
| WILDLIFE & FISHERIES CONSERVATION | 162,946 | -- | 162,946 | -- |
| OTHER CONSERVATION & ENVIRONMENT PROGRAMS | 5,284 | -- | 5,284 | -- |
| CORRECTIONS PROGRAMS | 3,391 | -- | 3,391 | -- |
| CULTURE, RECREATION, & TOURISM PROGRAMS | 4,237 | -- | 4,237 | -- |
| DEBT SERVICE | 250,782 | -- | 250,782 | 234,107 |
| ECONOMIC DEVELOPMENT PROGRAMS | 2,899 | -- | 2,899 | -- |
| EDUCATION PROGRAMS: | | | | |
| MINIMUM FOUNDATION PROGRAM | 81,136 | -- | 81,136 | -- |
| OTHER EDUCATION PROGRAMS | 321,210 | -- | 321,210 | -- |
| ENDOWMENTS - EXPENDABLE | -- | 2,191 | 2,191 | 1,112,059 |
| HEALTH & WELFARE PROGRAMS: | | | | |
| STATE MEDICAID MATCH | 15,264 | -- | 15,264 | -- |
| OTHER HEALTH & WELFARE PROGRAMS | 66,389 | -- | 66,389 | -- |
| MILITARY & VETERANS AFFAIRS PROGRAMS | 21,423 | -- | 21,423 | -- |
| OTHER PURPOSES | 2 | 137,335 | 137,337 | 508,041 |
| TRANSPORTATION & DEVELOPMENT PROGRAMS | 1,818 | -- | 1,818 | -- |
| UNEMPLOYMENT COMPENSATION | 9 | 980,951 | 980,960 | -- |
| WORKFORCE SUPPORT & TRAINING PROGRAMS | 3,240 | -- | 3,240 | -- |
| YOUTH PROGRAMS | 910 | -- | 910 | -- |
| NONEXPENDABLE: | | | | |
| CULTURE, RECREATION, & TOURISM PROGRAMS | 100 | -- | 100 | -- |
| EDUCATION PROGRAMS | 2,197,385 | -- | 2,197,385 | -- |
| ENDOWMENTS | -- | 6,624 | 6,624 | 869,776 |
| HEALTH & WELFARE PROGRAMS | 466,299 | -- | 466,299 | -- |
| UNRESTRICTED | (11,949,852) | 506,154 | (11,443,698) | (4,462,301) |
| TOTAL NET POSITION | \$ 4,263,400 | \$ 2,079,864 | \$ 6,343,264 | \$ 1,694,117 |

State of Louisiana

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| FUNCTIONS/PROGRAMS | EXPENSES | PROGRAM REVENUES | | | NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION | | | COMPONENT UNITS |
|--|----------------------|----------------------|----------------------------------|--------------------------------|---|--------------------------|---------------------|------------------|
| | | CHARGES FOR SERVICES | OPERATING GRANTS & CONTRIBUTIONS | CAPITAL GRANTS & CONTRIBUTIONS | PRIMARY GOVERNMENT | | | |
| | | | | | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL | |
| PRIMARY GOVERNMENT: | | | | | | | | |
| GOVERNMENTAL ACTIVITIES: | | | | | | | | |
| GENERAL GOVERNMENT | \$ 2,527,768 | \$ 1,305,131 | \$ 351,731 | \$ -- | \$ (870,906) | | \$ (870,906) | |
| CULTURE, RECREATION & TOURISM | 103,386 | 15,021 | 14,137 | -- | (74,228) | | (74,228) | |
| TRANSPORTATION & DEVELOPMENT | 1,560,415 | 181,040 | 162,033 | 605,424 | (611,918) | | (611,918) | |
| PUBLIC SAFETY | 1,872,279 | 321,562 | 1,375,382 | -- | (175,335) | | (175,335) | |
| HEALTH & WELFARE | 14,044,785 | 291,734 | 10,812,009 | -- | (2,941,042) | | (2,941,042) | |
| CORRECTIONS | 713,713 | 39,170 | 29,317 | -- | (645,226) | | (645,226) | |
| YOUTH DEVELOPMENT | 91,636 | 1,215 | 677 | -- | (89,744) | | (89,744) | |
| CONSERVATION & ENVIRONMENT | 550,652 | 168,717 | 241,157 | 990 | (139,788) | | (139,788) | |
| EDUCATION | 6,147,844 | 6,009 | 1,172,959 | -- | (4,968,876) | | (4,968,876) | |
| AGRICULTURE & FORESTRY | 89,613 | 20,153 | 53,562 | -- | (15,898) | | (15,898) | |
| ECONOMIC DEVELOPMENT | 259,836 | 5,513 | 9,957 | -- | (244,366) | | (244,366) | |
| MILITARY & VETERANS AFFAIRS | 183,731 | 16,404 | 100,829 | 966 | (65,532) | | (65,532) | |
| WORKFORCE SUPPORT & TRAINING | 251,137 | 78,238 | 140,481 | -- | (32,418) | | (32,418) | |
| INTEREST ON LONG-TERM DEBT | 289,139 | -- | -- | -- | (289,139) | | (289,139) | |
| TOTAL GOVERNMENTAL ACTIVITIES | 28,685,934 | 2,449,907 | 14,464,231 | 607,380 | (11,164,416) | | (11,164,416) | |
| BUSINESS-TYPE ACTIVITIES: | | | | | | | | |
| HIGHER EDUCATION | 488,498 | 150,683 | 166,361 | 29,728 | | \$ (141,726) | (141,726) | |
| LENDING & FINANCING ACTIVITIES | 24,749 | 18,521 | 700 | 26,811 | | 21,283 | 21,283 | |
| PROPERTY ASSISTANCE | 9,892 | 7,247 | -- | -- | | (2,645) | (2,645) | |
| PRISON ENTERPRISES | 29,230 | 28,098 | -- | -- | | (1,132) | (1,132) | |
| REGULATION & OVERSIGHT | 48,926 | 48,703 | 9 | -- | | (214) | (214) | |
| UNEMPLOYMENT INSURANCE | 242,249 | 234,254 | 1,065 | -- | | (6,930) | (6,930) | |
| TOTAL BUSINESS-TYPE ACTIVITIES | 843,544 | 487,506 | 168,135 | 56,539 | | (131,364) | (131,364) | |
| TOTAL PRIMARY GOVERNMENT | \$ 29,529,478 | \$ 2,937,413 | \$ 14,632,366 | \$ 663,919 | (11,164,416) | (131,364) | (11,295,780) | |
| TOTAL DISCRETELY PRESENTED COMPONENT UNITS | | | | | | | | |
| | \$ 5,471,594 | \$ 2,787,734 | \$ 1,143,210 | \$ 189,072 | | | | \$ (1,351,578) |
| GENERAL REVENUES: | | | | | | | | |
| CORPORATE INCOME TAXES | | | | | 313,977 | | 313,977 | |
| INDIVIDUAL INCOME TAXES | | | | | 2,873,345 | | 2,873,345 | |
| SALES & USE TAXES | | | | | 4,335,828 | | 4,335,828 | |
| SEVERANCE TAXES | | | | | 384,866 | | 384,866 | |
| TOBACCO TAXES | | | | | 314,307 | | 314,307 | |
| FRANCHISE TAXES | | | | | 97,124 | | 97,124 | |
| GAS & FUELS TAXES, restricted for transportation | | | | | 639,493 | | 639,493 | |
| INSURANCE PREMIUM TAXES | | | | | 888,386 | | 888,386 | |
| ALCOHOL TAXES | | | | | 77,468 | | 77,468 | |
| OCCUPANCY TAXES | | | | | 60,613 | | 60,613 | |
| OTHER TAXES | | | | | 56,167 | | 56,167 | |
| UNCLAIMED PROPERTY | | | | | 59,637 | | 59,637 | |
| GAMING | | | | | 864,754 | | 864,754 | |
| USE OF MONEY & PROPERTY | | | | | 536,130 | 595 | 536,725 | |
| UNRESTRICTED PAYMENTS FROM PRIMARY GOVERNMENT | | | | | -- | -- | -- | 1,161,616 |
| OTHER GENERAL REVENUES | | | | | -- | -- | -- | 779,822 |
| ADDITIONS TO PERMANENT ENDOWMENTS | | | | | -- | -- | -- | 23,972 |
| TRANSFERS | | | | | (124,701) | 124,701 | -- | -- |
| TOTAL GENERAL REVENUES, ADDITIONS TO PERMANENT ENDOWMENTS, EXTRAORDINARY ITEMS, AND TRANSFERS | | | | | 11,377,394 | 125,296 | 11,502,690 | 1,965,410 |
| CHANGE IN NET POSITION | | | | | 212,978 | (6,068) | 206,910 | 613,832 |
| NET POSITION - BEGINNING AS RESTATED | | | | | 4,050,422 | 2,085,932 | 6,136,354 | 1,080,285 |
| NET POSITION - ENDING | | | | | \$ 4,263,400 | \$ 2,079,864 | \$ 6,343,264 | \$ 1,694,117 |

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

**GOVERNMENTAL FUND
FINANCIAL STATEMENTS**

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Major Funds

GENERAL FUND

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

BOND SECURITY AND REDEMPTION FUND

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

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

LOUISIANA EDUCATION QUALITY TRUST FUND

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

CAPITAL OUTLAY ESCROW FUND

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

State of Louisiana

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | GENERAL FUND | BOND SECURITY & REDEMPTION FUND | CAPITAL OUTLAY ESCROW FUND | LOUISIANA EDUCATION QUALITY TRUST FUND | NONMAJOR GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|--|---------------------|--|-------------------------------------|--|-----------------------------------|--------------------------------|
| ASSETS: | | | | | | |
| CASH & CASH EQUIVALENTS | \$ 1,292,632 | \$ 258,108 | \$ 320,717 | \$ -- | \$ 112,321 | \$ 1,983,778 |
| INVESTMENTS | 268,940 | -- | 9,201 | 1,409,387 | 1,955,186 | 3,642,714 |
| RECEIVABLES (NET) | 443,466 | 1,592,128 | 1,170 | 1 | 13,630 | 2,050,395 |
| DUE FROM OTHER FUNDS | 1,193,593 | 320,255 | 189,792 | 597 | 104,492 | 1,808,729 |
| AMOUNTS DUE FROM COMPONENT UNITS | 20,950 | 13,369 | -- | -- | -- | 34,319 |
| DUE FROM FEDERAL GOVERNMENT | 2,614,607 | -- | 3,685 | -- | 69,374 | 2,687,666 |
| INVENTORIES | 72,521 | -- | -- | -- | -- | 72,521 |
| PREPAYMENTS | 300,978 | -- | -- | -- | -- | 300,978 |
| OTHER ASSETS | 6 | -- | -- | -- | -- | 6 |
| TOTAL ASSETS | \$ 6,207,693 | \$ 2,183,860 | \$ 524,565 | \$ 1,409,985 | \$ 2,255,003 | \$ 12,581,106 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | |
| LIABILITIES: | | | | | | |
| ACCOUNTS PAYABLE | \$ 1,934,021 | \$ 33 | \$ 185,671 | \$ 243 | \$ 13,267 | \$ 2,133,235 |
| TAX REFUNDS PAYABLE | -- | 370,326 | -- | -- | -- | 370,326 |
| UNCLAIMED PROPERTY LIABILITY | 175,793 | -- | -- | -- | -- | 175,793 |
| DUE TO OTHER FUNDS | 443,379 | 1,047,238 | 151,806 | 7,694 | 126,623 | 1,776,740 |
| AMOUNTS DUE TO COMPONENT UNITS | 46,636 | -- | -- | 2,405 | 4,197 | 53,238 |
| DUE TO FEDERAL GOVERNMENT | 580,904 | -- | -- | -- | -- | 580,904 |
| DUE TO LOCAL GOVERNMENTS | 1,127,742 | 7 | 966 | -- | 6,990 | 1,135,705 |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | 477 | -- | 24,361 | -- | 64 | 24,902 |
| UNEARNED REVENUES | 345,054 | 24,422 | -- | -- | -- | 369,476 |
| ESTIMATED LIABILITY FOR CLAIMS | 59,100 | -- | -- | -- | -- | 59,100 |
| OTHER LIABILITIES | 310 | -- | -- | -- | -- | 310 |
| TOTAL LIABILITIES | 4,713,416 | 1,442,026 | 362,804 | 10,342 | 151,141 | 6,679,729 |
| DEFERRED INFLOWS OF RESOURCES: | | | | | | |
| UNAVAILABLE REVENUE | -- | 741,834 | -- | -- | 131 | 741,965 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | -- | 741,834 | -- | -- | 131 | 741,965 |
| FUND BALANCES: | | | | | | |
| NONSPENDABLE | 97,936 | -- | -- | 1,268,154 | 1,395,630 | 2,761,720 |
| RESTRICTED | 995,329 | -- | 9,201 | 131,489 | 670,639 | 1,806,658 |
| COMMITTED | 966,361 | -- | 152,560 | -- | 41,970 | 1,160,891 |
| UNASSIGNED | (565,349) | -- | -- | -- | (4,508) | (569,857) |
| TOTAL FUND BALANCES | 1,494,277 | -- | 161,761 | 1,399,643 | 2,103,731 | 5,159,412 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 6,207,693 | \$ 2,183,860 | \$ 524,565 | \$ 1,409,985 | \$ 2,255,003 | \$ 12,581,106 |

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

State of Louisiana

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

(Expressed in Thousands)

Total Fund Balances - Governmental Funds \$ 5,159,412

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

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

| | | |
|---|---------------------|------------|
| Land | \$ 2,265,540 | |
| Buildings and Improvements | 2,581,388 | |
| Machinery and Equipment | 815,879 | |
| Infrastructure | 26,958,328 | |
| Intangible Assets | 109,305 | |
| Construction in Progress | 1,482,224 | |
| Accumulated Depreciation and Amortization | <u>(18,856,190)</u> | 15,356,474 |

Net position of the internal service funds is reported separately in the proprietary funds, but is included in governmental activities in the government-wide statements. (120,740)

The difference between the net carrying amount of refunded debt and the cost of refunding are deferred and amortized in the statement of net position, however these amounts are not reported at the fund level. 259,104

The other postemployment benefits (OPEB) annual required contributions have been under-funded, creating a year-end liability, which is not reported in the funds. (2,809,401)

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

| | | |
|-----------------------------------|------------------|--------------|
| Compensated Absences | (192,172) | |
| Notes Payable | (459) | |
| Bonds Payable | (7,938,975) | |
| Net Pension Liability | (5,057,414) | |
| Pollution Remediation Obligations | (19,108) | |
| Estimated Liabilities for Claims | (1,982,068) | |
| Accrued Interest Payable | (72,850) | |
| Accounts Payable | (105,731) | |
| Due to Federal Government | (10,218) | |
| Other Liabilities | <u>(112,338)</u> | (15,491,333) |

Some of the State's revenues are not available to pay for the current period's expenditures and are not reported in the funds. 1,909,884

Net Position of Governmental Activities \$ 4,263,400

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

State of Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | GENERAL FUND | BOND SECURITY & REDEMPTION FUND | CAPITAL OUTLAY ESCROW FUND | LOUISIANA EDUCATION QUALITY TRUST FUND | NONMAJOR GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|--|---------------------|--|-------------------------------------|---|-----------------------------------|--------------------------------|
| REVENUES: | | | | | | |
| INTERGOVERNMENTAL REVENUES | \$ 13,678,391 | \$ 389,001 | \$ 53,145 | \$ -- | \$ 737,923 | \$ 14,858,460 |
| TAXES | -- | 9,824,770 | -- | -- | 175,784 | 10,000,554 |
| TOBACCO SETTLEMENT | -- | 56,507 | -- | -- | 84,760 | 141,267 |
| GAMING | -- | 864,754 | -- | -- | -- | 864,754 |
| USE OF MONEY & PROPERTY | 15,251 | 503,284 | 526 | -- | 1,161 | 520,222 |
| LICENSES, PERMITS & FEES | 7,842 | 1,199,822 | 8,481 | -- | 83,854 | 1,299,999 |
| SALES OF COMMODITIES & SERVICES | 8,034 | 953,446 | -- | -- | -- | 961,480 |
| UNCLAIMED PROPERTY | 53,462 | 6,175 | -- | -- | -- | 59,637 |
| OTHER SETTLEMENTS | 5,323 | -- | -- | -- | -- | 5,323 |
| GIFTS, DONATIONS, AND CONTRIBUTIONS | 20,036 | 94,391 | 3,000 | -- | -- | 117,427 |
| OTHER | 52,876 | 44,811 | 7,615 | 669 | 40 | 106,011 |
| TOTAL REVENUES | 13,841,215 | 13,936,961 | 72,767 | 669 | 1,083,522 | 28,935,134 |
| EXPENDITURES: | | | | | | |
| CURRENT: | | | | | | |
| GENERAL GOVERNMENT | 1,891,014 | 172 | -- | -- | 120 | 1,891,306 |
| CULTURE, RECREATION & TOURISM | 66,032 | -- | -- | -- | 1,169 | 67,201 |
| TRANSPORTATION & DEVELOPMENT | 433,428 | -- | -- | -- | -- | 433,428 |
| PUBLIC SAFETY | 898,418 | -- | -- | -- | -- | 898,418 |
| HEALTH & WELFARE | 13,431,804 | -- | -- | -- | -- | 13,431,804 |
| CORRECTIONS | 627,210 | -- | -- | -- | -- | 627,210 |
| YOUTH DEVELOPMENT | 86,201 | -- | -- | -- | -- | 86,201 |
| CONSERVATION & ENVIRONMENT | 266,212 | -- | -- | -- | -- | 266,212 |
| EDUCATION | 794,260 | -- | -- | -- | 187 | 794,447 |
| AGRICULTURE & FORESTRY | 42,801 | -- | -- | -- | 1 | 42,802 |
| ECONOMIC DEVELOPMENT | 82,898 | -- | -- | -- | -- | 82,898 |
| MILITARY & VETERANS AFFAIRS | 132,166 | -- | -- | -- | -- | 132,166 |
| WORKFORCE SUPPORT & TRAINING | 191,460 | -- | -- | -- | -- | 191,460 |
| INTERGOVERNMENTAL: | | | | | | |
| GENERAL GOVERNMENT | 269,156 | 7 | -- | -- | 64,991 | 334,154 |
| CULTURE, RECREATION & TOURISM | 16,934 | -- | -- | -- | -- | 16,934 |
| TRANSPORTATION & DEVELOPMENT | 63,671 | -- | -- | -- | 6,530 | 70,201 |
| PUBLIC SAFETY | 923,123 | -- | -- | -- | -- | 923,123 |
| HEALTH & WELFARE | 712,593 | -- | -- | -- | -- | 712,593 |
| CORRECTIONS | 47,310 | -- | -- | -- | -- | 47,310 |
| YOUTH DEVELOPMENT | 1,310 | -- | -- | -- | -- | 1,310 |
| CONSERVATION & ENVIRONMENT | 313 | -- | -- | -- | -- | 313 |
| EDUCATION | 5,037,043 | -- | -- | 19,696 | 52,510 | 5,109,249 |
| AGRICULTURE & FORESTRY | 44,530 | -- | -- | -- | -- | 44,530 |
| ECONOMIC DEVELOPMENT | 139,805 | -- | -- | -- | -- | 139,805 |
| WORKFORCE SUPPORT & TRAINING | 39,279 | -- | -- | -- | -- | 39,279 |
| CAPITAL OUTLAY | 177,959 | -- | 1,563,613 | -- | -- | 1,741,572 |
| DEBT SERVICE: | | | | | | |
| PRINCIPAL | 47,671 | 254,170 | -- | -- | 80,150 | 381,991 |
| INTEREST | 30,751 | 137,511 | -- | -- | 146,507 | 314,769 |
| ISSUANCE COSTS & OTHER CHARGES | 4,194 | 1,069 | -- | -- | 224 | 5,487 |
| TOTAL EXPENDITURES | 26,499,546 | 392,929 | 1,563,613 | 19,696 | 352,389 | 28,828,173 |
| EXCESS(DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES | (12,658,331) | 13,544,032 | (1,490,846) | (19,027) | 731,133 | 106,961 |
| OTHER FINANCING SOURCES(USES) | | | | | | |
| TRANSFERS IN | 13,502,704 | 52,866 | 1,199,214 | 92,911 | 739,832 | 15,587,527 |
| TRANSFERS OUT | (634,202) | (13,611,505) | (20,767) | (21,286) | (1,424,468) | (15,712,228) |
| LONG-TERM DEBT ISSUED | -- | -- | 349,150 | -- | -- | 349,150 |
| PREMIUM ON LONG-TERM DEBT ISSUED | -- | 837 | 40,885 | -- | -- | 41,722 |
| REFUNDING BONDS ISSUED | -- | 215,080 | -- | -- | 200,000 | 415,080 |
| PREMIUM ON REFUNDING BONDS ISSUED | -- | 39,776 | -- | -- | -- | 39,776 |
| PAYMENTS TO REFUNDED BOND ESCROW AGENT | -- | (254,625) | -- | -- | (200,000) | (454,625) |
| SALES OF GENERAL CAPITAL ASSETS | 18 | 1,198 | -- | -- | -- | 1,216 |
| INSURANCE RECOVERIES | 7 | 12,341 | -- | -- | -- | 12,348 |
| TOTAL OTHER FINANCING SOURCES(USES) | 12,868,527 | (13,544,032) | 1,568,482 | 71,625 | (684,636) | 279,966 |
| NET CHANGE IN FUND BALANCES | 210,196 | -- | 77,636 | 52,598 | 46,497 | 386,927 |
| FUND BALANCES AT BEGINNING OF YEAR AS RESTATED | 1,284,081 | -- | 84,125 | 1,347,045 | 2,057,234 | 4,772,485 |
| FUND BALANCES AT END OF YEAR | \$ 1,494,277 | \$ -- | \$ 161,761 | \$ 1,399,643 | \$ 2,103,731 | \$ 5,159,412 |

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

State of Louisiana

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

(Expressed in Thousands)

Net Change in Fund Balances - Total Governmental Funds \$ 386,927

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

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

| | | | |
|--|-----------------------------------|------------------|----------|
| | Capital Outlay | \$ 599,980 | |
| | Depreciation/Amortization Expense | <u>(674,583)</u> | (74,603) |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 47,298

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

| | | | |
|--|--|-----------------|--------|
| | Bond Proceeds and Premiums Received | (845,729) | |
| | Repayment of Bond Principal | 381,991 | |
| | Payment to Refunded Bond Escrow Agent | 454,625 | |
| | Amortization of Bond Premiums | 53,102 | |
| | Amortization of Deferred Refunding Costs | <u>(22,538)</u> | 21,451 |

The net results of current year operations of internal service funds is included in the net income of the proprietary funds, but is presented as part of the primary government for government-wide statements. (49,772)

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

| | | | |
|--|-----------------------------------|-----------------|------------------|
| | Compensated Absences | (6,201) | |
| | Notes Payable | 143 | |
| | Accrued Interest | (8,913) | |
| | Estimated Liabilities for Claims | 183,236 | |
| | OPEB Obligation | (97,839) | |
| | Net Pension Liability | (166,713) | |
| | Pollution Remediation Obligations | (1,649) | |
| | Other Liabilities | 3,979 | |
| | Other Payables | <u>(24,366)</u> | <u>(118,323)</u> |

Change in Net Position of Governmental Activities \$ 212,978

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

PROPRIETARY FUND
FINANCIAL STATEMENTS

PROPRIETARY FUND FINANCIAL STATEMENTS

Major Funds

UNEMPLOYMENT TRUST FUND

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

LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM

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

State of Louisiana

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | | |
|---|---|---|---------------------------------|---------------------|---|
| | UNEMPLOYMENT TRUST FUND | LOUISIANA COMMUNITY & TECHNICAL COLLEGES SYSTEM | NONMAJOR ENTERPRISE FUNDS | TOTAL | GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS |
| ASSETS | | | | | |
| CURRENT ASSETS: | | | | | |
| CASH & CASH EQUIVALENTS | \$ 941,814 | \$ 123,320 | \$ 430,596 | \$ 1,495,730 | \$ 17,504 |
| INVESTMENTS | -- | -- | 12,550 | 12,550 | 8,344 |
| RESTRICTED INVESTMENTS | -- | -- | -- | -- | 27,464 |
| RECEIVABLES (NET) | 57,762 | 18,213 | 6,801 | 82,776 | 26,531 |
| DUE FROM OTHER FUNDS | -- | 3,118 | 623 | 3,741 | -- |
| DUE FROM FEDERAL GOVERNMENT | 12 | 14,869 | -- | 14,881 | -- |
| INVENTORIES | -- | 7 | 6,857 | 6,864 | 1,475 |
| PREPAYMENTS | -- | 891 | 139 | 1,030 | 3,269 |
| NOTES RECEIVABLE | -- | -- | 48,228 | 48,228 | -- |
| OTHER CURRENT ASSETS | -- | 105 | 153 | 258 | -- |
| TOTAL CURRENT ASSETS | 999,588 | 160,523 | 505,947 | 1,666,058 | 84,587 |
| NON-CURRENT ASSETS: | | | | | |
| RESTRICTED ASSETS | | | | | |
| CASH | -- | 53,043 | 6,569 | 59,612 | -- |
| INVESTMENTS | -- | 79,637 | 1,054 | 80,691 | 2,405 |
| RECEIVABLES | -- | 3,643 | 387 | 4,030 | -- |
| OTHER ASSETS | -- | 588 | -- | 588 | -- |
| INVESTMENTS | -- | 47 | 4,301 | 4,348 | -- |
| RECEIVABLES (NET) | -- | -- | 50 | 50 | -- |
| NOTES RECEIVABLE | -- | -- | 605,163 | 605,163 | -- |
| CAPITAL ASSETS (NOTE 5) | | | | | |
| LAND | -- | 50,283 | 9,918 | 60,201 | 301 |
| BUILDING & IMPROVEMENTS (NET) | -- | 416,115 | 39,710 | 455,825 | -- |
| MACHINERY & EQUIPMENT (NET) | -- | 28,393 | 8,984 | 37,377 | 4,985 |
| INFRASTRUCTURE (NET) | -- | -- | 310,066 | 310,066 | -- |
| INTANGIBLE ASSETS (NET) | -- | 9,377 | 337 | 9,714 | -- |
| CONSTRUCTION IN PROGRESS | -- | 132,961 | 809 | 133,770 | -- |
| OTHER NONCURRENT ASSETS | -- | 3,502 | 564 | 4,066 | 58 |
| TOTAL NON-CURRENT ASSETS | -- | 777,589 | 987,912 | 1,765,501 | 7,749 |
| TOTAL ASSETS | 999,588 | 938,112 | 1,493,859 | 3,431,559 | 92,336 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES | -- | 94,110 | 18,868 | 112,978 | 115,915 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | -- | 94,110 | 18,868 | 112,978 | 115,915 |
| LIABILITIES | | | | | |
| CURRENT LIABILITIES: | | | | | |
| ACCOUNTS PAYABLE | 70 | 33,814 | 6,411 | 40,295 | 26,906 |
| ACCRUED INTEREST | -- | -- | 2,148 | 2,148 | -- |
| DUE TO OTHER FUNDS | 9 | 395 | 2,271 | 2,675 | 33,055 |
| DUE TO FEDERAL GOVERNMENT | 9,059 | 8 | -- | 9,067 | -- |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | 1,232 | 1,370 | 8 | 2,610 | -- |
| UNEARNED REVENUES | -- | 10,681 | 2,543 | 13,224 | 69 |
| OTHER CURRENT LIABILITIES | 8,267 | 76 | 152 | 8,495 | 45 |
| CURRENT PORTION OF LONG-TERM LIABILITIES: | | | | | |
| CONTRACTS PAYABLE | -- | -- | -- | -- | 5,611 |
| COMPENSATED ABSENCES PAYABLE | -- | 1,529 | 288 | 1,817 | 458 |
| CAPITAL LEASE OBLIGATIONS | -- | 90 | -- | 90 | -- |
| NOTES PAYABLE | -- | -- | -- | -- | 1,908 |
| BONDS PAYABLE | -- | 16,710 | 9,591 | 26,301 | -- |
| OTHER LONG-TERM LIABILITIES | -- | 7,449 | -- | 7,449 | 29 |
| TOTAL CURRENT LIABILITIES | 18,637 | 72,122 | 23,412 | 114,171 | 68,081 |
| NONCURRENT LIABILITIES | | | | | |
| NONCURRENT PORTION OF LONG-TERM LIABILITIES: | | | | | |
| COMPENSATED ABSENCES PAYABLE | -- | 17,500 | 1,579 | 19,079 | 6,101 |
| CAPITAL LEASE OBLIGATIONS | -- | 2,655 | -- | 2,655 | -- |
| NOTES PAYABLE | -- | -- | -- | -- | 2,880 |
| BONDS PAYABLE | -- | 406,774 | 172,073 | 578,847 | -- |
| NET OPEB OBLIGATION | -- | 172,438 | 23,969 | 196,407 | 21,198 |
| NET PENSION LIABILITY | -- | 461,788 | 72,084 | 533,872 | 221,263 |
| OTHER LONG-TERM LIABILITIES | -- | -- | -- | -- | 87 |
| TOTAL NON-CURRENT LIABILITIES | -- | 1,061,155 | 269,705 | 1,330,860 | 251,529 |
| TOTAL LIABILITIES | 18,637 | 1,133,277 | 293,117 | 1,445,031 | 319,610 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| DEFERRED AMOUNTS ON DEBT REFUNDING | -- | -- | 6,595 | 6,595 | -- |
| PENSION-RELATED DEFERRED INFLOWS OF RESOURCES | -- | 9,720 | 3,327 | 13,047 | 9,381 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | -- | 9,720 | 9,922 | 19,642 | 9,381 |
| NET POSITION | | | | | |
| NET INVESTMENT IN CAPITAL ASSETS | -- | 261,944 | 184,665 | 446,609 | 1,452 |
| RESTRICTED FOR UNEMPLOYMENT COMPENSATION | 980,951 | -- | -- | 980,951 | -- |
| RESTRICTED FOR ENDOWMENTS - EXPENDABLE | -- | 2,191 | -- | 2,191 | -- |
| RESTRICTED FOR ENDOWMENTS - NONEXPENDABLE | -- | 6,624 | -- | 6,624 | -- |
| RESTRICTED FOR DEBT SERVICE | -- | -- | -- | -- | 27,798 |
| RESTRICTED FOR OTHER PURPOSES | -- | 133,868 | 3,467 | 137,335 | 2 |
| UNRESTRICTED | -- | (515,402) | 1,021,556 | 506,154 | (149,992) |
| TOTAL NET POSITION | \$ 980,951 | \$ (110,775) | \$ 1,209,688 | \$ 2,079,864 | \$ (120,740) |

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

State of Louisiana

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | | |
|--|---|---|---------------------------------|---------------------|---|
| | UNEMPLOYMENT TRUST FUND | LOUISIANA COMMUNITY & TECHNICAL COLLEGES SYSTEM | NONMAJOR ENTERPRISE FUNDS | TOTAL | GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS |
| OPERATING REVENUES: | | | | | |
| SALES OF COMMODITIES & SERVICES | \$ -- | \$ 124,480 | \$ 38,414 | \$ 162,894 | \$ 288,097 |
| ASSESSMENTS | 214,104 | -- | 4,370 | 218,474 | -- |
| USE OF MONEY & PROPERTY | 20,150 | -- | 11,631 | 31,781 | 24,740 |
| LICENSES, PERMITS & FEES | -- | -- | 39,054 | 39,054 | -- |
| FEDERAL GRANTS & CONTRACTS | 1,065 | 43,200 | 686 | 44,951 | -- |
| OTHER | -- | 19,007 | 4,850 | 23,857 | -- |
| TOTAL OPERATING REVENUES | <u>235,319</u> | <u>186,687</u> | <u>99,005</u> | <u>521,011</u> | <u>312,837</u> |
| OPERATING EXPENSES: | | | | | |
| COST OF SALES & SERVICES | -- | 321,222 | 38,094 | 359,316 | 35,581 |
| ADMINISTRATIVE | -- | 127,693 | 48,440 | 176,133 | 327,342 |
| DEPRECIATION | -- | 23,796 | 13,330 | 37,126 | 1,957 |
| AMORTIZATION | -- | 2,022 | 41 | 2,063 | -- |
| UNEMPLOYMENT INSURANCE BENEFITS | 242,249 | -- | -- | 242,249 | -- |
| TOTAL OPERATING EXPENSES | <u>242,249</u> | <u>474,733</u> | <u>99,905</u> | <u>816,887</u> | <u>364,880</u> |
| OPERATING LOSS | <u>(6,930)</u> | <u>(288,046)</u> | <u>(900)</u> | <u>(295,876)</u> | <u>(52,043)</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | | |
| INTERGOVERNMENTAL REVENUES | -- | -- | 9 | 9 | -- |
| INTERGOVERNMENTAL EXPENSES | -- | -- | (1,075) | (1,075) | -- |
| GAIN ON SALE OF CAPITAL ASSETS | -- | -- | 1,179 | 1,179 | 70 |
| LOSS ON SALE OF CAPITAL ASSETS | -- | -- | (3,037) | (3,037) | -- |
| FEDERAL GRANTS | -- | 123,161 | 14 | 123,175 | -- |
| INTEREST EXPENSE | -- | (13,765) | (5,532) | (19,297) | (65) |
| OTHER REVENUES | -- | 7,195 | 3,667 | 10,862 | 2,810 |
| OTHER EXPENSES | -- | -- | (3,248) | (3,248) | (544) |
| TOTAL NONOPERATING REVENUES (EXPENSES) | <u>--</u> | <u>116,591</u> | <u>(8,023)</u> | <u>108,568</u> | <u>2,271</u> |
| LOSS BEFORE CONTRIBUTIONS AND TRANSFERS | (6,930) | (171,455) | (8,923) | (187,308) | (49,772) |
| CAPITAL CONTRIBUTIONS | -- | 29,728 | 26,811 | 56,539 | -- |
| TRANSFERS IN | -- | 167,971 | 17,827 | 185,798 | -- |
| TRANSFERS OUT | -- | (258) | (60,839) | (61,097) | -- |
| CHANGE IN NET POSITION | (6,930) | 25,986 | (25,124) | (6,068) | (49,772) |
| TOTAL NET POSITION - BEGINNING AS RESTATED | <u>987,881</u> | <u>(136,761)</u> | <u>1,234,812</u> | <u>2,085,932</u> | <u>(70,968)</u> |
| TOTAL NET POSITION - ENDING | \$ <u>980,951</u> | \$ <u>(110,775)</u> | \$ <u>1,209,688</u> | \$ <u>2,079,864</u> | \$ <u>(120,740)</u> |

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

State of Louisiana

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | | |
|--|---|---|---------------------------------|---------------------|---|
| | UNEMPLOYMENT TRUST FUND | LOUISIANA COMMUNITY & TECHNICAL COLLEGES SYSTEM | NONMAJOR ENTERPRISE FUNDS | TOTAL | GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | |
| RECEIPTS FROM CUSTOMERS | \$ 220,983 | \$ 129,044 | \$ 84,580 | \$ 434,607 | \$ 27,410 |
| RECEIPTS FROM INTERFUND SERVICES PROVIDED | -- | -- | -- | -- | 309,407 |
| RECEIPTS FROM INTERFUND REIMBURSEMENTS | -- | -- | 46 | 46 | -- |
| RECEIPTS OF PRINCIPAL/INTEREST FROM LOAN PROGRAMS | -- | -- | 38,941 | 38,941 | -- |
| OTHER OPERATING RECEIPTS | 20,150 | 60,388 | 6,523 | 87,061 | 2,081 |
| PAYMENTS TO SUPPLIERS & SERVICE PROVIDERS | (243,367) | (104,819) | (45,149) | (393,335) | (249,237) |
| PAYMENTS FOR LOANS MADE UNDER LOAN PROGRAMS | -- | -- | (97,513) | (97,513) | -- |
| PAYMENTS TO EMPLOYEES FOR SERVICES | -- | (263,230) | (30,475) | (293,705) | (88,091) |
| PAYMENTS FOR INTERFUND SERVICES USED | -- | -- | (1,104) | (1,104) | -- |
| PAYMENTS FOR SCHOLARSHIPS AND FELLOWSHIPS | -- | (56,494) | -- | (56,494) | -- |
| OTHER OPERATING PAYMENTS | -- | (3,316) | (115) | (3,431) | -- |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>(2,234)</u> | <u>(238,427)</u> | <u>(44,266)</u> | <u>(284,927)</u> | <u>1,570</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | | |
| PROCEEDS FROM THE ISSUANCE OF NON-CAPITAL DEBT | -- | -- | 2,951 | 2,951 | -- |
| RECEIPTS FROM OPERATING GRANTS | -- | 122,746 | 49 | 122,795 | -- |
| RECEIPTS FOR PRINCIPAL AND INTEREST DEBT SERVICE | -- | -- | 49,992 | 49,992 | -- |
| RECEIPTS FROM OTHER FUNDS | -- | 270,260 | 19,684 | 289,944 | 33,314 |
| PAYMENTS FOR PRINCIPAL ON NON-CAPITAL DEBT | -- | -- | (3,001) | (3,001) | -- |
| PAYMENTS FOR GRANTS AND SUBSIDIES | -- | -- | (5) | (5) | -- |
| PAYMENTS TO OTHER FUNDS | -- | (136,080) | (65,348) | (201,428) | (24,833) |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | <u>--</u> | <u>256,926</u> | <u>4,322</u> | <u>261,248</u> | <u>8,481</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | | |
| RECEIPTS FROM CAPITAL GRANTS | -- | 54,983 | 25,813 | 80,796 | 4 |
| PROCEEDS FROM THE SALE OF CAPITAL ASSETS | -- | 11 | 1,350 | 1,361 | -- |
| PAYMENTS TO ACQUIRE, CONSTRUCT & IMPROVE CAPITAL ASSETS | -- | (88,239) | (5,768) | (94,007) | (1,067) |
| PAYMENTS FOR PRINCIPAL ON CAPITAL DEBT | -- | (16,098) | (14,540) | (30,638) | (1,942) |
| PAYMENTS FOR INTEREST ON CAPITAL DEBT | -- | (22,782) | (6,278) | (29,060) | (56) |
| NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | <u>--</u> | <u>(72,125)</u> | <u>577</u> | <u>(71,548)</u> | <u>(3,061)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | |
| PURCHASES OF INVESTMENTS | -- | (78,057) | (27,574) | (105,631) | (11,065) |
| PROCEEDS FROM THE SALE OF INVESTMENTS | -- | 131,379 | 25,676 | 157,055 | 9,574 |
| INTEREST AND DIVIDENDS | -- | 2,189 | 204 | 2,393 | 572 |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <u>--</u> | <u>55,511</u> | <u>(1,694)</u> | <u>53,817</u> | <u>(919)</u> |
| NET DECREASE IN CASH & CASH EQUIVALENTS | (2,234) | 1,885 | (41,061) | (41,410) | 6,071 |
| CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR AS RESTATED | 944,048 | 174,478 | 478,226 | 1,596,752 | 11,433 |
| CASH & CASH EQUIVALENTS AT END OF YEAR | <u>\$ 941,814</u> | <u>\$ 176,363</u> | <u>\$ 437,165</u> | <u>\$ 1,555,342</u> | <u>\$ 17,504</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | | | | |
| OPERATING LOSS | \$ (6,930) | \$ (288,046) | \$ (900) | \$ (295,876) | \$ (52,043) |
| ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | | | | |
| DEPRECIATION/AMORTIZATION | -- | 25,817 | 13,371 | 39,188 | 1,957 |
| PROVISION FOR UNCOLLECTIBLE ACCOUNTS | -- | -- | (4) | (4) | -- |
| NONEMPLOYER CONTRIBUTING ENTITY REVENUE | -- | 1,202 | 1 | 1,203 | -- |
| OTHER | -- | 3,942 | (248) | 3,694 | 1,412 |
| CHANGES IN ASSETS AND LIABILITIES: | | | | | |
| (INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE | 2,506 | 3,889 | (616) | 5,779 | 24,102 |
| (INCREASE)/DECREASE IN DUE FROM OTHER FUNDS | 8 | 2,444 | -- | 2,452 | 2 |
| (INCREASE)/DECREASE IN PREPAYMENTS | -- | (41) | 84 | 43 | 656 |
| (INCREASE)/DECREASE IN INVENTORIES | -- | -- | 790 | 790 | (485) |
| (INCREASE)/DECREASE IN OTHER ASSETS | -- | 657 | (61,401) | (60,744) | 33 |
| (INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO PENSIONS | -- | (34,377) | (7,559) | (41,936) | 23,651 |
| INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS | 911 | (878) | (325) | (292) | (31,856) |
| INCREASE/(DECREASE) IN COMPENSATED ABSENCES | -- | 83 | (9) | 74 | (414) |
| INCREASE/(DECREASE) IN DUE TO OTHER FUNDS | (63) | (22) | -- | (85) | -- |
| INCREASE/(DECREASE) IN UNEARNED REVENUES | -- | (1,701) | 83 | (1,618) | (224) |
| INCREASE/(DECREASE) IN NET OPEB OBLIGATION | -- | 9,263 | 1,525 | 10,788 | 4,259 |
| INCREASE/(DECREASE) IN NET PENSION LIABILITY | -- | 44,334 | 11,098 | 55,432 | 35,736 |
| INCREASE/(DECREASE) IN OTHER LIABILITIES | 1,334 | (22) | (227) | 1,085 | -- |
| INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO PENSIONS | -- | (4,971) | 71 | (4,900) | (5,216) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>\$ (2,234)</u> | <u>\$ (238,427)</u> | <u>\$ (44,266)</u> | <u>\$ (284,927)</u> | <u>\$ 1,570</u> |

(Continued)

State of Louisiana

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

| | 2017 |
|---|---------|
| LOUISIANA AGRICULTURAL FINANCE AUTHORITY | |
| GAIN ON DISPOSAL OF CAPITAL ASSETS | 332 |
| LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM | |
| LOSS ON DISPOSAL OF CAPITAL ASSETS | (438) |
| CONTRIBUTIONS OF CAPITAL ASSETS | 7,586 |
| CAPITAL APPROPRIATION FOR PURCHASE OF CAPITAL ASSETS | 7,857 |
| CAPITALIZED INTEREST INCLUDING CAPITALIZED AMORTIZATION | 3,561 |
| UNREALIZED GAIN ON INVESTMENTS | 1,637 |
| DECREASE IN NONCAPITAL ACCOUNTS & CONTRACTS PAYABLE | (1,211) |
| INCREASE IN RESTRICTED ASSETS - OTHER | 534 |
| LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY | |
| LOSS ON DISPOSAL OF CAPITAL ASSETS | (3) |
| LOUISIANA TRANSPORTATION AUTHORITY | |
| CONTRIBUTIONS OF CAPITAL ASSETS | 998 |
| PRISON ENTERPRISES | |
| GAIN ON DISPOSAL OF CAPITAL ASSETS | 847 |
| LOSS ON DISPOSAL OF CAPITAL ASSETS | (1,049) |

(Concluded)

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

FIDUCIARY FUND
FINANCIAL STATEMENTS

FIDUCIARY FUND FINANCIAL STATEMENTS

FIDUCIARY FUNDS

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

- *Pension trust funds* account for resources held in trust for members and beneficiaries of the four employee pension plans.
- *Investment trust funds* account for the portion of the government's investment pools that belong to others.
- *Private-purpose trust funds* report all other trust arrangements benefiting those outside the government. Currently, the Louisiana Education Tuition and Savings Fund is the only private-purpose trust fund Louisiana maintains.
- *Agency funds* contain resources held by the government in a temporary, purely custodial capacity and do not involve measurement of results of operations. Among the largest of the agency funds are the Escrow Fund, Insurance Trusts, Payroll Clearing Fund, and the Miscellaneous Agency Funds.

The State Treasury maintains two separate investment trust funds. Investment trust funds are:

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

Four separate pension trust funds are maintained for state government employees, teachers, and law enforcement officers. The pension funds are as follows:

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

State of Louisiana

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | PENSION TRUST FUNDS | INVESTMENT TRUST FUNDS | PRIVATE-PURPOSE TRUST FUNDS * | AGENCY FUNDS |
|--|------------------------|---------------------------|----------------------------------|--------------|
| ASSETS | | | | |
| CASH & CASH EQUIVALENTS | \$ 467,262 | \$ 3,720 | \$ 26,184 | \$ 290,065 |
| RECEIVABLES: | | | | |
| EMPLOYER CONTRIBUTIONS | 238,911 | -- | -- | -- |
| MEMBER CONTRIBUTIONS | 72,935 | -- | -- | -- |
| INVESTMENT PROCEEDS | 2,194,882 | -- | -- | -- |
| INTEREST & DIVIDENDS | 78,418 | 210 | 662 | -- |
| OTHER | 13,777 | -- | -- | 168,813 |
| TOTAL RECEIVABLES | 2,598,923 | 210 | 662 | 168,813 |
| INVESTMENTS (AT FAIR VALUE): | | | | |
| SHORT-TERM INVESTMENTS | 1,244,338 | 582,549 | -- | -- |
| U.S. GOVERNMENT AND AGENCY OBLIGATIONS | 1,331,057 | 492,238 | 151,539 | -- |
| BONDS - DOMESTIC | 1,948,638 | 5,960 | 53,275 | -- |
| BONDS - INTERNATIONAL | 2,223,656 | -- | -- | -- |
| EQUITIES - DOMESTIC | 9,345,780 | -- | 453,241 | -- |
| EQUITIES - INTERNATIONAL | 8,004,027 | -- | 21,142 | -- |
| ALTERNATIVE INVESTMENTS | 8,732,695 | -- | -- | -- |
| COLLATERAL HELD UNDER SECURITIES LENDING PROGRAM | 3,880,630 | -- | -- | -- |
| REPURCHASE AGREEMENTS | -- | 148,293 | -- | -- |
| OTHER INVESTMENTS | 2,197 | 33,143 | -- | 280,077 |
| INVESTMENTS (AT CONTRACT VALUE): | | | | |
| SYNTHETIC GUARANTEED INVESTMENT CONTRACT | 500,163 | -- | -- | -- |
| TOTAL INVESTMENTS | 37,213,181 | 1,262,183 | 679,197 | 280,077 |
| OTHER ASSETS | 390 | 16 | -- | 607 |
| PROPERTY PLANT AND EQUIPMENT (NET) | 11,701 | 49 | -- | -- |
| TOTAL ASSETS | 40,291,457 | 1,266,178 | 706,043 | 739,562 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES | 4,439 | -- | -- | -- |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 4,439 | -- | -- | -- |
| LIABILITIES | | | | |
| ACCOUNTS PAYABLE | 30,181 | 419 | 1,802 | -- |
| RETIREMENT BENEFITS PAYABLE | 8,564 | -- | -- | -- |
| INVESTMENT COMMITMENTS PAYABLE | 2,349,495 | 1,175 | -- | -- |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | -- | -- | -- | 520,135 |
| OBLIGATIONS UNDER SECURITIES LENDING PROGRAM | 3,880,519 | -- | -- | -- |
| NET OPEB OBLIGATION | 27,512 | -- | -- | -- |
| NET PENSION LIABILITY | 20,074 | -- | -- | -- |
| REFUNDS PAYABLE | 5,741 | -- | -- | -- |
| OTHER LIABILITIES | 1,580 | 58 | -- | 219,427 |
| TOTAL LIABILITIES | 6,323,666 | 1,652 | 1,802 | 739,562 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| PENSION-RELATED DEFERRED INFLOWS OF RESOURCES | 330 | -- | -- | -- |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 330 | -- | -- | -- |
| NET POSITION | | | | |
| RESTRICTED FOR PENSIONS | 33,971,900 | -- | -- | -- |
| HELD IN TRUST FOR INVESTMENT POOL PARTICIPANTS | -- | 1,264,526 | -- | -- |
| HELD IN TRUST FOR INDIVIDUALS, PRIVATE ORGANIZATIONS, AND OTHER GOVERNMENTS | -- | -- | 704,241 | -- |
| TOTAL NET POSITION | \$ 33,971,900 | \$ 1,264,526 | \$ 704,241 | \$ -- |

* For the period ending December 31, 2016.

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

State of Louisiana

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | PENSION TRUST FUNDS | INVESTMENT TRUST FUNDS | PRIVATE-PURPOSE TRUST FUNDS * |
|---|------------------------|---------------------------|----------------------------------|
| <u>ADDITIONS</u> | | | |
| CONTRIBUTIONS: | | | |
| EMPLOYER | \$ 1,929,570 | \$ -- | \$ -- |
| MEMBER | 507,818 | -- | -- |
| POOL PARTICIPANTS (DEPOSITS) | -- | 1,572,346 | 75,153 |
| NON-EMPLOYER | 38,763 | -- | -- |
| TOTAL CONTRIBUTIONS | <u>2,476,151</u> | <u>1,572,346</u> | <u>75,153</u> |
| INVESTMENT INCOME: | | | |
| NET INCREASE (DECREASE) IN FAIR VALUE OF INVESTMENTS | 3,754,354 | (112) | 30,417 |
| INTEREST & DIVIDENDS | 525,628 | 3,073 | 14,855 |
| ALTERNATIVE INVESTMENT INCOME | 359,874 | -- | -- |
| LESS ALTERNATIVE INVESTMENT EXPENSES | (109,578) | -- | -- |
| GAIN ON SALE OF INVESTMENTS | -- | 42 | -- |
| SECURITIES LENDING INCOME | 34,769 | -- | -- |
| LESS SECURITIES LENDING EXPENSES | (15,673) | -- | -- |
| OTHER INVESTMENT INCOME | 1,842 | 5,250 | -- |
| LESS INVESTMENT EXPENSES OTHER THAN ALTERNATIVE INVESTMENTS AND SECURITIES LENDING | (79,720) | -- | -- |
| NET INVESTMENT INCOME | <u>4,471,496</u> | <u>8,253</u> | <u>45,272</u> |
| OTHER INCOME | <u>19,340</u> | <u>4</u> | <u>--</u> |
| TOTAL ADDITIONS | <u>6,966,987</u> | <u>1,580,603</u> | <u>120,425</u> |
| <u>DEDUCTIONS</u> | | | |
| RETIREMENT BENEFITS | 3,560,530 | -- | -- |
| REFUNDS OF CONTRIBUTIONS | 91,652 | -- | -- |
| ADMINISTRATIVE EXPENSES | 40,522 | 1,964 | -- |
| DEPRECIATION & AMORTIZATION EXPENSES | 1,263 | -- | -- |
| DISTRIBUTIONS TO POOL PARTICIPANTS | -- | 1,530,510 | 41,923 |
| OTHER | 1,019 | -- | 7 |
| TOTAL DEDUCTIONS | <u>3,694,986</u> | <u>1,532,474</u> | <u>41,930</u> |
| CHANGE IN NET POSITION: | | | |
| RESTRICTED FOR PENSIONS | 3,272,001 | -- | -- |
| HELD IN TRUST FOR INVESTMENT POOL PARTICIPANTS | -- | 48,129 | -- |
| HELD IN TRUST FOR INDIVIDUALS, PRIVATE ORGANIZATIONS, AND OTHER GOVERNMENTS | -- | -- | 78,495 |
| NET POSITION - BEGINNING OF YEAR | <u>30,699,899</u> | <u>1,216,397</u> | <u>625,746</u> |
| NET POSITION - END OF YEAR | <u>\$ 33,971,900</u> | <u>\$ 1,264,526</u> | <u>\$ 704,241</u> |

* For the period ending December 31, 2016.

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

COMPONENT UNIT
FINANCIAL STATEMENTS

COMPONENT UNIT FINANCIAL STATEMENTS

Major Component Units

COLLEGES AND UNIVERSITIES

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

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

LOUISIANA STADIUM AND EXPOSITION DISTRICT

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

LOUISIANA LOTTERY CORPORATION

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



State of Louisiana

COMBINING STATEMENT OF NET POSITION

COMPONENT UNITS

JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | LOUISIANA STATE UNIVERSITY SYSTEM | UNIVERSITY OF LOUISIANA SYSTEM | SOUTHERN UNIVERSITY SYSTEM |
|---|--------------------------------------|-----------------------------------|-------------------------------|
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| CASH & CASH EQUIVALENTS | \$ 99,639 | \$ 261,634 | \$ 9,779 |
| RESTRICTED CASH & CASH EQUIVALENTS | 91,022 | -- | -- |
| INVESTMENTS | 464,268 | 44,357 | 572 |
| RESTRICTED INVESTMENTS | -- | -- | -- |
| RECEIVABLES (NET) | 305,421 | 84,109 | 14,213 |
| PLEDGES RECEIVABLE (NET) | 21,842 | 3,605 | 659 |
| LEASES RECEIVABLE (NET) | 5,317 | -- | -- |
| AMOUNTS DUE FROM PRIMARY GOVERNMENT | 16,150 | 6,286 | 1,076 |
| DUE FROM FEDERAL GOVERNMENT | 47,232 | 9,193 | 14,091 |
| INVENTORIES | 8,737 | 5,528 | 323 |
| PREPAYMENTS | 11,295 | 11,185 | 2,446 |
| NOTES RECEIVABLE | 3,452 | 3,561 | 330 |
| OTHER CURRENT ASSETS | 26,010 | 809 | 1,723 |
| TOTAL CURRENT ASSETS | <u>1,100,385</u> | <u>430,267</u> | <u>45,212</u> |
| NON-CURRENT ASSETS: | | | |
| RESTRICTED ASSETS | 1,407,861 | 577,862 | 25,293 |
| INVESTMENTS | 32,343 | 36 | -- |
| NOTES RECEIVABLE (NET) | -- | -- | -- |
| PLEDGES RECEIVABLE (NET) | 16,642 | 2,480 | -- |
| LEASES RECEIVABLE (NET) | 4,499,305 | -- | -- |
| CAPITAL ASSETS | | | |
| LAND | 80,903 | 99,091 | 7,802 |
| BUILDING & IMPROVEMENTS (NET) | 1,479,096 | 1,320,521 | 243,200 |
| MACHINERY & EQUIPMENT (NET) | 256,296 | 72,712 | 8,623 |
| INFRASTRUCTURE (NET) | 22,131 | 20,164 | 7,350 |
| INTANGIBLE ASSETS (NET) | 574 | 12,297 | 164 |
| CONSTRUCTION IN PROGRESS | 240,196 | 140,734 | 41,339 |
| OTHER NONCURRENT ASSETS | 36,622 | 2,342 | 7,969 |
| TOTAL NON-CURRENT ASSETS | <u>8,071,969</u> | <u>2,248,239</u> | <u>341,740</u> |
| TOTAL ASSETS | <u>9,172,354</u> | <u>2,678,506</u> | <u>386,952</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| DEFERRED AMOUNTS ON DEBT REFUNDING | 22,744 | 3,250 | -- |
| PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES | 384,605 | 257,836 | 46,554 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>407,349</u> | <u>261,086</u> | <u>46,554</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES: | | | |
| ACCOUNTS PAYABLE | 113,208 | 64,877 | 12,635 |
| ACCRUED INTEREST | -- | -- | -- |
| AMOUNTS DUE TO PRIMARY GOVERNMENT | 8,474 | 604 | -- |
| DUE TO FEDERAL GOVERNMENT | 5,232 | -- | -- |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | 30,270 | 9,442 | 1,132 |
| UNEARNED REVENUES | 227,849 | 47,919 | 9,846 |
| OTHER CURRENT LIABILITIES | 2,126 | 3,926 | 2,007 |
| CURRENT PORTION OF LONG-TERM LIABILITIES: | | | |
| CONTRACTS PAYABLE | -- | 1,107 | -- |
| COMPENSATED ABSENCES PAYABLE | 8,644 | 4,030 | 703 |
| CAPITAL LEASE OBLIGATIONS | 3,423 | 2,039 | 19 |
| NOTES PAYABLE | 3,187 | 1,058 | 1,611 |
| BONDS PAYABLE | 27,381 | 24,158 | 1,585 |
| POLLUTION REMEDIATION OBLIGATIONS | -- | 70 | -- |
| ESTIMATED LIABILITY FOR CLAIMS | -- | -- | 138 |
| OTHER LONG-TERM LIABILITIES | 66,509 | 4,003 | 256 |
| TOTAL CURRENT LIABILITIES | <u>496,303</u> | <u>163,233</u> | <u>29,932</u> |
| NONCURRENT LIABILITIES: | | | |
| NONCURRENT PORTION OF LONG-TERM LIABILITIES: | | | |
| CONTRACTS PAYABLE | -- | 37 | -- |
| COMPENSATED ABSENCES PAYABLE | 73,415 | 43,383 | 11,078 |
| CAPITAL LEASE OBLIGATIONS | 16,968 | 5,895 | -- |
| NOTES PAYABLE | 32,358 | 15,969 | 33,956 |
| BONDS PAYABLE | 580,313 | 731,144 | 61,784 |
| ESTIMATED LIABILITY FOR CLAIMS | -- | -- | 169 |
| NET OPEB OBLIGATION | 991,319 | 589,688 | 117,938 |
| NET PENSION LIABILITY | 1,825,346 | 1,204,336 | 232,283 |
| OTHER LONG-TERM LIABILITIES | 54,092 | 10,731 | 1,330 |
| UNEARNED REVENUE | 3,982,602 | 3,323 | -- |
| TOTAL NON-CURRENT LIABILITIES | <u>7,556,413</u> | <u>2,604,506</u> | <u>458,538</u> |
| TOTAL LIABILITIES | <u>8,052,716</u> | <u>2,767,739</u> | <u>488,470</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| DEFERRED AMOUNTS ON DEBT REFUNDING | -- | -- | -- |
| GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS | -- | -- | -- |
| PENSION-RELATED DEFERRED INFLOWS OF RESOURCES | 164,833 | 52,913 | 9,545 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>164,833</u> | <u>52,913</u> | <u>9,545</u> |
| NET POSITION | | | |
| NET INVESTMENT IN CAPITAL ASSETS | 1,451,571 | 963,838 | 213,513 |
| RESTRICTED FOR: | | | |
| CAPITAL PROJECTS | -- | -- | -- |
| DEBT SERVICE | -- | -- | -- |
| NONEXPENDABLE | 580,106 | 273,748 | 15,922 |
| EXPENDABLE | 754,066 | 328,130 | 26,777 |
| OTHER PURPOSES | -- | -- | -- |
| UNRESTRICTED | (1,423,589) | (1,446,776) | (320,721) |
| TOTAL NET POSITION | <u>\$ 1,362,154</u> | <u>\$ 118,940</u> | <u>\$ (64,509)</u> |

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

State of Louisiana

| BOARD OF REGENTS | LOUISIANA LOTTERY CORPORATION | LOUISIANA STADIUM & EXPOSITION DISTRICT | NONMAJOR DISCRETE COMPONENT UNITS | TOTAL COMPONENT UNITS |
|--------------------|-------------------------------|---|-----------------------------------|-----------------------|
| \$ 21,739 | \$ 16,638 | \$ 69,215 | \$ 264,603 | \$ 743,247 |
| -- | -- | -- | 132,799 | 223,821 |
| -- | 391 | -- | 364,452 | 874,040 |
| -- | -- | -- | 54,054 | 54,054 |
| -- | 11,758 | 1,215 | 107,325 | 524,041 |
| -- | -- | -- | -- | 26,106 |
| -- | -- | -- | 700 | 6,017 |
| 10,211 | -- | 12,578 | 6,938 | 53,239 |
| 3,086 | -- | -- | 2,577 | 76,179 |
| -- | -- | 104 | 1,570 | 16,262 |
| -- | 291 | 566 | 7,898 | 33,681 |
| -- | -- | -- | 3,226 | 10,569 |
| -- | 14 | 140 | 12,569 | 41,265 |
| <u>35,036</u> | <u>29,092</u> | <u>83,818</u> | <u>958,711</u> | <u>2,682,521</u> |
| -- | -- | 17,547 | 529,379 | 2,557,942 |
| -- | 29,460 | -- | 137,165 | 199,004 |
| -- | -- | -- | 10,418 | 10,418 |
| -- | -- | -- | -- | 19,122 |
| -- | -- | -- | -- | 4,499,305 |
| -- | 1,542 | 13,944 | 73,139 | 276,421 |
| 4,303 | 2,601 | 334,718 | 337,355 | 3,721,794 |
| 4,915 | 399 | 6,379 | 29,556 | 378,880 |
| -- | -- | -- | 354,156 | 403,801 |
| -- | -- | -- | 6,786 | 19,821 |
| -- | 5,569 | 10,203 | 65,970 | 498,442 |
| -- | -- | 11,575 | 6,603 | 70,680 |
| <u>9,218</u> | <u>39,571</u> | <u>394,366</u> | <u>1,550,527</u> | <u>12,655,630</u> |
| <u>44,254</u> | <u>68,663</u> | <u>478,184</u> | <u>2,509,238</u> | <u>15,338,151</u> |
| -- | -- | 30,157 | 26,617 | 82,768 |
| 8,392 | -- | -- | 98,104 | 795,491 |
| <u>8,392</u> | <u>--</u> | <u>30,157</u> | <u>124,721</u> | <u>878,259</u> |
| 6,075 | 3,163 | 16,043 | 53,609 | 269,610 |
| -- | -- | -- | 68 | 68 |
| 4,269 | 13,327 | -- | 7,645 | 34,319 |
| -- | -- | -- | 4,692 | 9,924 |
| -- | -- | -- | 6 | 40,850 |
| -- | 25,213 | 17,260 | 60,073 | 362,947 |
| -- | -- | 286 | 15,766 | 49,324 |
| -- | -- | -- | 2,274 | 3,381 |
| 109 | 399 | 456 | 4,900 | 19,241 |
| -- | -- | 714 | 150 | 6,345 |
| -- | -- | -- | 5,385 | 11,241 |
| -- | -- | 12,393 | 271,151 | 336,668 |
| -- | -- | -- | -- | 70 |
| -- | -- | -- | 40,421 | 40,559 |
| -- | -- | -- | 624 | 71,392 |
| <u>10,453</u> | <u>42,102</u> | <u>47,152</u> | <u>466,764</u> | <u>1,255,939</u> |
| -- | -- | -- | -- | 37 |
| 1,121 | -- | -- | 6,877 | 135,874 |
| -- | -- | 10,467 | 220 | 33,550 |
| -- | -- | 14,800 | 368 | 97,451 |
| -- | -- | 348,370 | 1,404,536 | 3,126,147 |
| -- | -- | -- | 1,957 | 2,126 |
| 18,148 | -- | -- | 123,206 | 1,840,299 |
| 32,042 | -- | -- | 403,055 | 3,697,062 |
| -- | 13,468 | 4,703 | 9,369 | 93,693 |
| -- | -- | -- | -- | 3,985,925 |
| <u>51,311</u> | <u>13,468</u> | <u>378,340</u> | <u>1,949,588</u> | <u>13,012,164</u> |
| <u>61,764</u> | <u>55,570</u> | <u>425,492</u> | <u>2,416,352</u> | <u>14,268,103</u> |
| -- | -- | -- | 440 | 440 |
| 3,519 | -- | -- | 4,212 | 4,212 |
| <u>3,519</u> | <u>--</u> | <u>--</u> | <u>18,728</u> | <u>249,538</u> |
| -- | -- | -- | 23,380 | 254,190 |
| 9,218 | 4,542 | 107,301 | 650,463 | 3,400,446 |
| -- | -- | 17,529 | 14,460 | 31,989 |
| -- | -- | 43,254 | 190,853 | 234,107 |
| 3,086 | -- | -- | -- | 869,776 |
| -- | -- | -- | -- | 1,112,059 |
| -- | -- | -- | 508,041 | 508,041 |
| (24,941) | 8,551 | (85,235) | (1,169,590) | (4,462,301) |
| <u>\$ (12,637)</u> | <u>\$ 13,093</u> | <u>\$ 82,849</u> | <u>\$ 194,227</u> | <u>\$ 1,694,117</u> |

State of Louisiana

COMBINING STATEMENT OF ACTIVITIES

COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2017

(EXPRESSED IN THOUSAND)

| | PROGRAM REVENUES | | | | |
|---|------------------|----------------------|----------------------------------|--------------------------------|-----------------------|
| | EXPENSES | CHARGES FOR SERVICES | OPERATING GRANTS & CONTRIBUTIONS | CAPITAL GRANTS & CONTRIBUTIONS | NET (EXPENSE) REVENUE |
| COMPONENT UNITS: | | | | | |
| LOUISIANA STATE UNIVERSITY SYSTEM | \$ 2,281,935 | \$ 998,027 | \$ 700,393 | \$ 86,733 | \$ (496,782) |
| UNIVERSITY OF LOUISIANA SYSTEM | 1,345,929 | 740,495 | 135,395 | 48,705 | (421,334) |
| SOUTHERN UNIVERSITY SYSTEM | 240,632 | 78,677 | 43,641 | 19,388 | (98,926) |
| BOARD OF REGENTS | 328,000 | 9,061 | 47,008 | -- | (271,931) |
| LOUISIANA LOTTERY CORPORATION | 455,598 | 454,957 | -- | -- | (641) |
| LOUISIANA STADIUM & EXPOSITION DISTRICT | 149,155 | 57,902 | 3,515 | 9,180 | (78,558) |
| NONMAJOR COMPONENT UNITS | 670,345 | 448,615 | 213,258 | 25,066 | 16,594 |
| TOTAL COMPONENT UNITS | \$ 5,471,594 | \$ 2,787,734 | \$ 1,143,210 | \$ 189,072 | \$ (1,351,578) |

| | GENERAL REVENUES | | | | NET POSITION BEGINNING OF YEAR AS RESTATED | NET POSITION END OF YEAR |
|---|----------------------------------|------------------------|-----------------------------------|------------------------|--|--------------------------|
| | PAYMENTS FROM PRIMARY GOVERNMENT | OTHER GENERAL REVENUES | ADDITIONS TO PERMANENT ENDOWMENTS | CHANGE IN NET POSITION | | |
| COMPONENT UNITS: | | | | | | |
| LOUISIANA STATE UNIVERSITY SYSTEM | \$ 417,431 | \$ 270,126 | \$ 17,236 | \$ 208,011 | \$ 1,154,143 | \$ 1,362,154 |
| UNIVERSITY OF LOUISIANA SYSTEM | 225,954 | 222,408 | 6,294 | 33,322 | 85,618 | 118,940 |
| SOUTHERN UNIVERSITY SYSTEM | 47,312 | 55,748 | 442 | 4,576 | (69,085) | (64,509) |
| BOARD OF REGENTS | 269,414 | -- | -- | (2,517) | (10,120) | (12,637) |
| LOUISIANA LOTTERY CORPORATION | -- | 817 | -- | 176 | 12,917 | 13,093 |
| LOUISIANA STADIUM & EXPOSITION DISTRICT | 67,036 | 661 | -- | (10,861) | 93,710 | 82,849 |
| NONMAJOR COMPONENT UNITS | 134,469 | 230,062 | -- | 381,125 | (186,898) | 194,227 |
| TOTAL COMPONENT UNITS | \$ 1,161,616 | \$ 779,822 | \$ 23,972 | \$ 613,832 | \$ 1,080,285 | \$ 1,694,117 |

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

NOTES TO THE BASIC
FINANCIAL STATEMENTS

| | |
|---------|--|
| Note 1 | Summary of Significant Accounting Policies |
| Note 2 | Deposits and Investments |
| Note 3 | Accounts Receivable and Accounts Payable |
| Note 4 | Intra-Entity Transactions |
| Note 5 | Capital Assets |
| Note 6 | Employee Benefits – Pensions |
| Note 6A | Employee Benefits – Other Postemployment Benefits (OPEB) |
| Note 7 | Leases |
| Note 8 | Long-Term Obligations |
| Note 9 | Contingencies and Commitments |
| Note 10 | Fund Balance/Net Position Disclosures |
| Note 11 | Tax Abatement Programs |
| Note 12 | Other Disclosures |
| Note 13 | Subsequent Events |

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

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

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

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

Blended Component Units

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

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

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

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

State of Louisiana

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

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

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

Discretely Presented Component Units

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

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

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

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

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

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

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

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

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

- Health Education Authority of Louisiana (HEAL), 300 LaSalle Street, Ste. B, New Orleans, LA 70112, was created to provide affordable capital financing, through the issuance of tax-exempt bonds, for projects of public and private institutions and organizations related to patient care, health science education and biomedical research, as well as, organizations providing facilities and/or services deemed appropriate by HEAL to locate and/or operate in a functional geographic relationship with the geographic area.
- Louisiana State Board of Cosmetology, 11622 Sunbelt Court, Baton Rouge, LA 70809, regulates and licenses members of the Cosmetology industry to maintain public health and welfare standards set by the State of Louisiana.
- Louisiana Motor Vehicle Commission, 3519 12th Street, Metairie, LA 70002-3427, regulates all areas of the new car industry, including motor vehicle sales finance companies in Louisiana.
- Louisiana State Board of Private Security Examiners, 15703 Old Hammond Hwy., Baton Rouge, LA 70816, regulates the contract security guard industry.
- Louisiana Stadium and Exposition District, 1500 Girod Street, New Orleans, LA 70113, is responsible for financing and operating an enclosed covered stadium, as well as other related facilities and structures for holding sporting events, athletic contests, exhibitions, and other events of public interest.
- Road Home Corporation, doing business as Louisiana Land Trust, P.O. Box 4609, Baton Rouge, LA 70821, was created for the acquisition, disposition, purchase, renovation, leasing, or expansion of housing stock to help Louisiana residents displaced by hurricanes Katrina or Rita to get back into a home or apartment as quickly and fairly as possible.
- Sabine River Authority of Louisiana, 15091 Texas Highway, Many, LA 71449-5718, is charged with the development of Toledo Bend resources within the State.
- Ascension-St. James Airport and Transportation Authority, 6255 Airport Industrial Blvd., Gonzales, LA 70737, was established for the purpose of acquiring, constructing, maintaining and operating Louisiana Regional Airport.
- Levee Districts provide services necessary to ensure adequate drainage control and to protect lands within their respective districts from damage by flood. They include the following:
 - Atchafalaya Basin Levee District, P.O. Box 170, Port Allen, LA 70767
 - Bossier Levee District, P.O. Box 8279, Bossier City, LA 71113
 - Bunches Bend Protection District, 318 Morgan Street, Lake Providence, LA 71254; the district has a December 31 fiscal year end.
 - Caddo Levee District, P.O. Box 78282, Shreveport, LA 71137-8282
 - Fifth Louisiana Levee District, 102 Burnside Drive, Tallulah, LA 71282
 - Grand Isle Independent Levee District, P.O. Box 757, Grand Isle, LA 70358
 - Iberia Parish Levee, Hurricane and Conservation District, 300 Iberia Street, Ste. 410, New Iberia, LA 70560-4543

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- Lafitte Area Independent Levee District, 2654 Jean Lafitte Blvd., Lafitte, LA 70067
- Lafourche Basin Levee District, P.O. Box 670, Vacherie, LA 70090; the district has a December 31 fiscal year end.
- Natchitoches Levee and Drainage District, P.O. Box 1036, Natchitoches, LA 71458
- Nineteenth Louisiana Levee District, P.O. Box 267, Colfax, LA 71417
- North Lafourche Conservation, Levee and Drainage District, P.O. Box 309, Thibodaux, LA 70302. The district has a December 31 fiscal year end.
- Pontchartrain Levee District, P.O. Box 426, Lutcher, LA 70071
- Red River, Atchafalaya, and Bayou Boeuf Levee District, 10 Calvert Dr., Alexandria, LA 71303-3195
- Red River Levee and Drainage District, P.O. Box 433, Coushatta, LA 71019
- South Lafourche Levee District, P.O. Box 426, Galliano, LA 70354
- Tensas Basin Levee District, P.O. Box 68, Rayville, LA 71269

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

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

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

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

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

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

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

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

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

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

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

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

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

- The Louisiana Housing Corporation (LHC) is a discretely presented component unit whose board members are appointed by the State and the State has a financial benefit/burden relationship with the corporation. LHC, 2415 Quail Drive, Baton Rouge, LA 70808, is responsible for managing the State's housing programs, most of which focus on providing affordable housing for persons with low and moderate incomes.
- Louisiana Public Facilities Authority, 2237 S. Acadian Thruway, Suite 650, Baton Rouge, LA 70808, is a public trust authorized to issue obligations and provide funds to finance projects and programs in the best interest of the citizens of Louisiana. The authority has a December 31 fiscal year end.
- Louisiana State Board of Private Investigator Examiners, 7414 Perkins Road, Suite 120, Baton Rouge, LA 70808, regulates and licenses persons and businesses providing private investigative services.

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

- Acadiana Area Human Services District, 302 Dulles Drive, Lafayette, LA 70506 was established to direct the operation and management of community-based programs and services relative to mental health, developmental disabilities, and addictive disorder services for the parishes of Acadia, Evangeline, Iberia, Lafayette, St. Landry, St. Martin, and Vermillion parishes.
- Capital Area Human Services District, 4615 Government Street, Building 2, Baton Rouge, LA 70806, was established to direct the operation of community-based programs and services relative to public health, mental health, developmental disabilities, and addictive disorder services for the parishes of Ascension, East Baton Rouge, East Feliciana, Iberville, Pointe Coupee, West Baton Rouge, and West Feliciana.
- Central Louisiana Human Services District, P.O. Box 219, Evergreen, LA 71333, was created with local accountability and management of behavioral health and developmental disabilities services as well as any public health or other services contracted to the district by the Louisiana Department of Health.
- Florida Parishes Human Services Authority, 835 Pride Drive, Ste. B, Hammond, LA 70401, was established to direct the operation and management of mental health, developmental disabilities, and addictive disorders services for the residents of Livingston, St. Helena, St. Tammany, Tangipahoa, and Washington parishes.
- Foundation for Excellence in Louisiana Public Broadcasting, 7733 Perkins Road, Baton Rouge, LA 70810 was established to support the Louisiana Educational Television Authority, the state agency charged with promoting public and educational television in Louisiana. The Foundation provides an endowment to support public television in Louisiana and may serve as a "repository" for funds to be utilized for the promotion, development, enhancement and assistance of public television in Louisiana.
- Imperial Calcasieu Human Services Authority, 3505 5th Avenue, Ste. B, Lake Charles, LA 70607, was created with local accountability and management to provide behavioral health and developmental disabilities services to the parishes of Allen, Beauregard, Calcasieu, Cameron, and Jefferson Davis.

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- Jefferson Parish Human Services Authority, 3616 S. I-10 Service Road, Metairie, LA 70001, was established to provide administration, management, and operation of mental health, developmental disabilities, and addictive disorders services for the residents of Jefferson Parish.
- Louisiana Beef Industry Council, 2251 Drusilla Lane, Suite B, Baton Rouge Louisiana 70809, was established to coordinate the fulfillment of the economic, political and social needs of the Louisiana cattle producers.
- Louisiana Cancer Research Center, 1700 Tulane Avenue, Suite 1000, New Orleans, LA 70112, conducts research and promotes education in the diagnosis, detection, and treatment of cancer.
- Louisiana Citizens Property Insurance Corporation, 1 Galleria Blvd., Suite 720, Metairie, LA 70001, is a nonprofit organization created to provide insurance plans to residential and commercial property applicants who are unable to procure insurance through the voluntary market. Louisiana Citizens Property Insurance has a December 31 fiscal year end.
- Metropolitan Human Services District, 3100 General De Gaulle Drive, New Orleans, LA 70114, was established to direct the operation and management of mental health, developmental disabilities, and addictive disorders services for the residents of Orleans, St. Bernard, and Plaquemines parishes.
- Northeast Delta Human Services Authority, 2513 Ferrand Street, Monroe, LA 71201, was established to direct the operation and management of community-based programs and services relative to mental health, developmental disabilities, and addictive disorder services for the parishes of Caldwell, East Carroll, Franklin, Jackson, Lincoln, Madison, Morehouse, Ouachita, Richland, Tensas, Union, and West Carroll.
- Northwest Louisiana Human Services District, 1310 North Hearne Avenue, Shreveport LA 71107, was established to direct the operation and management of mental health, developmental disabilities, and addictive disorders services for the parishes of Bienville, Bossier, Caddo, Claiborne, DeSoto, Natchitoches, Sabine, Red River, and Webster.
- South Central Louisiana Human Services Authority, 521 Legion Avenue, Houma, LA 70364, was established to direct the operation and management of community-based programs and services relative to mental health, developmental disabilities, and substance abuse services for the residents of Assumption, Lafourche, St. Charles, St. James, St. John the Baptist, St. Mary, and Terrebonne parishes.
- Southeast Louisiana Flood Protection Authority-East, 6001 Stars and Stripes Blvd., Suite 225, New Orleans, LA 70126, and Southeast Louisiana Flood Protection Authority-West, 7001 River Road, Marrero, LA 70072, were created to provide regional coordination of flood protection. These two authorities are reported together as the Southeast Louisiana Flood Protection Authority-East and West (SLFPA-East and West). Entities under SLFPA-East and West for fiscal year 2017 include the Board of Commissioners-SLFPA-East, Board of Commissioners-SLFPA-West, Algiers Levee District, East Jefferson Levee District, Lake Borgne Basin Levee District, Orleans Levee District, and West Jefferson Levee District.
- Relay Administration Board, P.O. Box 91154, Baton Rouge, LA 70821-9154, is charged with oversight of telephone relay services for the State, insuring equal access to telecommunications services for all hearing and speech impaired citizens. The board has a December 31 fiscal year end.

Related Organizations

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

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

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

Joint Ventures

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

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

The Sabine River Authority of Louisiana's share of the joint ventures is reported as a discrete component unit in the accompanying basic financial statements. For fiscal year 2017, the Sabine River Authority of Louisiana reported an increase in net position of \$5,512,196 from fiscal year 2016.

Jointly Governed Organizations

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

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

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

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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

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

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

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

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

Governmental Funds

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

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

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

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

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

Proprietary Funds

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

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

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

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

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

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Fiduciary Funds

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

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

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

Cash and Investments

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

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

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

Internal Balances

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

Inventories and Prepaid Items

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

Restricted Assets

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

Capital Assets

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

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

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

Compensated Absences

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

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

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

Revenues and Expenses

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

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

Deferred Outflows/Inflows of Resources

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

Fund Balance Classifications and Net Position

Fund balances are reported under the following fund balance classifications:

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

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

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

D. BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

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

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

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

Governments are required to present the original, final, and actual budgetary basis of the General Fund and each individual major special revenue fund that has a legally adopted annual budget. The accompanying Required Supplementary Information includes notes and a schedule making this comparison for the General Fund. For fiscal year 2017, there are no major special revenue funds. Legally adopted budgets are not adopted for any fund. However, since most revenues that finance General Fund expenditures as well as the State's general obligation debt service payments are accounted for in the Bond Security & Redemption Fund, a budgetary comparison schedule will be prepared and included as Supplementary Information.

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E. USE OF ESTIMATES

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

NOTE 2: DEPOSITS AND INVESTMENTS

A. DEPOSITS

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

The following chart presents bank deposit balances for the primary government and fiduciary funds as of June 30, 2017. Deposits are listed in terms of whether they are exposed to custodial credit risk, which is the risk that the state's deposits may not be returned in the event of a bank failure. Deposits are exposed to custodial credit risk if they are either: a) uninsured and uncollateralized, b) uninsured and collateralized with securities held by the pledging financial institution, or c) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the State.

Deposits Exposed to Custodial Credit Risk (Expressed in Thousands)

| | <u>Uninsured and Uncollateralized</u> | <u>Uninsured and Collateralized with Securities Held by Institution</u> | <u>Uninsured and Collateralized with Securities Held by Pledging Institution's Trust Dept. or Agent but not in State's Name</u> | <u>Total Bank Balances – All Deposits</u> |
|----------------------------|---|---|---|---|
| Primary Gov't & Fiduciary: | | | | |
| Cash | \$ 90,934 | \$ 15,291 | \$ 51,792 | \$ 1,093,028 |
| Certificates of Deposit | 51 | 4 | 717 | 186,122 |
| Other | 292 | 2 | - | 11,726 |
| Total Bank Balances | <u>\$ 90,777</u> | <u>\$ 15,297</u> | <u>\$ 52,509</u> | <u>\$ 1,290,876</u> |

B. INVESTMENTS - VALUATION

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

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

LRS 39:99 directs the State Treasurer to offer each local school board the opportunity to enter into contract with the State to have its share of tobacco settlement monies invested and managed on its behalf by the State Treasurer. The State Treasurer maintains these monies in a pooled investment known as the Louisiana Education Excellence Fund, an external investment pool that is not registered with the SEC as an investment company. The pool invests in Treasury obligations, corporate bonds, and other securities as prescribed by LRS 17:3803. The securities are valued at fair market value, which are updated at least weekly and as often as daily. The State Treasurer neither guarantees nor obtains any legally binding guarantee to support the values of the shares in the pool. Participant's share of investments sold and redeemed in the pool is determined on a dollar basis and the earnings of the fund are credited back to the participants on a pro rata basis. As of June 30, 2017 the par value of the securities within the Louisiana Education Excellence Trust Fund is \$26,029,542 and the fair market value is \$26,163,549.

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

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

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

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

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

The following chart presents the investments of the primary government and fiduciary funds at June 30, 2017. As required by GASB 72, investments reported at fair value, exceptions noted below, are disclosed by fair value hierarchy level.

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All Investments (Expressed in Thousands)

| | Quoted Prices in Active Markets for Identical Assets | Other Observable Inputs | Significant Unobservable Inputs |
|--|---|--|--|
| Total Value | (Level 1 Inputs) | (Level 2 Inputs) | (Level 3 Inputs) |
| Investments by Fair Value Level | | | |
| Negotiable Certificates of Deposit | \$1,711 | \$1,711 | |
| U.S. Government Securities | 2,970,650 | 707,987 | \$2,262,663 |
| U.S. Agency Obligations | 1,676,005 | 56,625 | 1,619,380 |
| Commercial Paper | 582,549 | | 582,549 |
| Short Term Investments | 1,246,991 | 477,503 | 184,276 |
| Mortgages (Mortgage Backed Securities & Collateralized Mortgage Obligations) | 106,075 | | \$585,212 |
| External Investment Pools | 363 | 363 | |
| Mutual Funds | 1,570,354 | 1,286,638 | 283,716 |
| Municipal Bonds | 578,008 | 108 | 577,900 |
| Corporate Bonds | 2,335,653 | 113,041 | 2,079,103 |
| Other Bonds | 2,342,536 | 231,484 | 2,058,266 |
| Equity Securities (Common & Preferred Stock) | 15,388,354 | 14,416,759 | 184,773 |
| Real Estate | 722,182 | 39,674 | 786,822 |
| Private Equity | 3,460,029 | 30,851 | 682,508 |
| Alternative Investments | 939,986 | 7,115 | 3,429,178 |
| Collateral Held Under Securities Lending | 1,239,683 | | 276,118 |
| | | | 1,239,683 |
| Total Investments by Fair Value Level | \$35,161,129 | \$17,369,859 | \$11,454,502 |
| Investments Measured at Net Asset Value | | | |
| Emerging Market Funds | \$1,919,424 | | |
| Private Equity Funds | 1,527,797 | | |
| Absolute Return Funds | 881,670 | | |
| Global Tactical Asset Allocation | 738,813 | | |
| Real Estate | 345,690 | | |
| Dimensional Funds | 505,062 | | |
| Strategic Property Funds | 441,684 | | |
| Core Property Funds | 221,904 | | |
| Total Investments at Net Asset Value | \$6,582,044 | | |
| Investments Measured at Fair Value | | | |
| Collateral Held Under Securities Lending | \$2,641,524 | | |
| Total Investments at Fair Value | \$2,641,524 | | |
| Derivatives by Fair Value Level | | | |
| Pay Fixed Interest Rate Swaps | (\$33,188) | | (\$33,188) |
| Financial Futures | (1,769) | (\$1,769) | |
| Forward Foreign Exchange Contracts | 4,866 | (400) | 5,266 |
| Short Fixed Income and Written Options Swaps | (262,710) | (35) | (262,675) |
| | (42) | | (42) |
| Total Derivatives by Fair Value Level | (\$292,843) | (\$2,204) | (\$290,639) |
| TOTAL INVESTMENTS AT FAIR VALUE | \$44,091,854 | \$17,367,655 | \$11,163,863 |
| | | | \$6,336,768 |

State of Louisiana

All Investments (Expressed in Thousands)

| | Quoted Prices in Active Markets for Identical Assets | | | |
|---|--|-------------------------|---|---|
| | <u>Total Value</u> | <u>(Level 1 Inputs)</u> | <u>Other Observable Inputs (Level 2 Inputs)</u> | <u>Significant Unobservable Inputs (Level 3 Inputs)</u> |
| Investments Measured at Amortized Cost | | | | |
| Negotiable Certificates of Deposit | \$1,194 | | | |
| Repurchase Agreements | 148,293 | | | |
| Money Market Mutual Funds | 609,526 | | | |
| U.S. Government Obligations | 76,925 | | | |
| U.S. Agency Obligations | 1,916 | | | |
| Total Investments at Amortized Cost | \$837,854 | | | |
| Investments Measured at Cost | | | | |
| Synthetic Guaranteed Investment Contracts | \$500,164 | | | |
| Interest Earning Investment Contracts | 1,584 | | | |
| Total Investments Measured at Cost | \$501,748 | | | |
| TOTAL ALL INVESTMENTS | \$45,431,456 | \$17,367,655 | \$11,163,863 | \$6,336,768 |

Primary Government

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

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

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

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

The primary government has no investments classified as Level 3. However, the primary government has investments in U.S. Government Securities and Agency Obligations, Money Market Funds, Negotiable Certificates of Deposit and Repurchase agreement measured as amortized cost. These investments are measured in accordance with the exception as provided in GASB 72.

State of Louisiana

Retirement Systems and Other Fiduciary Funds

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

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

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

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

- LASERS [https://www.la.la.gov/PublicReports.nsf/97BC27808ED6DC3A862581B50079961B/\\$FILE/000165FE.pdf](https://www.la.la.gov/PublicReports.nsf/97BC27808ED6DC3A862581B50079961B/$FILE/000165FE.pdf)
- TRSL [https://www.la.la.gov/PublicReports.nsf/717ED2BF728CEC07862581B600541E5F/\\$FILE/00016608.pdf](https://www.la.la.gov/PublicReports.nsf/717ED2BF728CEC07862581B600541E5F/$FILE/00016608.pdf)
- LSERS [https://www.la.la.gov/PublicReports.nsf/FEC4B06753453691862581AF005A730B/\\$FILE/0001656A.pdf](https://www.la.la.gov/PublicReports.nsf/FEC4B06753453691862581AF005A730B/$FILE/0001656A.pdf)

C. INVESTMENTS - CUSTODIAL CREDIT RISK

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction the State will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty, or by the counterparty's trust department or agent but not in the name of the State. The following chart presents the custodial credit risk of the investments held by the primary government and fiduciary funds at June 30, 2017.

State of Louisiana

Investments Exposed to Custodial Credit Risk (Expressed in Thousands)

| | Uninsured, Unregistered, and Held by Counterparty | Uninsured, Unregistered, and Held by Counterparty's Trust Dept. or Agent but not in the State's Name |
|------------------------------------|--|---|
| Primary Government: | | |
| Negotiable Certificates of Deposit | \$166 | \$462 |
| U.S. Government Securities | | |
| U.S. Agency Obligations | 56,625 | |
| Equity Securities | 46 | \$445 |
| Municipal Bonds | | |
| Corporate Bonds | | 1,638 |
| Other Bonds | | |
| Mortgages | | |
| Mutual Funds | | 1,361 |
| Alternative Investments | | |
| Total Primary Government | \$56,837 | \$3,906 |
| Fiduciary Funds: | | |
| Negotiable Certificates of Deposit | | |
| Repurchase Agreements | | |
| U.S. Government Securities | | |
| U.S. Agency Obligations | | |
| Equity Securities | | |
| Municipal Bonds | \$374 | |
| Corporate Bonds | 382 | |
| Other Bonds | | |
| Mortgages | | |
| Real Estate | | |
| Mutual Funds | | |
| Private Equity | | |
| Alternative Investments | | |
| Security Lending | | 2,749,791 |
| Total Fiduciary Funds | \$756 | |
| TOTAL INVESTMENTS | \$57,593 | \$2,753,697 |

D. INVESTMENTS - INTEREST RATE RISK

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

Primary Government

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

As of June 30, 2017 the State Treasury has no investments with fair values that are highly sensitive to changes in interest rates due to their terms or characteristics, but held \$621,757,367.45 in securities whose coupon rates were subject to change.

The table below displays the aggregate total of the primary governments debt investments by type and maturities (amounts expressed in thousands) as of June 30, 2017.

State of Louisiana

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|------------------------------------|--------------------|----------------------------------|--------------------|------------------|------------------|
| | | Less Than 1 | 1-5 | 6-10 | Greater Than 10 |
| U.S. Government Securities | \$1,672,422 | \$648,825 | \$923,260 | \$100,337 | - |
| U.S. Agency Obligations | 1,254,997 | 492,285 | 379,371 | 372,918 | \$10,423 |
| Negotiable Certificates of Deposit | 1,711 | 73 | 1,638 | - | - |
| Corporate Bonds | 739,048 | 20,629 | 368,992 | 204,547 | 144,880 |
| Municipal Bonds | 573,209 | 9,549 | 149,077 | 282,433 | 132,150 |
| Other Bonds | 22,934 | 8,000 | 14,934 | - | - |
| Mutual Funds | 1,402,467 | 1,350,341 | 51,877 | 242 | 7 |
| External Investment Pools | 363 | 363 | - | - | - |
| Total | \$5,667,151 | \$2,530,065 | \$1,889,149 | \$960,477 | \$287,460 |

Retirement Systems and Other Fiduciary Funds

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

At June 30, 2017, the Louisiana School Employees' Retirement System (LSERS) held \$636,594,207 in total debt investments; the Louisiana State Employees' Retirement System (LASERS) held \$2,718,309,260 in total debt investments; the Teachers' Retirement System of Louisiana (TRSLA) held \$4,515,465,822 in total debt investments; and the Louisiana State Police Retirement System (LSPRS) held \$39,061,885 in total debt investments. LSPRS also held \$100,626,009 in bonds with no maturity.

The table below displays the aggregate total of the state retirement systems and other fiduciary funds debt investments by type and maturities (amounts expressed in thousands) as of June 30, 2017.

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|--|--------------------|----------------------------------|--------------------|--------------------|--------------------|
| | | Less Than 1 | 1-5 | 6-10 | Greater Than 10 |
| U.S. Government Securities | \$1,393,422 | 83,851 | 488,571 | 254,464 | 566,536 |
| U.S. Agency Obligations | 423,005 | 35,711 | 300,201 | 522 | 86,571 |
| Mortgage Backed Securities and Collateralized Mortgage Obligations | 172,729 | - | 8,350 | 9,301 | 155,078 |
| Corporate Bonds | 1,650,601 | 76,902 | 612,992 | 725,310 | 235,397 |
| Foreign Bonds | 1,751,245 | 53,964 | 539,404 | 670,102 | 487,775 |
| Short-term Investments | 2,369,313 | 2,369,313 | - | - | - |
| Repurchase Agreements | 148,293 | 148,293 | - | - | - |
| Municipal Bonds | 4,799 | 374 | 4,325 | 100 | - |
| Other Bonds | 577,934 | 7,642 | 283,016 | 170,437 | 116,839 |
| Commercial Paper | 582,549 | 582,549 | - | - | - |
| Mutual Funds | 240,808 | 240,808 | - | - | - |
| Alternative Investments | 91,269 | 91,269 | - | - | - |
| Total | \$9,405,967 | \$3,690,676 | \$2,236,859 | \$1,830,236 | \$1,648,196 |

E. INVESTMENTS - CREDIT RISK & CONCENTRATION OF CREDIT RISK

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

Primary Government

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

Originally, Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac) securities held by the State carried an implicit guarantee of the US Government, but are now backed by a capital pledge of the US government. Of the State Treasury's total investments, 3.7% are issues of the Federal National Mortgage Association (Fannie Mae), 11.2% are issues of the Federal Home Loan Bank, 4.9% are issues of the Federal Farm Credit Bank, and 1.5% are issues of Federal Home Loan Mortgage Corporation (Freddie Mac).

The accompanying table illustrates the primary government's investments exposure to credit risk as of June 30, 2017 (expressed in thousands):

| <u>Rating</u> | <u>Fair Value</u> |
|---------------|--------------------|
| AAA | \$411,849 |
| AA+ | 2,764 |
| AA | 900,706 |
| AA- | 3,200 |
| A+ | 2,178 |
| A | 316,874 |
| A- | 634 |
| BBB+ | 294 |
| BBB | 240,722 |
| BBB- | 35 |
| BB | 13,292 |
| B | 14,364 |
| Not Rated | 1,884,179 |
| Total | <u>\$3,791,091</u> |

Retirement Systems and Other Fiduciary Funds

The investment policies of the state's retirement systems and other fiduciary funds prescribe the level of credit risk to which their investments in debt securities are exposed. The Louisiana State Police Retirement System has the following investments that represent 5% or more of LSPRS's total investments at June 30, 2017: (1) T. Rowe Price Large Cap Growth Fund; (2) Templeton Investments Counsel, Inc. International Value; (3) Loomis Sayles Fixed Income Fund; (4) State Street S&P 500 Flagship Fund; and (5) Wellington CTF International Quality Growth Fund. None of the other retirement systems or trusts had investments in any one issuer (other than those issued or guaranteed by the U.S. government) that represented more than 5% of its total investments.

The following table details the total fair market value of investments in debt securities exposed to credit risk at June 30, 2017 for each of the state's retirement systems and other fiduciary funds:

State of Louisiana

| Fair Value (U.S. dollars) (in thousands) | |
|---|---------------------------|
| Rating | Fair Value |
| AAA | \$1,705,684 |
| AA+ | 396,948 |
| AA | 46,337 |
| AA- | 138,418 |
| A+ | 108,221 |
| A | 225,741 |
| A- | 382,841 |
| A-1 | 664,033 |
| A-1+ | 108,553 |
| BBB+ | 200,764 |
| BBB | 310,820 |
| BBB- | 286,424 |
| BB+ | 294,509 |
| BB | 313,625 |
| BB- | 137,842 |
| B+ | 160,946 |
| B | 123,009 |
| B- | 141,914 |
| CCC+ | 75,629 |
| CCC | 33,571 |
| CCC- | 13,433 |
| CC | 4,126 |
| C | 68 |
| D | 18,296 |
| Not Rated | 3,216,502 |
| Total | <u>\$9,108,254</u> |

F. FOREIGN CURRENCY RISK

Primary Government

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

Retirement Systems and Other Trusts

Louisiana School Employees' Retirement System's (LSERS) investment policy targets 28% of its portfolio to be invested in foreign marketable securities and 10% in global fixed income. However, at June 30, 2017, the current position is 4.8% and 2.8% respectively and totals \$97,024,592. The Louisiana State Employees' Retirement System (LASERS) held foreign marketable securities with a fair value of \$2,949,714,469 at June 30, 2017 and the Teachers' Retirement System of Louisiana (TRSLA) held \$3,718,258,821. The Louisiana State Police Retirement System (LSPRS) investment policy allows no more than 22.50% of their portfolio to be international equities, with a target of 12.50%; however at June 30, 2017 the system held no international equities. The following table illustrates the total exposure to foreign currency risk at June 30, 2017 of \$6,764,997,882 by currency denomination and investment type:

State of Louisiana

| Currency | Fair Value (U.S. dollars) (in thousands) | |
|-------------------------|---|--------------------|
| | Bonds | Stocks & Other |
| Argentina peso | \$17,068 | \$267 |
| Australian dollar | 45,245 | 222,115 |
| Brazil real | 108,011 | 24,509 |
| British pound sterling | 162,063 | 650,425 |
| Canadian dollar | 69,922 | 262,737 |
| Chilean peso | 3,218 | 3,416 |
| Columbian peso | 31,320 | 2,180 |
| Czech koruna | - | 3,849 |
| Danish krone | 36,871 | 82,260 |
| Dominican Republic peso | 2,847 | - |
| Egyptian pound | 299 | 1,809 |
| European euro | 170,799 | 2,026,981 |
| Hong Kong dollar | - | 291,152 |
| Hungarian forint | - | 8,056 |
| Indian rupee | - | 7,895 |
| Indonesian rupiah | 69,374 | 10,591 |
| Israeli shekel | - | 13,778 |
| Japanese yen | 51,437 | 957,144 |
| Malaysian ringgit | 51,811 | 12,370 |
| Mexican new peso | 186,695 | 9,844 |
| New Taiwan dollar | - | 37,348 |
| New Turkish lira | 48,227 | 10,160 |
| New Zealand dollar | 634 | 36,251 |
| Norwegian krone | 823 | 31,673 |
| Omani rial | - | 2 |
| Peruvian sol | 11,368 | 170 |
| Philippines peso | 1,153 | 4,016 |
| Polish zloty | 81,656 | 8,314 |
| Qatari riyal | - | 629 |
| Romanian leu | - | 123 |
| Russian ruble | 38,114 | 161 |
| Saudi Arabian riyal | - | 10 |
| Singapore dollar | 429 | 98,665 |
| South African rand | 67,487 | 19,263 |
| South Korean won | - | 104,215 |
| Swedish krona | 34,199 | 163,283 |
| Swiss franc | 632 | 328,560 |
| Thailand baht | 15,095 | 15,837 |
| Uruguayan peso | 6,300 | 23 |
| UAE dirham | - | 1,820 |
| Total | <u>\$1,313,097</u> | <u>\$5,451,901</u> |

G. SECURITIES LENDING

State Treasury and Other Trusts

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

State of Louisiana

Four separate funds were included in the securities lending agreement for the fiscal year ending June 30, 2017. At June 30, 2017, the collateral exceeded the value of the securities on loan by \$41,196,637 for the general fund, \$6,826,862 for the Louisiana Education Quality Trust Fund (LEQTF), \$6,725,240 for the Millennium Trust Fund (the Millennium Trust), and \$1,495,348 for other pooled state and non-state funds.

At June 30, 2017, the value of securities on loan was \$2,028,920,591 for the Treasurer's pooled general fund investments; \$341,343,100 for LEQTF; \$336,683,567 for the Millennium Trust Fund; and \$74,500,058 for other pooled investments.

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

The State's security lending agreements also include U.S. Government and Government Sponsored Entity securities held within the State's trust fund, the Louisiana Education Tuition & Savings Fund. As of the funds year end, December 31, 2016, the fair market value of the securities on loan within the trust fund was \$151,538,780. The trust fund had limited credit risk exposure because the value of the collateral securities pledged exceeded the value of the securities on loan by \$3,030,776.

As of June 30, 2017, the State had limited credit risk exposure because the market value of the U.S. Government and Government Sponsored Entity, and other eligible securities pledged as collateral to the State exceeded the value of securities the State had out on loan by \$56,244,087. The value of the securities on loan was \$2,781,447,316 and the total market value of the securities held as collateral was \$2,837,691,403. The value of the collateral securities was 102.02% of the value of loaned securities. The Risk to the State is further mitigated because loss indemnification is provided to the State in the securities lending contract with Morgan Stanley.

Retirement Systems

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

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

At June 30, 2017, neither LSPRS, LASERS, TRSLA, nor LSERS had any credit risk exposure to borrowers at year end because the amount the plan owes the borrowers exceeds the amount the borrowers owe the plan. Securities loans of all four systems may be terminated on demand by either party within a period specified in the related agreement. There were neither significant violations of legal or contractual provisions, nor borrower or lending agent default losses known to the securities lending agents of LSPRS, LSERS or TRSLA. The LASERS and LSERS have indemnification agreements with their securities lending agents in case of borrower default. Securities on loan at June 30, 2017 totaled \$1,333,252,906 for LASERS, \$2,404,113,985 for TRSLA, \$89,167,029 for LSERS, and \$63,628,622 for LSPRS.

H. DERIVATIVES

Governmental Activities

As of June 30, 2017, the State is a party to 6 pay-fixed, receive-variable interest rate swaps. These instruments are reported on the government-wide statement of net position at fair value. The fair values take into consideration the prevailing interest rate environment, the nonperformance risk of the client counterparty, and the specific terms and conditions of each swap. All fair values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swaps taking into account nonperformance risk by tracking the relevant credit risk of the State of Louisiana (State) as well as the counterparty on a given reporting date and determining which risk would be appropriate to discount the expected cash flows. These payments are then discounted using the State's relevant interest rate curve for liabilities or the counterparty's relevant yield for assets.

As of June 30, 2017, the State determined that all remaining pay-fixed interest rate swaps qualify for hedge accounting under GASB Statement No. 53. Accordingly, changes in fair market value are offset by corresponding deferred outflows/inflows of resources on the government-wide statement of net position. The tables below summarize the derivatives activity for the year and the key terms and objectives of the derivative instruments outstanding at June 30, 2017:

| Summary of Derivative Instruments Governmental Activities (in thousands) | | | | |
|--|-------------------------------|----------|---------------------------------|----------|
| | Changes in Fair Value | | Fair Value at June 30 | |
| | Classification | Amount | Classification | Amount |
| Hedging Derivative Instruments | | | | |
| <u>Cash Flow Hedges</u> | | | | |
| Pay-Fixed Interest Rate Swaps | Deferred Outflow of Resources | \$43,241 | Derivative Instrument Liability | \$33,189 |

State of Louisiana

Terms and Objectives of Hedging Derivative Instruments (in thousands)

| Type | Notional | Objective | Effective Date | Maturity Date | Terms | Counterparty Credit Rating (Moody's/S&P) |
|--|-----------|--|----------------|---------------|---------------------------------------|--|
| Pay-Fixed, Receive Variable Interest Rate Swap | \$46,500 | Hedge changes in cash flows on Gas and Fuels 2013 Series B-2 Bonds | 05/01/09 | 05/01/43 | Pay 3.694%; Receive 70% of USD-LIBOR | Aa3/A+ |
| Pay-Fixed, Receive Variable Interest Rate Swap | \$14,125 | Hedge changes in cash flows on Gas and Fuels 2017 Series A Bonds | 05/01/09 | 05/02/41 | Pay 3.699%; Receive 70% of USD-LIBOR | Aa3/A+ |
| Pay-Fixed, Receive Variable Interest Rate Swap | \$56,500 | Hedge changes in cash flows on Gas and Fuels 2013 Series B-2 Bonds | 05/01/09 | 05/02/41 | Pay 3.692%; Receive 70% of USD-LIBOR | Baa2/A- |
| Pay-Fixed, Receive Variable Interest Rate Swap | \$186,000 | Hedge changes in cash flows on Gas and Fuels 2017 Series A Bonds | 05/01/09 | 05/01/43 | Pay 3.692%; Receive 70% of USD-LIBOR | Baa2/A- |
| Pay-Fixed, Receive Variable Interest Rate Swap | \$93,000 | Hedge changes in cash flows on Gas and Fuels 2014 Series A Bonds | 04/01/12 | 05/01/43 | Pay 3.9235%; Receive 70% of USD-LIBOR | Baa2/A- |
| Pay-Fixed, Receive Variable Interest Rate Swap | \$28,250 | Hedge changes in cash flows on Gas and Fuels 2014 Series A Bonds | 04/01/12 | 05/01/41 | Pay 3.9315%; Receive 70% of USD-LIBOR | Baa2/A- |

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

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

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

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

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

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

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

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

Fiduciary Funds

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

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

TRSL and LASERS invest in collateralized mortgage obligations which are collateralized by mortgages, mortgage pass-through securities, or stripped mortgage-backed securities and can be highly sensitive to interest rate fluctuations. Additionally, TRSL, LSERS, and LASERS invest in forward foreign exchange contracts which are contractual agreements between two parties to pay or receive specific amounts of foreign currency at a future date in exchange for another currency for an agreed upon exchange rate. The systems also invests in futures contracts which are agreements for delayed delivery of securities, currency, commodities, or money market instruments in which the seller agrees to make delivery at a specified future date of a specified instrument, at a specific price or yield. TRSL and LASERS further invests in options on futures allowing the holder and writer of the option the right to exchange futures positions. LASERS also maintains a fully benefit-responsive synthetic guaranteed investment contract option for members of the Optional Retirement Plan and the Self-Directed Plan. The investment objective of the SGIC is to protect members from loss of their original investment and to provide a competitive interest rate. As of June 30, 2017, the fair value of LASERS Stable Value Fund was \$500.2 million. The fair value of this fund exceeded the value protected by the wrap contract by \$0.1 million. The counterparty rating for the wrap contract is AA. The wrap represents an unconditional guarantee of compliance/repayment of principal and interest in accordance with the underlying agreement.

The table below provides summary data for the State's outstanding derivative instruments within the fiduciary funds as of June 30, 2017.

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Summary of Investment Derivative Instruments Fiduciary Funds (in thousands)

| | Notional | Changes in Fair Value | | Fair Value at June 30 | |
|--------------------------------------|-------------|--|------------|-------------------------|-------------|
| | | Classification | Amount | Classification | Amount |
| Futures Based Overlay Program | \$475,165 | Net Appreciation/(Depreciation) in Fair Value of Investments | (\$18,654) | Equity Investments | (\$1,771) |
| Short Fixed Income & Written Options | \$0 | Net Appreciation/(Depreciation) in Fair Value of Investments | (\$54,575) | Alternative Investments | (\$262,710) |
| Forward Foreign Exchange Contracts | \$1,967,570 | Net Appreciation/(Depreciation) in Fair Value of Investments | \$7,079 | Investments | \$4,866 |
| Financial Futures | (\$4,028) | Net Appreciation/(Depreciation) in Fair Value of Investments | (\$25) | Equity Investments | \$2 |
| SWAPS | \$3,233 | Net Appreciation/(Depreciation) in Fair Value of Investments | (\$43) | Domestic Bonds | (\$43) |
| Short Sales | \$0 | Net Appreciation/(Depreciation) in Fair Value of Investments | \$2,782 | Other Bonds | \$0 |

Risk Disclosures

Credit Risk: As of June 30, 2017 TRSL's credit risk had not increased with the use of the overlay strategy because the futures based overlay program uses exchange traded futures contracts.

Interest Rate Risk: At June 30, 2017 LSERS is exposed to interest rate risk on the fixed income futures. The values of the futures are directly linked to interest rate indices which increase and decrease as interest rates change.

Foreign Currency Risk: As of June 30, 2017 LSER's fixed income futures, which are denominated in Euros and had a fair value of \$0, were exposed to foreign currency risk. LSER's, LASER's, and TRSL's foreign exchange currency contracts were also exposed to foreign currency risk.

The following table illustrates LASER's total exposure to foreign currency risk at June 30, 2017 of (\$851,392) by currency denomination:

State of Louisiana

| <u>Currency</u> | <u>Fair Value</u> <u>(U.S Dollars)</u> |
|---------------------|---|
| | <u>Value</u> |
| Argentinian Peso | \$12,433 |
| Brazilian Real | 24,515 |
| British Pound | (19,031) |
| Canadian Dollar | (14,688) |
| Chilean Peso | 7,315 |
| Columbian Peso | 21,830 |
| Czech Koruna | 104,544 |
| Egyptian Pound | 388 |
| Euro | (509,292) |
| Hong Kong Dollar | (22) |
| Indian Rupee | (5,927) |
| Indonesian Rupiah | (379) |
| Japanese Yen | 816 |
| Mexican Peso | (84,902) |
| New Zealand Dollar | (618,232) |
| Norwegian Krone | (6,010) |
| Omani Rial | 1,839 |
| Polish Zloty | 44,331 |
| Qatari Royal | (1,135) |
| Romanian Leu | 121,937 |
| Russian Ruble | 6,295 |
| Saudi Arabian Riyal | 10,221 |
| South African Rand | 74,034 |
| Swedish Krona | 2,544 |
| Thailand Baht | (55,681) |
| Turkish Lira | 8,200 |
| Uruguayan Peso | 22,665 |
| | <hr/> |
| Total | <u><u>(\$851,392)</u></u> |

At June 30, 2017 TRSL's foreign currency risk has been reduced by use of the futures based overlay program. The use of the overlay program reduced the variance of TRSL's actual return to the benchmark return.

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NOTE 3: ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

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

A. RECEIVABLES

Receivable balances at June 30, 2017, are as follows (expressed in thousands):

| | Governmental Funds | | | | | |
|---|---------------------------|--|-----------------------------------|---|------------------------------------|---------------------------------|
| | General Fund | Bond Security & Redemption Fund | Capital Outlay Escrow Fund | Louisiana Education Quality Trust Fund | Nonmajor Governmental Funds | Total Governmental Funds |
| Applicants & Grantees | \$ 191,061 | \$ -- | \$ -- | \$ -- | \$ -- | \$ 191,061 |
| Corporate Income Tax | -- | 191,979 | -- | -- | -- | 191,979 |
| Individual Income Tax | -- | 420,186 | -- | -- | -- | 420,186 |
| Sales & Use Tax | -- | 470,128 | -- | -- | 2,076 | 472,204 |
| Severance Tax | 159 | 67,329 | -- | -- | -- | 67,488 |
| Tobacco Tax | -- | 21,895 | -- | -- | -- | 21,895 |
| Franchise Tax | -- | 16,613 | -- | -- | -- | 16,613 |
| Gas & Fuels Tax | -- | 41,661 | -- | -- | 131 | 41,792 |
| Insurance Premium Tax | -- | 172,856 | -- | -- | -- | 172,856 |
| Alcohol Tax | -- | 6,716 | -- | -- | -- | 6,716 |
| Occupancy Tax | -- | 10,262 | -- | -- | -- | 10,262 |
| Other Taxes | -- | 6,279 | -- | -- | 3,819 | 10,098 |
| Gaming | -- | 12,372 | -- | -- | -- | 12,372 |
| Mineral Settlements, Royalties, Bonuses & Rent | 597 | 13,443 | -- | -- | 14 | 14,054 |
| Interest & Dividends | 206 | 2,520 | -- | -- | 47 | 2,773 |
| Licenses, Permits & Fees | 16 | 59,307 | -- | -- | 7,535 | 66,858 |
| Sale of Commodities & Services | 2,313 | 10,400 | 9 | -- | -- | 12,722 |
| Unclaimed Property | 150 | 185 | -- | -- | -- | 335 |
| Gifts, Donations, & Contributions | 7 | 8,460 | 330 | -- | -- | 8,797 |
| Other | 248,957 | 59,537 | 831 | 1 | 8 | 309,334 |
| Receivables (Net) | \$ 443,466 | \$ 1,592,128 | \$ 1,170 | \$ 1 | \$ 13,630 | \$ 2,050,395 |
| Amounts not expected to be collected within one year | \$ -- | \$ 631,514 | \$ -- | \$ -- | \$ -- | \$ 631,514 |

Proprietary Funds

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities |
|-------------------------------|--|--|----------------------------------|-------------------------------|--------------------------------|
| | Unemployment Trust Fund | Louisiana Community & Technical Colleges System | Nonmajor Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| Employer Contribution (Gross) | \$ 57,192 | \$ -- | \$ -- | \$ 57,192 | \$ -- |
| Tuition and Fees (Gross) | -- | 24,473 | 389 | 24,862 | -- |
| Other (Gross) | 74,759 | 4,704 | 6,754 | 86,217 | 26,550 |
| Total Receivables | 131,951 | 29,177 | 7,143 | 168,271 | 26,550 |
| Allowance for Uncollectibles | (74,189) | (10,964) | (342) | (85,495) | (19) |
| Receivables (Net) | 57,762 | 18,213 | 6,801 | 82,776 | 26,531 |

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B. ACCOUNTS PAYABLE AND ACCRUALS

Accounts payable and accruals at June 30, 2017, are as follows (expressed in thousands):

| | Governmental Funds | | | | | Total Governmental Funds |
|------------------------------------|---------------------|---------------------------------|----------------------------|--|-----------------------------|--------------------------|
| | General Fund | Bond Security & Redemption Fund | Capital Outlay Escrow Fund | Louisiana Education Quality Trust Fund | Nonmajor Governmental Funds | |
| Salaries, Wages & Related Benefits | \$ 104,155 | \$ -- | \$ -- | \$ -- | \$ -- | 104,155 |
| Travel & Training | 1,269 | -- | -- | -- | -- | 1,269 |
| Operating Services | 43,866 | -- | 879 | -- | 31 | 44,776 |
| Professional Services | 84,234 | 32 | 58 | -- | 19 | 84,343 |
| Supplies | 18,078 | -- | -- | -- | -- | 18,078 |
| Grants & Public Assistance | 67,852 | -- | -- | -- | -- | 67,852 |
| Capital Outlay | 39,324 | -- | 184,688 | -- | -- | 224,012 |
| Other Charges | 1,575,243 | 1 | 46 | 243 | 13,217 | 1,588,750 |
| Total Accounts Payable | \$ 1,934,021 | \$ 33 | \$ 185,671 | \$ 243 | \$ 13,267 | \$ 2,133,235 |

| | Proprietary Funds | | | | Governmental Activities |
|------------------------------------|---|---|---------------------------|------------------------|-------------------------|
| | Business-Type Activities - Enterprise Funds | | | Total Enterprise Funds | |
| | Unemployment Trust Fund | Louisiana Community & Technical Colleges System | Nonmajor Enterprise Funds | | |
| Salaries, Wages & Related Benefits | \$ -- | \$ 18,152 | \$ 1,132 | \$ 19,284 | \$ 2,488 |
| Travel & Training | -- | 167 | 9 | 176 | 6 |
| Operating Services | -- | 2,444 | 1,093 | 3,537 | 3,851 |
| Professional Services | -- | 1,145 | 321 | 1,466 | 15,954 |
| Supplies | -- | 541 | 3,044 | 3,585 | 2,303 |
| Grants & Public Assistance | -- | 5,183 | -- | 5,183 | -- |
| Capital Outlay | -- | 4,806 | 85 | 4,891 | 193 |
| Other Charges | 70 | 1,376 | 727 | 2,173 | 2,111 |
| Total Accounts Payable | \$ 70 | \$ 33,814 | \$ 6,411 | \$ 40,295 | \$ 26,906 |

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NOTE 4: INTRA-ENTITY TRANSACTIONS

INTERFUND ACCOUNTS AND TRANSFERS

A. RECEIVABLES AND PAYABLES

A summary of interfund receivables and payables at June 30, 2017, is shown below (expressed in thousands):

| | Primary Government | |
|---|----------------------|---------------------|
| | Due from Other Funds | Due to Other Funds |
| GOVERNMENTAL FUNDS: | | |
| General Fund | \$ 1,193,593 | \$ 443,379 |
| Bond Security & Redemption Fund | 320,255 | 1,047,238 |
| Capital Outlay Escrow Fund | 189,792 | 151,806 |
| Louisiana Education Quality Trust Fund | 597 | 7,694 |
| Nonmajor Governmental Funds | 104,492 | 126,623 |
| Total Governmental Funds | <u>1,808,729</u> | <u>1,776,740</u> |
| PROPRIETARY FUNDS: | | |
| Unemployment Trust Fund | -- | 9 |
| Louisiana Community & Technical Colleges System | 3,118 | 395 |
| Nonmajor Enterprise Funds | 623 | 2,271 |
| Internal Service Funds | -- | 33,055 |
| Total Proprietary Funds | <u>3,741</u> | <u>35,730</u> |
| GRAND TOTALS | <u>\$ 1,812,470</u> | <u>\$ 1,812,470</u> |

B. TRANSFERS IN AND OUT

A summary of transfers in and out at June 30, 2017, is shown below (expressed in thousands):

| | Primary Government | |
|---|----------------------|----------------------|
| | Transfers In | Transfers Out |
| GOVERNMENTAL FUNDS: | | |
| General Fund | \$ 13,502,704 | \$ 634,202 |
| Bond Security & Redemption Fund | 52,866 | 13,611,505 |
| Capital Outlay Escrow Fund | 1,199,214 | 20,767 |
| Louisiana Education Quality Trust Fund | 92,911 | 21,286 |
| Nonmajor Governmental Funds | 739,832 | 1,424,468 |
| Total Governmental Funds | <u>15,587,527</u> | <u>15,712,228</u> |
| PROPRIETARY FUNDS: | | |
| Louisiana Community & Technical Colleges System | 167,971 | 258 |
| Nonmajor Enterprise Funds | 17,827 | 60,839 |
| Total Proprietary Funds | <u>185,798</u> | <u>61,097</u> |
| GRAND TOTALS | <u>\$ 15,773,325</u> | <u>\$ 15,773,325</u> |

C. PURPOSE OF INTERFUND BALANCES AND TRANSFERS

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

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

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

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

The Legislature appropriates resources of the primary government to support the operations of various entities through the annual appropriations acts. The State also provides support to various entities through capital grants and contributions for projects authorized in annual capital outlay acts. For the fiscal year ended June 30, 2017, state appropriations to support the operations of major discretely presented component units and capital grants and contributions provided by the State for major discretely presented components units were as follows (in thousands):

| Major Component Unit: | Support Provided by Primary Government | | |
|---|--|----------------|---------------|
| | Operating Appropriations | Capital Grants | Total Support |
| Louisiana State University System | \$ 409,950 | \$ 24,527 | \$ 434,477 |
| University of Louisiana System | 225,879 | 42,165 | 268,044 |
| Southern University System | 47,312 | 4,722 | 52,034 |
| Board of Regents | 270,601 | -- | 270,601 |
| Louisiana Stadium & Exposition District | 16,813 | -- | 16,813 |
| Total | \$ 970,555 | \$ 71,414 | \$ 1,041,969 |

B. LOUISIANA LOTTERY CORPORATION

The Louisiana Lottery Corporation (the Corporation) was created in accordance with LRS 47:9000-9081 and 14:90(C) to support elementary and secondary education in Louisiana. The Corporation is required to pay to the State an amount not less than 35% of the Corporation's gross revenues. The amount of gross revenues less costs that is determined to be surplus to the needs of the Corporation must also be paid to the State. In fiscal year 2017, the State received \$159,191,670 from the Corporation.

C. PUBLIC HOSPITAL LEASES

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

In consideration for allowing the private partners to operate the hospitals, the LSU System will receive lease payments over the life of the agreements. Act 420 of the 2013 Regular Session mandated that all collections of lease payments be deposited with the State Treasury. During fiscal year 2017, LSU deposited \$161,178,493 in hospital lease payments with the State Treasury.

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NOTE 5: CAPITAL ASSETS

(in thousands)

| Governmental Activities: | Capital Assets | | | Capital Assets |
|--|----------------------|-------------------|-------------------|----------------------|
| | July 1, 2016 | Additions | Deletions | June 30, 2017 |
| Capital assets not being depreciated: | | | | |
| Land * | \$ 2,243,764 | \$ 25,301 | \$ 3,223 | \$ 2,265,842 |
| Construction in progress * | 1,459,349 | 530,235 | 507,360 | 1,482,224 |
| Total capital assets not being depreciated * | <u>3,703,113</u> | <u>555,536</u> | <u>510,583</u> | <u>3,748,066</u> |
| Other capital assets historical cost: | | | | |
| Buildings and improvements * | 2,571,777 | 42,254 | 32,643 | 2,581,388 |
| Machinery and equipment * | 841,004 | 58,572 | 58,309 | 841,267 |
| Infrastructure * | 26,593,848 | 452,282 | 87,802 | 26,958,328 |
| Intangible Assets * | 105,098 | 4,207 | -- | 109,305 |
| Total other capital assets historical cost | <u>30,111,727</u> | <u>557,315</u> | <u>178,754</u> | <u>30,490,288</u> |
| Less accumulated depreciation and amortization: | | | | |
| Buildings and improvements * | 955,798 | 80,653 | 32,643 | 1,003,808 |
| Machinery and equipment * | 720,479 | 69,705 | 58,302 | 731,882 |
| Infrastructure * | 16,635,206 | 516,148 | 87,802 | 17,063,552 |
| Intangible Assets | 67,319 | 10,033 | -- | 77,352 |
| Total accumulated depreciation & amortization * | <u>18,378,802</u> | <u>676,539</u> | <u>178,747</u> | <u>18,876,594</u> |
| Other capital assets, net of depreciation & amortization * | <u>11,732,925</u> | <u>(119,224)</u> | <u>7</u> | <u>11,613,694</u> |
| Governmental activities capital assets, net * | <u>\$ 15,436,038</u> | <u>\$ 436,312</u> | <u>\$ 510,590</u> | <u>\$ 15,361,760</u> |
| Business-type Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 51,427 | \$ 8,943 | \$ 169 | \$ 60,201 |
| Construction in progress * | 100,119 | 90,884 | 57,233 | 133,770 |
| Total capital assets not being depreciated * | <u>151,546</u> | <u>99,827</u> | <u>57,402</u> | <u>193,971</u> |
| Other capital assets historical cost: | | | | |
| Buildings and improvements * | 611,765 | 59,433 | 4,831 | 666,367 |
| Machinery and equipment * | 167,044 | 9,590 | 7,254 | 169,380 |
| Infrastructure | 374,523 | 997 | -- | 375,520 |
| Intangible Assets * | 20,048 | 650 | -- | 20,698 |
| Total other capital assets historical cost | <u>1,173,380</u> | <u>70,670</u> | <u>12,085</u> | <u>1,231,965</u> |
| Less accumulated depreciation and amortization: | | | | |
| Buildings and improvements * | 196,188 | 17,305 | 2,951 | 210,542 |
| Machinery and equipment * | 126,835 | 10,424 | 5,256 | 132,003 |
| Infrastructure | 56,056 | 9,398 | -- | 65,454 |
| Intangible Assets * | 8,921 | 2,063 | -- | 10,984 |
| Total accumulated depreciation & amortization * | <u>388,000</u> | <u>39,190</u> | <u>8,207</u> | <u>418,983</u> |
| Other capital assets, net of depreciation & amortization * | <u>785,380</u> | <u>31,480</u> | <u>3,878</u> | <u>812,982</u> |
| Business-type activities capital assets, net * | <u>\$ 936,926</u> | <u>\$ 131,307</u> | <u>\$ 61,280</u> | <u>\$ 1,006,953</u> |

* Restated beginning balances

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

| | | |
|---|----|-----------------------|
| Governmental activities: | | |
| General Government | \$ | 30,507 |
| Agriculture & Forestry | | 1,232 |
| Economic Development | | 291 |
| Military & Veterans Affairs | | 26,532 |
| Workforce Support & Training | | 618 |
| Culture, Recreation & Tourism | | 6,057 |
| Transportation & Development | | 536,553 |
| Corrections | | 9,306 |
| Public Safety | | 26,463 |
| Youth Development | | 1,065 |
| Health & Welfare | | 3,529 |
| Conservation & Environment | | 24,918 |
| Education | | <u>9,468</u> |
| Total governmental activities depreciation and amortization expense | \$ | <u><u>676,539</u></u> |

NOTE 6: EMPLOYEE BENEFITS – PENSIONS

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

Plan Descriptions

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

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

As of June 30, 2016, the most recent measurement date, the following employees were covered by the benefit terms:

| | |
|--|---------------------|
| Retirees and beneficiaries currently receiving benefits, and deferred retirement plan participants | 1,220 |
| Terminated vested members not yet receiving benefits | 41 |
| Current active employees (vested and non-vested) | <u>1,041</u> |
| | <u><u>2,302</u></u> |

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

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

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

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

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

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

| | LASERS | LSERS | TRSL | LSPRS | DARS | LCCRRF | ROVERS |
|---|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Final average salary | Highest 36 or 60 months ¹ | Highest 36 or 60 months ¹ | Highest 36 or 60 months ¹ | Highest 36 or 60 months ¹ | Highest 36 or 60 months ¹ | Highest 36 or 60 months ¹ | Highest 36 or 60 months ¹ |
| Years of service required and/or age eligible for benefits | 30 years any age | 30 years any age ¹⁰ | 30 years any age ¹⁰ | 25 years any age | 30 years any age | 12 years age 55 | 30 years any age ^{8,9} |
| | 25 years age 55 | 25 years age 55 | 25 years age 55 | 20 years any age ⁷ | 24 years age 55 ⁵ | 12 years age 60 ² | 20 years age 55 ^{8,9} |
| | 20 years any age ⁷ | 20 years any age ⁷ | 20 years any age ⁷ | 12 years age 55 ² | 10 years age 60 ⁵ | | 10 years age 60 ^{8,9} |
| | 5-10 years age 60 ^{3&11} | | 5 years age 60 ¹¹ | | | | |
| Benefit percent per years of service | 2.5% to 3.5% ⁶ | 2.5% to 3.33% ⁴ | 2% to 3.5% ⁴ | 3.33% | 3% to 3.5% ⁵ | 3% to 3.33% ⁴ | 3% to 3.33% ⁴ |

Employees hired after a certain date use the revised benefit calculation based on the highest 60 months of service

² For those hired after 12/31/10

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

⁴ Benefit percent varies depending upon the plan or when hired

⁵ Joined plan after 7/1/90

⁶ Members in regular plan 2.5%, hazardous duty plan 3.33%, and judges 3.5%

⁷ With actuarial reduced benefits

⁸ For those hired prior to 1/1/2013

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

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

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

Cost of Living Adjustments

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

State of Louisiana

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

Contributions

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

Contributions of employees, employers, and non-employer contributing entities effective for the year ended June 30, 2017 for the defined benefit pension plans in which the primary government is a participating employer were as follows (in thousands):

| <u>Defined Benefit Pension Plan</u> | <u>Active Member Contribution Percentage</u> | <u>Employer Contribution Percentage</u> | <u>Amount from Nonemployer Contributing Entities*</u> | <u>Amount of State Contributions</u> |
|-------------------------------------|--|---|---|--------------------------------------|
| LASERS | 7.5% - 13.0% | 35.8% | -- | 536,720 |
| LSPRS | 8.5% - 9.5% | 51.2% | -- | 48,556 |
| TRSL | 5.0% - 9.1% | 24.4 - 30.7% | 38,763 | 47,439 |
| LSERS | 7.5% - 8.0% | 27.3% | -- | 189 |
| DARS | 8.0% | As appropriated | 8,219 | -- |
| LCCRRF | 8.25% | 19.0% | 10,705 | 1,482 |
| ROVERS | 7.0% | 22.5% | 2,829 | 2,017 |

* This represents the collective amount of non-employer contributions by pension system.

Net Pension Liability

The State's net pension liability at June 30, 2017 is comprised of the entire net pension liability relating to the State's single-employer plan (LSPRS) and the State's proportional share of the net pension liability relating to each of the cost-sharing plans in which the State is a participating employer (LASERS, TRSL, LSERS, DARS, LCCRRF, and ROVERS). The State's net pension liability for each plan was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's proportionate share of the net pension liability for each of the cost-sharing plans in which it participates was based on the State's required contributions in proportion to total required contributions for all employers. As of June 30, 2016, the most recent measurement date, the State's proportion for each cost-sharing plan and the change in proportion from the prior measurement date were as follows (in thousands):

State of Louisiana

| | <u>LASERS</u> | <u>TRSL</u> | <u>LSERS</u> | <u>DARS</u> | <u>LCCRRF</u> | <u>ROVERS</u> |
|---|---------------|-------------|--------------|-------------|---------------|---------------|
| Proportion (amount) of net pension liability | \$6,260,399 | \$488,598 | \$2,057 | \$8,878 | \$15,785 | \$21,040 |
| Proportion (%) of net pension liability | 79.72% | 4.16% | 0.27% | 46.38% | 8.53% | 74.15% |
| Increase/(Decrease) from prior measurement date | .27% | (.05%) | 0.01% | (.52%) | (0.01%) | 0.08% |

Since the measurement date of the net pension liability was June 30, 2016, the net pension liability is based upon fiduciary net position for each of the plans as of June 30, 2016. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the State's net pension liability is available in the separately issued plan financial reports for fiscal year 2016. These reports are available as follows:

- LASERS - [https://app.lla.state.la.us/PublicReports.nsf/54416CDDEA9879A886258049007526FB/\\$FILE/00011430.pdf](https://app.lla.state.la.us/PublicReports.nsf/54416CDDEA9879A886258049007526FB/$FILE/00011430.pdf)
- LSPRS – [https://app.lla.state.la.us/PublicReports.nsf/CF38B728514D816C8625806D005BF80A/\\$FILE/00011899.pdf](https://app.lla.state.la.us/PublicReports.nsf/CF38B728514D816C8625806D005BF80A/$FILE/00011899.pdf)
- TRSL - [https://app.lla.state.la.us/PublicReports.nsf/FE3DC0FAECB510368625806C0076AE83/\\$FILE/000118A0.pdf](https://app.lla.state.la.us/PublicReports.nsf/FE3DC0FAECB510368625806C0076AE83/$FILE/000118A0.pdf)
- LSERS - [https://app.lla.state.la.us/PublicReports.nsf/40AFC287C1B4B3B8625804C0051F987/\\$FILE/0001150D.pdf](https://app.lla.state.la.us/PublicReports.nsf/40AFC287C1B4B3B8625804C0051F987/$FILE/0001150D.pdf)
- DARS - [https://app.lla.state.la.us/PublicReports.nsf/57077045333AE1DA862580A500611872/\\$FILE/00012004.pdf](https://app.lla.state.la.us/PublicReports.nsf/57077045333AE1DA862580A500611872/$FILE/00012004.pdf)
- LCCRRF - [https://app.lla.state.la.us/PublicReports.nsf/DB808C36515625EE86258089005B77FC/\\$FILE/00011D33.pdf](https://app.lla.state.la.us/PublicReports.nsf/DB808C36515625EE86258089005B77FC/$FILE/00011D33.pdf)
- ROVERS - [https://app.lla.state.la.us/PublicReports.nsf/3E10B98D11735E8A862580A500611A03/\\$FILE/00012003.pdf](https://app.lla.state.la.us/PublicReports.nsf/3E10B98D11735E8A862580A500611A03/$FILE/00012003.pdf)

The following table presents the changes in the State's net pension liability for the year ended June 30, 2017 (in thousands):

| | <u>LASERS*</u> | <u>LSPRS</u> | <u>TRSL</u> | <u>LSERS</u> | <u>DARS</u> | <u>LCCRRF</u> | <u>ROVERS</u> | <u>Total</u> |
|--|----------------------|---------------------|---------------------|-----------------|-------------------|------------------|------------------|----------------------|
| Total pension liability: | | | | | | | | |
| Service cost | \$ 177,353 | \$ 21,783 | \$ 19,307 | \$ 130 | \$ 5,242 | \$ 1,245 | \$ 2,222 | \$ 227,282 |
| Interest | 1,099,913 | 63,046 | 90,610 | 467 | 12,200 | 4,083 | 5,507 | 1,275,826 |
| Changes in State's proportionate share | 5,171 | -- | -- | 70 | (28) | (7) | 19 | 5,225 |
| Changes in benefit terms | 112,613 | -- | 9,012 | 66 | -- | -- | -- | 121,691 |
| Differences between expected and actual experience | (87,094) | 53,451 | (7,560) | 1 | (921) | 201 | (1,220) | (43,142) |
| Changes in assumptions | -- | -- | -- | (82) | -- | -- | -- | (82) |
| Benefit payments | (1,016,091) | (42,499) | (85,304) | (484) | (9,876) | (2,910) | (4,108) | (1,161,272) |
| Net change in total pension liability | 291,865 | 95,781 | 26,065 | 168 | 6,617 | 2,612 | 2,420 | 425,528 |
| Total pension liability - beginning* | 14,376,544 | 910,845 | 1,214,792 | 6,715 | 179,323 | 57,204 | 77,088 | 16,822,511 |
| Total pension liability - ending | \$ 14,668,409 | \$ 1,006,626 | \$ 1,240,857 | \$ 6,883 | \$ 185,940 | \$ 59,816 | \$ 79,508 | \$ 17,248,039 |
| Plan fiduciary net position : | | | | | | | | |
| Contributions - employer | \$ 572,905 | \$ 56,380 | \$ 48,202 | \$ 236 | \$ 2,248 | \$ 1,478 | \$ 2,305 | \$ 683,754 |
| Contributions - employee | 121,367 | 7,106 | 13,770 | 59 | 986 | 590 | 664 | 144,542 |
| Contributions - nonemployer contributing entities | -- | -- | 1,590 | -- | 4,014 | 895 | 2,070 | 8,569 |
| Net investment income | (236,566) | (10,925) | 7,386 | (28) | 3,123 | (372) | (1,183) | (238,565) |
| Benefit payments | (1,016,091) | (42,499) | (85,304) | (484) | (9,876) | (2,910) | (4,108) | (1,161,272) |
| Other | 7,142 | 2,045 | 4,097 | (13) | (230) | (49) | (227) | 12,765 |
| Net change in fiduciary net position | (551,243) | 12,107 | (10,259) | (230) | 265 | (368) | (479) | (550,207) |
| Plan fiduciary net position - beginning | 8,959,253 | 658,316 | 762,518 | 5,056 | 176,797 | 44,398 | 58,947 | 10,665,285 |
| Plan fiduciary net position - ending | \$ 8,408,010 | \$ 670,423 | \$ 752,259 | \$ 4,826 | \$ 177,062 | \$ 44,030 | \$ 58,468 | \$ 10,115,078 |
| State's net pension liability | \$ 6,260,399 | \$ 336,203 | \$ 488,598 | \$ 2,057 | \$ 8,878 | \$ 15,786 | \$ 21,040 | \$ 7,132,961 |

*restated

Actuarial Assumptions

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

State of Louisiana

| | <u>LASERS</u> | <u>LSPRS</u> | <u>TRSL</u> | <u>LSERS</u> | <u>DARS</u> | <u>LCCRRF</u> | <u>ROVERS</u> |
|---|---|--------------|--------------|------------------|------------------|------------------|------------------|
| Date of the experience study on which significant assumptions are based | 7/1/08 – 6/30/13 | 2008 – 2012 | 2008 – 2012 | 7/1/08 – 6/30/12 | 7/1/09 – 6/30/14 | 7/1/09 – 6/30/14 | 7/1/09 – 6/30/14 |
| Projected salary increases | 3% - 14.5% | 4% - 16.5% | 3.5% - 10.0% | 3.1% - 5.4% | 5.5% | 5.0% | 6.0% |
| Inflation rate | 3.0% | 2.30% | 2.5% | 2.625% | 2.5% | 2.50% | 2.50% |
| Projected benefit changes including COLAs | None | None | None | None | None | None | None |
| Source of mortality assumptions | (1) & (2) | (3) & (4) | (5) & (2) | (8) & (6) | (9) & (10) | (7)(10) & (11) | (7)(10) & (11) |
| | (1) RP-2000 Combined Healthy Table with mortality improvements projected to 2015 (2) RP-2000 Disability Table with no projection of mortality improvement for disabled annuitants (3) RP-2000 Sex Distinct Mortality Table with mortality improvements projected to 2025 (4) RP-2000 Sex Distinct Disability Table for disabled annuitants (5) RP-2000 Mortality Table projected to 2025 using Scale AA (6) RP-2000 Sex Distinct Mortality Table (7) RP-2000 Employee Table set back 4 years for males and 3 years for females (8) RP-2000 Disabled Lives Mortality Table for disabled annuitants (9) RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables projected to 2032 (females set back 1 year) (10) RP-2000 Disabled Lives Mortality Tables set back 5 years for males and 3 years for females (11) RP-2000 Healthy Annuitant Table set forward 1 year for males and projected to 2030 for males and females | | | | | | |

Discount Rate

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

| | <u>LASERS</u> | <u>LSPRS</u> | <u>TRSL</u> | <u>LSERS</u> | <u>DARS</u> | <u>LCCRRF</u> | <u>ROVERS</u> |
|--|---------------|--------------|-------------|--------------|-------------|---------------|---------------|
| Discount Rate | 7.75% | 7.00% | 7.75% | 7.125% | 7.00% | 7.00% | 7.00% |
| Change in Discount Rate from Prior Valuation | -- | -- | -- | .125% | -- | -- | -- |
| *Plan Cash Flow Assumptions | (1) | (1) & (2) | (1) | (1) | (1) | (1) | (1) |
| Rates Incorporated in the Discount Rate: | | | | | | | |
| Long-term Rate of Return | 7.75% | 7.00% | 7.75% | 7.125% | 7.00% | 7.00% | 7.00% |
| Period Applied | All periods | All periods | All periods | All periods | All periods | All periods | All periods |
| Municipal Bond Rate | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Sensitivity of the Net Pension Liability to Changes in the Discount Rate (in thousands): | | | | | | | |
| Net Pension Liability | \$6,260,399 | \$336,203 | \$488,598 | \$2,057 | \$8,878 | \$15,785 | \$21,040 |
| Net Pension Liability Assuming a Decrease of 1% in the Discount Rate | \$7,691,480 | \$436,155 | \$609,431 | \$2,700 | \$33,496 | \$22,462 | \$29,251 |
| Net Pension Liability/ (Asset) Assuming an Increase of 1% in the Discount Rate | \$5,044,429 | \$216,302 | \$385,777 | \$1,506 | \$(5,986) | \$10,118 | \$13,966 |

*Plan Cash Flow Assumptions:

- 1) Plan member contributions will be made at the current contributions rates and sponsor contributions will be made at the actuarially determined rates.
- 2) Plan is projected to be fully funded at the end of the 2023 plan year

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The discount rates used to measure the total pension liabilities for the defined benefit pension plans administered by each system is equal to the long-term expected rate of return (disclosed in the table above) on pension plan investments that are expected to be used to finance the payment of benefits. For LASERS, TRSL, DARS, LCCRRF and ROVERS the long-term expected rate of return for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. For LSPRS the rate was developed from a combination of the plan's investment consultant's capital market assumptions and those from other consultants participating in the Horizon Actuarial Consultants "Survey of Capital Market Assumptions" considering a) the long-term economic forecast for inflation is projected to be 2.30% and b) investment management expenses adjust the gross rate by 25 basis points and are considered an offset in the development of the discount rate. For LSERS the rate was determined using a triangulation method which integrated the Capital Asset Pricing Model (CAPM), a treasury yield curve approach, and an equity building block model. Risk return and correlations were projected on a forward-looking basis in equilibrium in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

| Asset Class | LASERS** | | LSPRS** | | TRSL* | |
|------------------------------------|-------------------|--|-------------------|--|-------------------|--|
| | Target Allocation | Long-term Expected Real Rate of Return | Target Allocation | Long-term Expected Real Rate of Return | Target Allocation | Long-term Expected Real Rate of Return |
| Fixed Income | -- | -- | -- | -- | -- | -- |
| Domestic Equity | 25% | 4.31% | 40% | 5.75% | 31% | 4.50% |
| Developed International Equity | 32% | 5.48% | 12.5% | 6.20% | 19% | 5.31% |
| Domestic Fixed Income | 8% | 1.63% | 17% | 3.19% | 14% | 2.45% |
| Global Tactical Asset Allocation | 7% | 2.92% | -- | -- | -- | -- |
| International Fixed Income | 6% | 2.47% | 3.0% | 1.40% | 7% | 3.28% |
| Equity Investments | -- | -- | -- | -- | -- | -- |
| Emerging Market Equity Investments | -- | -- | 7.5% | 7.70% | -- | -- |
| Alternative Investments | 22% | 7.42% | 17.5% | 5.86% | 29% | 6.80% |
| Real Assets | -- | -- | -- | -- | -- | -- |
| Cash | -- | -- | 2.5% | .20% | -- | -- |
| Total | 100% | | 100% | | 100% | |

State of Louisiana

| Asset Class | LSERS** | | DARS** | | LCCRRF** | | ROVERS* | |
|------------------------------------|-------------------|--|-------------------|--|-------------------|--|-------------------|--|
| | Target Allocation | Long-term Expected Real Rate of Return | Target Allocation | Long-term Expected Real Rate of Return | Target Allocation | Long-term Expected Real Rate of Return | Target Allocation | Long-term Expected Real Rate of Return |
| Fixed Income | 30% | 1.82% | 33.0% | 6.85% | 20.0% | 1.38% | -- | -- |
| Domestic Equity | -- | -- | -- | -- | 28.0% | 4.19% | 40% | 3.00% |
| Developed International Equity | -- | -- | -- | -- | 20.5% | 5.19% | 15% | 1.28% |
| Domestic Fixed Income | -- | -- | -- | -- | -- | -- | 20% | .50% |
| Global Tactical Asset Allocation | -- | -- | -- | -- | -- | -- | -- | -- |
| International Fixed Income | -- | -- | -- | -- | -- | -- | 10% | .35% |
| Equity Investments | 51% | 3.10% | 57.70% | 10.85% | -- | -- | -- | -- |
| Emerging Market Equity Investments | -- | -- | -- | -- | 6.5% | 7.25% | -- | -- |
| Alternative Investments | 13% | .79% | 4.80% | 10.50% | 15.0% | 4.5% | 5% | .29% |
| Real Assets | 6% | .36% | 4.50% | .50% | 10.0% | 4.75% | 10.0% | .45% |
| Cash | -- | -- | -- | -- | -- | -- | -- | -- |
| Total | <u>100%</u> | | <u>100%</u> | | <u>100%</u> | | <u>100%</u> | |

* Arithmetic real rates of return

** Geometric real rates of return

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2017 the State's recognized \$882,617 (in thousands) in pension expense related to all defined benefit plans in which it participates. TRSL, DARS, LCCRRF and ROVERS recognized revenues in the amount of \$8,569 (in thousands) in ad valorem taxes collected from non-employee contributing entities. At June 30, 2017 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

State of Louisiana

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience in the measurement of the total pension liability | \$73,829 | \$73,999 |
| Changes in assumptions or other inputs | \$4,984 | \$2,812 |
| Net difference between projected and actual earnings on pension plan investments | \$869,387 | |
| Changes in proportion and differences between State contributions and proportionate share of contributions (cost-sharing plans only) | \$330,422 | \$311,337 |
| Employer contributions to the pension plans subsequent to the measurement date of the net pension liability | \$636,403 | -- |
| Total | <u>\$1,915,025</u> | <u>\$388,148</u> |

The \$636,403 (in thousands) of deferred outflows of resources resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2018. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows (in thousands):

| Year ended June 30: | Net Amount Recognized in Pension Expense |
|---------------------|--|
| 2018 | \$170,702 |
| 2019 | \$142,393 |
| 2020 | \$358,527 |
| 2021 | \$219,500 |
| 2022 | \$(324) |
| Thereafter | \$(324) |

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

A. STATE OF LOUISIANA POST-RETIREMENT BENEFIT PLAN

Plan Description

The Office of Group Benefits (OGB) administers the State of Louisiana Post-Retirement Benefit Plan – a defined-benefit, multiple-employer other post-employment benefit plan. The plan provides medical, prescription drug and life insurance benefits to retirees, disabled retirees, and their eligible beneficiaries through premium subsidies. Current employees, who participate in an OGB health plan while active, are eligible for plan benefits if they retire under one of the state sponsored retirement systems (LASERS, LSPRS, TRSL, or LSERS). Benefit provisions are established under LRS 42:821 for life insurance benefits and LRS 42:851 for health insurance benefits. The obligations of the plan members, employer(s), and other contributing entities to contribute to the plans are established or may be amended under the authority of LRS 42:802.

A summary of employers and members participating in the plan at June 30, 2017 is as follows:

| | Number of Employers | | Plan Membership |
|--------------------|------------------------|---------------------|-----------------|
| States | 1 | Retirees and | |
| School systems | 43 | beneficiaries | 56,091 |
| Non-state agencies | 103 | Active plan members | 75,153 |
| State agencies | 224 | Total | <u>131,244</u> |
| Total | <u>371</u> | | |

OGB offered to retirees four self-insured healthcare plans and one fully insured plan. Retired employees who have Medicare Part A and Part B coverage also had access to four fully insured Medicare Advantage plans, which include three HMO plans and one Zero-Premium HMO plan.

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

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

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retiree and spouses of retirees subject to maximum values. Employers pay approximately 50% of monthly premiums. Participating retirees pay \$0.54 each month for each \$1,000 of life insurance and \$0.98 each month for each \$1,000 of spouse life insurance.

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

Funding Policy

The plan is funded on a “pay-as-you-go basis” under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due. Effective, July 1, 2008, an OPEB trust fund was statutorily established; however, no plan assets have been accumulated as of June 30, 2017.

Annual OPEB Cost and Net OPEB Obligation

The annual required contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and the amortization cost of any unfunded actuarial liabilities over a period not to exceed thirty years. The annual OPEB cost, the amount of annual OPEB cost contributed to the plan, and the net OPEB obligation at the end of the year for the OGB plan were as follows (dollar amounts in thousands):

| | | <u>Primary Government</u> |
|---|----|-------------------------------|
| Annual required contribution | \$ | 311,749 |
| Interest on OPEB obligation | | 109,873 |
| Adjustment to annual required contribution | | <u>(107,581)</u> |
| Annual OPEB cost (expense) | | 314,041 |
| Contributions made | | <u>(206,328)</u> |
| Increase in net OPEB obligation | | 107,713 |
| Net OPEB obligation - beginning of year, restated | | <u>2,891,389</u> |
| End of year | \$ | <u><u>2,999,102</u></u> |

The following table provides the State’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three fiscal years:

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Percentage of Annual OPEB Cost Contributed</u> | <u>Net OPEB Obligation</u> |
|----------------------------------|---------------------------------|---|------------------------------------|
| 6/30/2015 | *\$339,860 | *55.89% | *\$2,741,630 |
| 6/30/2016 | *\$354,600 | *57.77% | *\$2,891,390 |
| 6/30/2017 | \$314,041 | 65.70% | \$2,999,102 |

*Restated

State of Louisiana

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the funded status of the plan was as follows:

| | |
|--|------------------------|
| Primary Government: | |
| Actuarial accrued liability (AAL) | \$4,649,248,981 |
| Actuarial value of plan assets | -- |
| Unfunded actuarial accrued liability (UAAL) | <u>\$4,649,248,981</u> |
| Funded ratio (actuarial value of plan assets/AAL) | 0% |
| Covered payroll (annual payroll of active employees covered by the plan) | \$1,510,846,536 |
| UAAL as a percentage of covered payroll | 308% |

Actuarial Methods and Assumptions

Actuarial valuations of the State's plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress presented as required supplementary information following the notes to the financial statements presents information that shows whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

The ARC for the year was determined as part of the July 1, 2016 actuarial valuation using the following methods and assumptions:

| | |
|-------------------------------|--|
| Actuarial cost method | Projected unit credit |
| Investment return | 3.8% |
| Healthcare inflation rate | 7% and 6% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rate of 4.5% |
| UAAL amortization method | Level percentage of payroll, open |
| Remaining amortization period | 30 years |
| Projected salary increases | 3% |

Costs used in the determination of the actuarial accrued liability for the self-insured plans were developed from reported incurred medical and prescription drug claims experience and administrative costs during the period from October 1, 2014 through September 30, 2016 less retiree premiums. Costs for the fully insured plans were developed from the employer share of monthly premiums without adjustment for age.

B. LSU HEALTH PLAN

Plan Description

The Louisiana State University System (LSU System), a discretely presented component unit of the State, offers its eligible employees, retirees, and their beneficiaries the opportunity to participate in one of two OPEB plans affording healthcare and life insurance. One offering is the State of Louisiana Post-Retirement Benefit Plan, which has already been discussed in this note, and the other is the LSU Health Plan (the Plan). The Plan is also offered to members of the State House of Representatives and the State Senate, its officers and staff, and the Legislative Budgetary Control Council which are primary government entities. Therefore, some participants of the Plan are currently employees of the primary government. Since participation in the Plan by primary government employees is limited and not material, the plan is identified as a single-employer defined benefit healthcare plan.

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

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

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

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

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

The annual required contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to cover the amortization cost of any unfunded actuarial liabilities over a period not to exceed thirty years. The annual OPEB cost, the amount of annual OPEB cost contributed to the plan, and the net OPEB obligation at the end of the year were as follows (dollar amounts in thousands):

| | Primary Government |
|--|---------------------------|
| Annual required contribution | \$ 6,558 |
| Interest on OPEB obligation | 856 |
| Adjustment to annual required contribution | (838) |
| Annual OPEB costs (expense) | 6,576 |
| Contributions made | (1,402) |
| Increase in net OPEB obligation | 5,174 |
| Net OPEB obligation beginning of year | 22,731 |
| Net OPEB obligation end of year | \$ 27,905 |

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The following table provides the State's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three fiscal years:

| Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|--------------------------|-------------------------|---|----------------------------|
| 6/30/2015 | \$4,310 | 23.54% | \$19,327 |
| 6/30/2016 | \$4,554 | 25.27% | \$22,731 |
| 6/30/2017 | \$6,576 | 21.32% | \$27,905 |

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the funded status of the plan was as follows:

Primary Government:

| | |
|--|----------------------|
| Actuarial accrued liability (AAL) | \$ 71,278,455 |
| Actuarial value of plan assets | -- |
| Unfunded actuarial accrued liability (UAAL) | <u>\$ 71,278,455</u> |
| Funded ratio (actuarial value of plan assets/AAL) | 0% |
| Covered payroll (annual payroll of active employees covered by the plan) | \$ 42,137,725 |
| UAAL as a percentage of covered payroll | 169% |

Actuarial Methods and Assumptions

Actuarial valuations of the LSU Health Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarial determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress presented as required supplementary information following the notes to the financial statements presents information that shows whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

The ARC for the year was determined as part of the July 1, 2016 actuarial valuation using the following methods and assumptions:

| | |
|-------------------------------|-----------------------------------|
| Actuarial cost method | Projected unit credit |
| Investment return | 3.8% |
| Healthcare inflation rate | 7%, ultimate rate of 4.5% |
| UAAL amortization method | Level percentage of payroll, open |
| Remaining amortization period | 30 years |
| Projected salary increases | 3% |

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NOTE 7: LEASES

A. LEASE AGREEMENTS

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

B. OPERATING LEASES

Operating lease payments are recorded as expenses in the accompanying financial statements. Operating lease expenses for the primary government totaled (expressed in thousands) \$70,138 for the fiscal year ended June 30, 2017. 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>Buildings/ Office Space</u> | <u>Equipment</u> | <u>Land</u> | <u>Other</u> | <u>Total</u> |
|--------------------|------------------------------------|------------------|---------------|------------------|-------------------|
| 2018 | \$ 37,753 | \$ 2,705 | \$ 57 | \$ 5,548 | \$ 46,063 |
| 2019 | 21,997 | 953 | 56 | 4,633 | 27,639 |
| 2020 | 16,743 | 849 | 55 | 4,384 | 22,031 |
| 2021 | 12,695 | 707 | 55 | 4,327 | 17,784 |
| 2022 | 9,779 | 708 | 28 | 3,585 | 14,100 |
| 2023-2027 | 17,344 | 2,526 | 1 | 3,191 | 23,062 |
| 2028-2032 | 13,936 | 2,510 | 1 | 3,154 | 19,601 |
| Total | \$ <u>130,247</u> | \$ <u>10,958</u> | \$ <u>253</u> | \$ <u>28,822</u> | \$ <u>170,280</u> |

C. CAPITAL LEASES AND INSTALLMENT PURCHASE AGREEMENTS

Capital lease obligations are payable from resources of the governmental and proprietary funds. The following is a schedule of future minimum payments remaining under contracts in existence at June 30, 2017 (expressed in thousands):

| <u>Fiscal Year</u> | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|--|------------------------------------|-------------------------------------|
| 2018 | \$ -- | \$ 197 |
| 2019 | -- | 282 |
| 2020 | -- | 281 |
| 2021 | -- | 285 |
| 2022 | -- | 284 |
| 2023-2027 | -- | 1,404 |
| 2028-2032 | -- | 839 |
| Subtotal | -- | 3,572 |
| Less interest and executory costs | -- | 827 |
| Present value of minimum lease Payments | \$ <u>--</u> | \$ <u>2,745</u> |

The gross amount of the leased assets at June 30, 2017 (expressed in thousands) for business-type activities is \$4,395 for buildings and office space.

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

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| | Governmental Activities | Business-Type Activities |
|------------------------|------------------------------------|-------------------------------------|
| Buildings/Office Space | \$ -- | \$ 3,572 |
| Equipment | -- | -- |
| Land | -- | -- |
| Other | -- | -- |
| Total Capital Leases | <u>\$ --</u> | <u>\$ 3,572</u> |

D. LESSOR LEASES

Various property and facilities are leased to outside parties including port authorities, levee districts, universities, and various other entities. The lease revenues (expressed in thousands) were \$1,997 for the primary government and \$5,640 for business-type activities for the fiscal year ending June 30, 2017.

The value of the property carried on the financial reports for the entities included below (expressed in thousands) is \$575 for land, \$34,909 for buildings and office space and \$901 for equipment. Accumulated depreciation on the buildings and equipment totaled \$2,127.

OPERATING LEASES

The following is a schedule by years of minimum future rentals on operating leases as of June 30, 2017 (expressed in thousands):

| <u>Fiscal Year</u> | Governmental Activities | Business-Type Activities |
|--------------------|------------------------------------|-------------------------------------|
| 2018 | \$ 1,951 | \$ 5,433 |
| 2019 | 7 | 4,349 |
| 2020 | 6 | 3,183 |
| 2021 | 6 | 3,038 |
| 2022 | 6 | 3,170 |
| 2023-2027 | 21 | 12,211 |
| 2028-2032 | -- | 12 |
| 2033-2037 | -- | -- |
| Total | <u>\$ 1,997</u> | <u>\$ 31,396</u> |

NOTE 8: LONG-TERM OBLIGATIONS

A. DEBT AUTHORIZATION AND LIMITATIONS

The Louisiana Constitution of 1974 provides that the State shall have no power, directly or indirectly, through any board, agency, commission, or otherwise, to incur debt or issue bonds except by law enacted by two-thirds of the elected members of each house of the Legislature. LRS 39:1365(25) limits the legislative authorization of general obligation bonds and other general obligations secured by the full faith and credit of the State by prohibiting total authorized bonds from exceeding an amount equal to two times the average annual revenues of the Bond Security and Redemption Fund for the last three fiscal years prior to such authorization. The bond authorization limitation is \$26,095,025,000. The total general obligation bonds authorized are \$3,326,290,000 at June 30, 2017, or 12.75% of the bond authorization limit.

LRS 39:1402(D) limits issuance by the Louisiana State Bond Commission of general obligation bonds or other general obligations secured by the full faith and credit of the State. The highest annual debt service requirement for the current or any subsequent fiscal years for general obligation debt, including the debt service on any bonds or other obligations that are proposed to be sold by the Louisiana State Bond Commission, may not exceed 10% of the average annual revenues of the Bond Security and Redemption Fund for the last three fiscal years completed prior to the issuance being proposed. The general obligation debt issuance limitation is \$1,304,751,000. At June 30, 2017, the highest current or future annual general obligation debt service requirement is \$356,113,000, which represents 27.29% of the debt issuance limitation.

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

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

- The State has entered into various cooperative endeavor agreements with various issuing governments whereby the State requests the Legislature to appropriate funds sufficient to pay the annual debt service requirements of the issuers' bonds. The Legislature is not obligated to appropriate these funds and there is no recourse to the State in the event of non-appropriation. Since the State is not the issuer of the bonds and has the discretion to avoid the expenditure of State resources through non-appropriation, these bonds are not reported as liabilities in the accompanying financial statements. Payments for principal and interest made pursuant to the annual appropriations act for these bonds are reported as grant expenditures rather than debt service expenditures in the accompanying financial statements. Total payments on these bonds during fiscal year 2017 totaled \$38,236,999.
- On July 12, 2006, in response to the need to assist local political subdivisions as the result of Hurricanes Katrina and Rita, the State Bond Commission, on behalf of the State of Louisiana, issued General Obligation Gulf Tax Credit Bonds, Series 2006A and General Obligation Match Bonds, Series 2006B in the amounts of \$200 million and \$194.475 million, respectively, for the purpose of providing loans to assist in the payment of debt service on certain bonds, notes, certificates of indebtedness or other written obligations of local political subdivisions of the State and to pay debt service on general obligation bonds of the State, under a debt payment assistance program authorized by the Gulf Opportunity Zone Act of 2005 and by Act 41 of the 2006 First Extraordinary Session of the Legislature. The bonds have been subsequently refunded several times. The debt service on these bonds are excluded from the net state tax-supported debt calculation. Debt service expenditures during fiscal year 2017 for these bonds were \$54,464,575.
- In fiscal year 2001 the State, through the Tobacco Settlement Financing Corporation, issued bonds to access future tobacco settlement revenues received pursuant to the Master Settlement Agreement. While the bonds and related debt service expenditures are included in the accompanying financial statements, the bonds are not considered net state tax-supported debt. Debt service expenditures during fiscal year 2017 for these bonds were \$86,712,613.

The maximum amount of net State tax-supported debt allowed by statute for fiscal year 2016-2017 was \$707,748,000. During the fiscal year 2016-2017, the total net State tax-supported debt paid was \$637,089,475 or 5.40% 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 2017 provides for the repeal of all acts authorizing the issuance of general obligation bonds, except for any act authorizing issuance of refunding bonds and Act 41 of the 2006 First Extraordinary Session. Act 41 authorized the sale of bonds to provide relief to political subdivisions of the state affected by natural catastrophes. The Omnibus Bond Authorization Act requires the legislature to annually repeal the issuance of general obligation bond authorizations for projects that are no longer found feasible or desirable, to reauthorize general obligation bonds for projects deemed to be essential, and to authorize new projects. As a result, there were no authorized but unissued general obligation bonds outstanding at June 30, 2017.

C. PURPOSE AND RETIREMENT OF GENERAL OBLIGATION BONDS

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

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D. LONG-TERM OBLIGATIONS OUTSTANDING AT JUNE 30, 2017

Long-term obligations outstanding at June 30, 2017, principal only, are as follows (expressed in thousands):

| Long-Term Obligations | Beginning Balance | Additions | Deletions | Ending Balance | Due Within One Year | Interest Rates |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|----------------|
| <u>GOVERNMENTAL ACTIVITIES:</u> | | | | | | |
| General obligation bonds payable | \$ 3,510,155 | \$ 564,230 | \$ 508,795 | \$ 3,565,590 | \$ 259,400 | 1.00-5.00% |
| Other bonds payable by Agency: | | | | | | |
| Louisiana Correctional Facilities Corporation | 12,940 | -- | 2,344 | 10,596 | 2,506 | 2.88 - 5.00% |
| Department of Corrections | 24,697 | -- | 1,722 | 22,975 | 1,780 | 4.62 - 4.87% |
| Office Facilities Corporation | 123,020 | -- | 22,260 | 100,760 | 23,320 | 2.50 - 5.00% |
| Public Safety LPFA | 28,995 | -- | 5,440 | 23,555 | 5,720 | 4.38 - 5.00% |
| Tobacco Settlement Financing Corporation | 583,875 | -- | 56,445 | 527,430 | 25,275 | 5.00 - 5.50% |
| State Highway Improvement | 266,040 | -- | 9,755 | 256,285 | 10,210 | 4.00 - 5.00% |
| Unclaimed Property Special Revenue Fund | 181,670 | -- | 6,150 | 175,520 | 6,315 | 1.00 - 5.00% |
| Transportation Infrastructure Model for Economic Development | 2,632,935 | 200,000 | 223,705 | 2,609,230 | 26,870 | variable |
| Total other bonds payable * | \$ 3,854,172 | \$ 200,000 | \$ 327,821 | \$ 3,726,351 | \$ 101,996 | |
| Add/Subtract unamortized amounts: | | | | | | |
| Unamortized Premiums | 618,638 | 81,499 | 53,102 | 647,035 | 50,681 | |
| Total bonded debt * | \$ 7,982,965 | \$ 845,729 | \$ 889,718 | \$ 7,938,976 | \$ 412,077 | |
| Other liabilities: | | | | | | |
| Compensated absences * | \$ 192,945 | \$ 81,520 | \$ 75,733 | \$ 198,732 | \$ 15,639 | |
| Notes payable * | 7,206 | 120 | 2,078 | 5,248 | 2,056 | |
| Contracts payable | 2,498 | 3,113 | -- | 5,611 | 5,611 | |
| Net OPEB Obligation * | 2,728,501 | 297,960 | 195,862 | 2,830,599 | -- | |
| Pollution remediation obligations * | 25,336 | 7,094 | 13,322 | 19,108 | 5,113 | |
| Estimated liability for claims | 2,226,659 | 1,044,025 | 1,229,516 | 2,041,168 | 237,439 | |
| Other long-term liabilities | 116,729 | 29 | 4,007 | 112,751 | 4,065 | |
| Total Other Liabilities * | \$ 5,299,874 | \$ 1,433,861 | \$ 1,520,518 | \$ 5,213,217 | \$ 269,923 | |
| *restated | | | | | | |
| <u>BUSINESS-TYPE ACTIVITIES:</u> | | | | | | |
| Bonds payable: | | | | | | |
| Revenue bonds | \$ 611,000 | \$ -- | \$ 30,460 | \$ 580,540 | \$ 26,300 | 1.89 - 5.50% |
| Unamortized Discounts & Premiums | 25,193 | -- | 585 | 24,608 | 1 | |
| Total Bonds Payable | \$ 636,193 | \$ -- | \$ 31,045 | \$ 605,148 | \$ 26,301 | |
| Other liabilities: | | | | | | |
| Compensated absences | \$ 20,834 | \$ 5,806 | \$ 5,744 | \$ 20,896 | \$ 1,817 | |
| Capital lease obligations | 2,923 | -- | 178 | 2,745 | 90 | |
| Net OPEB Obligation | 185,619 | 20,435 | 9,647 | 196,407 | -- | |
| Other long-term liabilities * | 9,617 | 2,377 | 4,545 | 7,449 | 7,449 | |
| Total Other Liabilities * | \$ 218,993 | \$ 28,618 | \$ 20,114 | \$ 227,497 | \$ 9,356 | |
| *restated | | | | | | |

Note: Information about changes in the net pension liability is contained in Note 6.

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E. DEBT SERVICE REQUIREMENTS AT JUNE 30, 2017

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

| Governmental Activities | | | | | | | |
|--------------------------------|----------------------|---------------------|--|----------------------|-----------------|----------------------------|------------------------------------|
| Year: | Bonds Payable | | | Notes Payable | | Totals | |
| | Principal | Interest | Net Effect of Derivatives | Principal | Interest | Total Principal | Total Interest Cost |
| 2018 | \$ 361,397 | \$ 310,627 | \$ 15,403 | \$ 2,056 | \$ 52 | \$ 363,453 | \$ 326,082 |
| 2019 | 365,571 | 297,979 | 15,403 | 1,995 | 28 | 367,566 | 313,410 |
| 2020 | 370,590 | 283,390 | 15,445 | 985 | 7 | 371,575 | 298,842 |
| 2021 | 346,049 | 267,125 | 15,403 | 212 | 1 | 346,261 | 282,529 |
| 2022 | 343,606 | 250,688 | 15,403 | | | 343,606 | 266,091 |
| 2023-27 | 1,599,503 | 1,024,279 | 76,906 | | -- | 1,599,503 | 1,101,185 |
| 2028-32 | 1,543,600 | 661,661 | 75,295 | -- | -- | 1,543,600 | 736,956 |
| 2033-37 | 1,208,519 | 335,097 | 70,898 | -- | -- | 1,208,519 | 405,995 |
| 2038-42 | 844,681 | 129,421 | 62,055 | -- | -- | 844,681 | 191,476 |
| 2043-47 | 308,425 | 16,494 | 5,081 | -- | -- | 308,425 | 21,575 |
| Total | \$ 7,291,941 | \$ 3,576,761 | \$ 367,292 | \$ 5,248 | \$ 88 | \$ 7,297,189 | \$ 3,944,141 |

Business-Type Activities

| Revenue Bonds | | |
|----------------------|-------------------|-------------------|
| Year: | Principal | Interest |
| 2018 | \$ 26,300 | \$ 22,897 |
| 2019 | 19,805 | 22,291 |
| 2020 | 20,120 | 21,855 |
| 2021 | 20,550 | 21,379 |
| 2022 | 23,200 | 20,777 |
| 2023-27 | 137,380 | 85,966 |
| 2028-32 | 88,725 | 55,951 |
| 2033-37 | 109,485 | 37,820 |
| 2038-42 | 91,055 | 13,311 |
| 2043-47 | 43,920 | 2,296 |
| Total | \$ 580,540 | \$ 304,543 |

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F. DEFEASED BONDS

The following table details the principal balances of previously outstanding bonds considered defeased at June 30, 2017 (expressed in thousands). The defeased bonds are not included in the accompanying financial statements.

| <u>Bond Series</u> | <u>Date Defeased</u> | <u>Maturity Date</u> | <u>Amount Defeased</u> | <u>Outstanding at June 30, 2017</u> |
|----------------------------|----------------------|----------------------|------------------------|-------------------------------------|
| Primary Government: | | | | |
| General Obligation: | | | | |
| 2006-B | 06/12 | 07/16 | 120,215 \$ | -0- |
| 2009-A | 11/14 | 05/19 | 91,460 | 91,460 |
| 2011-A | 11/14 | 09/20 | 99,095 | 99,095 |
| 2009-A | 04/16 | 05/19 | 29,010 | 29,010 |
| 2010-A | 04/16 | 05/20 | 18,995 | 18,995 |
| 2011-A | 04/16 | 09/17 | 12,225 | 12,225 |
| 2011-A | 04/16 | 09/18 | 12,690 | 12,690 |
| 2011-A | 04/16 | 09/19 | 13,210 | 13,210 |
| 2011-A | 04/16 | 09/20 | 82,905 | 82,905 |
| 2012-A | 04/16 | 08/17 | 18,460 | 18,460 |
| 2012-A | 04/16 | 08/18 | 18,690 | 18,690 |
| 2012-A | 04/16 | 08/19 | 1,375 | 1,375 |
| 2012-A | 04/16 | 08/22 | 66,370 | 66,370 |
| 2012-C | 04/16 | 07/22 | 23,415 | 23,415 |
| 2013-A | 04/16 | 05/17 | 100 | -0- |
| TIMED: | | | | |
| 2010-B | 02/15 | 05/20 | 41,860 | 41,860 |
| 2013-B-1 | 05/17 | 05/17 | 200,000 | -0- |

G. REFUNDING OF BONDS

General Obligation Refunding Bonds

On September 22, 2016, the State issued \$215,080,000 of General Obligation Bonds, Series 2016-A, with coupon interest rates of 3.00% to 5.00%, to redeem the Bond Anticipation Notes (BANS) Series 2016 issued on January 28, 2016 and to provide permanent financing for capital outlay projects which were temporarily financed with the BAN. Total proceeds of \$254,856,377 included bond proceeds at the par amount of \$215,080,000 and a premium of \$39,776,377. The bond proceeds were used to pay issuance costs of \$160,780.

Gasoline and Fuels Tax Revenue Refunding Bonds

On May 1, 2017, the State issued \$200,000,000 of Gasoline and Fuels Tax Refunding Bonds Series 2017-A, with a variable interest rate, to current refund the outstanding balance of the Gasoline and Fuels Tax Revenue Bonds, Series 2013B-1 in the amount of \$200,000,000. The refunding was required due to mandatory redemption date of May 1, 2017.

H. CONDUIT DEBT

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

I. OTHER GENERAL LONG-TERM OBLIGATIONS

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

J. PLEDGED REVENUES

Governmental Activities

Motor Vehicle Registration and License Fees

In March 2013, the State issued State Highway Improvement Revenue Bonds Series 2013A maturing in 2033 in the amount of \$85,400,000 and in February 2014, the state issued State Highway Improvement Revenue Bonds Series 2014A maturing in 2034 in the amount of \$198,135,000. As of June 30, 2017, the outstanding maturities extend to 2034. The bonds are secured by and payable from annual motor vehicles registration and license fees or taxes for the registration and licensing of all vehicles and motor vehicles which are collected by the Department of Public Safety. Total motor vehicle registration and license fees available in fiscal year 2017 were \$58,255,098. The principal and interest paid for the current year was \$9,755,000 and \$13,239,600. The total principal and interest remaining on the bonds is \$256,285,000 and \$127,763,450, respectively.

Office of Motor Vehicle Handling Fees

In October 2007 the Louisiana Public Facilities Authority (LPFA) issued \$62,895,000 of revenue refunding bonds on behalf of the Department of Public Safety and Corrections to advance refund the 1999 and 2001 outstanding revenue bonds. The refunded bonds were issued to acquire, construct, and equip a new Department of Public Safety Services complex and a new Joint Emergency Services Training Center complex. The refunding bonds are secured by an irrevocable pledge and dedication of the handling fees collected by the Office of Motor Vehicles through August 2021. The Department collected \$17,238,131 during fiscal year ended June 30, 2017. The principal and interest paid for the current year was \$5,440,000 and \$1,313,750, respectively. The total principal and interest remaining on the bonds is \$23,555,000 and \$2,490,875.

Tobacco Settlement Revenues

The Tobacco Settlement Financing Corporation, a blended component unit, issued \$659,745,000 of tobacco settlement asset-backed bonds on July 2, 2013. The revenue bonds were issued to provide up-front cash for a portion of the State's allocation of tobacco settlement revenues (TSRs) to be received in perpetuity from participating cigarette manufacturers (PMs) pursuant to the Master Settlement Agreement (MSA). Security for the bonds consist of 60% of TSRs required to be paid to the State. The Corporation received pledged revenues of \$84,760,377 for fiscal year 2017. The principal and interest paid for the current year was \$56,445,000 and \$30,267,613, respectively. The bonds, payable through 2035, have total principal and interest outstanding of \$527,430,000 and \$295,580,825, respectively.

Gasoline and Motor Fuels Taxes and Special Fuels Taxes

The State has pledged gasoline and fuel taxes to service debt on outstanding gas and fuels tax revenue bonds. As of June 30, 2017, the outstanding maturities extend to 2045. Bond proceeds are to be used for financing the construction of highway and bridge projects. Revenues available in fiscal year 2017 for funding debt service due were \$634,883,728. Principal and interest paid for the current year were \$23,705,000 and \$116,238,853, respectively. The total principal and interest remaining on the bonds is \$2,609,230,000 and \$2,140,360,042, respectively.

Unclaimed Property Special Revenue Bonds

In December 2013 the State issued \$111,675,000 in Unclaimed Property Special Revenue Bonds, Series 2013, consisting of \$90,595,000 for the I-49 North Project and \$21,080,000 for the I-49 South Project and in September, 2015 the State issued \$73,820,000 for the I-49 South Project. The purpose of these bonds are to match federal funds to be used by the Department of Transportation and Development for the costs of and associated with the construction of Interstate 49. Security for the bonds, which are payable through fiscal year 2036, consist of annual unclaimed property revenues that escheat to the General Fund. Unclaimed property cash receipts for the year were \$40,991,201. The interest and principal paid in the current year was \$6,150,000 and \$8,729,269, respectively. The total principal and interest remaining on the bonds is \$175,520,000 and \$89,528,015, respectively.

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Business-Type Activities

Lease Agreement

Louisiana Agricultural Finance Authority issued revenue bonds of \$31,000,000 in 2007 to (i) renovate an office building, (ii) purchase new trucks, bulldozers, and other equipment for firefighting and other agricultural purposes, (iii) acquire, construct, and equip buildings and related facilities, and (iv) acquire emergency generators for the Department of Agriculture and Forestry. In December 2012, the authority issued refunding bonds Series 2012 (maturing in 2022) in the amount of \$6,705,000 for the purpose of refunding a portion of the 2007 revenue bonds. The bonds are secured solely from income and revenues, and receipts derived or to be derived from payments made or collections obtained in a lease agreement and are payable through 2023. The lease requires the Department to pay from legally available funds, subject to annual appropriation by the Louisiana Legislature, all the amounts necessary to pay the annual debt service and administrative expenses. The principal and interest paid for the current year was \$13,805,000 and \$783,811, respectively. The total principal and interest remaining on the bonds is \$ 8,735,000 and \$229,294, respectively.

Highway 1 Tolls

Louisiana Transportation Authority, a public corporation within the Department of Transportation and Development (DOTD), issued several series of toll revenue bonds in 2005 to finance a highway project in the lower portion of Lafourche Parish. The project creates elevated highways that run parallel to Highway 1, with a bridge over Bayou Lafourche. The 2005 series bonds were refunded in November 2013. The bonds are now backed by, in addition to toll revenues, a cooperative endeavor agreement that requires that appropriations sufficient to fund the annual debt service be included in the Executive Budget request. The monies were appropriated in fiscal year 2017 sufficient to pay the debt service; however, \$4,326,991 was collected in toll revenues and used to reimburse the General Fund. Principal and interest paid during the current year was \$735,000 and \$5,390,623. The total principal and interest remaining on the bonds is \$172,080,000 and \$91,072,345, respectively. The bonds are payable through fiscal year 2046.

NOTE 9: CONTINGENCIES AND COMMITMENTS

RISK FINANCING AND INSURANCE – RELATED ACTIVITIES

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

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

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

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

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| | Restated Beginning of Fiscal Year Liability | Claims and Changes in Estimates | Claim Payments | Recoveries from Settled and Unsettled Claims | Balance at Fiscal Year End |
|-----------|---|---------------------------------------|----------------|--|----------------------------------|
| 2016-2017 | \$2,226,659 | \$1,044,025 | (\$1,192,977) | (\$36,539) | \$2,041,168 |
| 2015-2016 | \$2,216,353 | \$1,175,387 | (\$1,120,358) | (\$44,723) | \$2,226,659 |

A. RISK MANAGEMENT AND SELF INSURANCE

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

For fiscal year 2017, the Self-Insurance Fund paid \$132,459,115 to satisfy claims and judgments. At June 30, 2017, outstanding non-discounted reserve valuations of the open claims within the programs totaled \$978,713,432. At June 30, 2017, ORM cash balances included \$35,018,878 in the Self-Insurance Fund. ORM advises that the non-discounted liability reserve valuation for the claims in litigation against state agencies being handled by that office is valued at \$200,096,196 at June 30, 2017.

The Office of Risk Management purchases annuities to settle portions of certain claims. Third-party trustees then make payments to the claimants. At June 30, 2017, there were 19 active annuities which do not contain the wording releasing the State from any future liability on the claims. The outstanding amount due on these annuities as of June 30, 2017 was \$42,131,647.

The Future Medical Care Fund funds medical care that may be incurred subsequent to judgment rendered against the state. The present value of reserves, net of estimated recoveries, at June 30, 2017 was \$22,349,789.

OGB pays all claim settlements and judgments through its Self-Insurance Fund which is reported in the General Fund. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. For fiscal year 2017, OGB paid \$860,401,975 in claims and the liability balance at the end of the fiscal year was \$45,046,350.

B. LITIGATION

The estimated probable future liability including incremental costs resulting from litigation, contract claims, and judgments against the State that are not being handled by ORM, not including contract claims reported by the Department of Transportation and Development (DOTD), is approximately \$380,528,083 (accrued in the accompanying financial statements). In addition, as of June 30, 2017, there are claims against the State, not including contract claims reported by DOTD, totaling \$32,514,461 for which it is reasonably possible that the State will incur liability. Nonincremental claims adjustment expenses have not been included as part of the liability for claims and judgments.

From the beginning of fiscal year 2002-2003 to the present, the State's Self-Insurance Fund has not been available as a source of funds to settle tort claims involving road defect allegations nor to pay final judgments in such matters. As a result, settlements and judgments in such road hazard tort claims have been and will continue to be funded and paid only through individual legislative appropriation. Since fiscal year 2002 the sum appropriated for such matters totaled approximately \$227,022,803. Of that amount, \$10,303,691 was appropriated in fiscal year 2015, and \$15,770 was carried over from fiscal year 2014. No amounts were appropriated in fiscal year 2016 or fiscal year 2017.

As of June 30, 2017, the Department of Transportation and Development (DOTD) advises that there are 568 expropriation cases pending with a total demand of \$66,183,840. As payment of its estimate of just compensation upon filing of these suits, DOTD deposited \$29,776,317 into the registry of the court. A reasonable possibility exists that DOTD will incur expropriation-related costs of \$31,074,823 in excess of the just compensation on deposit with the courts. As of June 30, 2017, there were 27 outstanding inverse condemnation suits with an estimated demand of \$11,036,519. DOTD has determined that it is reasonably possible that the actual settlements will total approximately \$6,955,000. As of June 30, 2017 estimated demand for 17 contract construction suits is \$43,611,849 and the estimated exposure is \$60,268,838. Miscellaneous suits may require additional appropriations from the State. DOTD's estimate of the exposure to these additional claims is \$7,428,546.

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The Department of Revenue (DOR) has advised that the total amount of pending litigation affecting the DOR's right to tax, where there is a probable likelihood that an asset has been impaired or a liability has been incurred as of fiscal year ended June 30, 2017, is \$84,488,168 (accrued in the accompanying financial statements). The DOR has also advised that the total dollar amount of pending litigation affecting the DOR's right to tax, where it is reasonably possible that an asset has been impaired or a liability has been incurred as of fiscal year ended June 30, 2017, is \$160,484,499.

C. FEDERAL DISALLOWED COSTS

A significant amount of federal grant dollars is received by the State subject to financial and compliance audits mandated by the grantors. Questioned costs resulting from these audits may be disallowed by the Federal grantor and may become a liability of the State. Liabilities from disallowances and settlement agreements with the federal government are estimated to be \$175,780,711 (accrued in the accompanying financial statements). In addition, as of June 30, 2017, there are disallowed costs of \$29,475,942 for which it is reasonably possible that the State will incur liability.

D. WORKERS COMPENSATION

The Injured Worker Reemployment Program encourages employers to hire physically handicapped employees who have a permanent partial disability, by reimbursing the employer or, if insured, his or her insurance carrier for part of the workers' compensation costs for on-the-job injuries. The estimated total future payments to be made for claims outstanding at June 30, 2017 were \$270,872,867, which is included in the accompanying financial statements. Funds to make these payments will come from an annual assessment made against all insurance companies writing workers' compensation insurance in the State and all employers that are self-insured.

E. UNDERGROUND STORAGE TANKS

The 456 Underground Storage Tanks (UST) sites are remediated under The Resource Conservation and Recovery Act (RCRA) Subtitle I and may be eligible for funding through the State's Motor Fuels Underground Storage Tank Trust Fund or the U.S. EPA's Leaking Underground Storage Tank (LUST) Trust Fund. The Underground Storage Tank Trust Fund is established by statute to collect fees from underground storage tank owners; fund assets are then used to finance remediation and/or removal of leaking storage tanks. Louisiana spent \$11,062,616 assessing and remediating USTs in fiscal year ending June 30, 2017. The ending liability of \$83,388,866 will be funded by the Motor Fuels Underground Storage Tank Trust Fund.

F. POLLUTION REMEDIATION

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

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

On April 20, 2010, the British Petroleum Exploration Inc. (BP) experienced a fire and explosion on their leased Oil Rig in the Gulf of Mexico which was being operated by Transocean Ltd. at the time of the incident. This explosion resulted in an unprecedented spill of oil into the Gulf of Mexico along the Louisiana coast. The State responded to protect its environment by adopting a series of measures that included assessment of the damage, environmental impact, immediate clean up and remediation of the polluted environment, estimation of long term impact on its people and the environment, the cost of the cleanup, and determination of the expected recovery from BP. The State's remediation activities have included use of various technologies as well as building of coastal sand berms for removal of the oil spill. At June 30, 2017, the State spent \$10,499,592 on remediation activities and received reimbursements for those expenditures.

BP has taken full responsibility for the cleanup of the spill, and the restoration of the State's environment. From May 10, 2010, until June 30, 2017, Louisiana has spent \$49,061,320 for Natural Resources Damage Assessment (NRDA) projects and received full reimbursement. During that same time period, the State spent \$48,062,404 on Pollution Remediation Funding Authorization (PRFA) projects and received full reimbursement. Deepwater Horizon (DWH) PRFA work ended in FY 2015 and the US Coast Guard closed the file in FY 2016. FY 2016 was the final reporting for DWH PRFA. NRDA cost for FY 2017 and going forward does not meet any of the five pollution remediation obligating events.

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Expenditures for projects not related to the Deepwater Horizon event totaled \$2,326,800 for fiscal year 2016-17 and there were no costs received from responsible parties. At June 30, 2017, the State had a pollution remediation obligation of \$19,108,103 which includes the ending liability for the BP oil spill discussed above.

G. COOPERATIVE ENDEAVORS

LRS 33:9022 defines “cooperative endeavor” as any form of economic development assistance between and among the State, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The State has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the State. The estimated amounts outstanding for governmental units as of June 30, 2017, which are not reflected on the accompanying financial reports, are as follows:

| | | |
|-----------------------------|----|----------------------|
| General funds | \$ | 1,501,005,349 |
| Self-generated funds | | 20,034,108 |
| Statutorily dedicated funds | | 326,581,833 |
| General obligation bonds | | 284,630,802 |
| Federal funds | | 423,954,135 |
| Interagency transfers | | 687,215 |
| Other funds | | <u>218,874,177</u> |
| Total | \$ | <u>2,775,767,619</u> |

H. OTHER

Project Partnerships Agreements – United States Army Corp of Engineers (USACE) and Coastal Protection and Restoration Authority (CPRA)

In 2008, the State of Louisiana’s CPRA entered into a Project Partnership Agreement (PPA) with the United States Government’s USACE for the Lake Pontchartrain and Vicinity, Louisiana Project (LPVLP) as well as the West Bank and Vicinity, Louisiana Project (WBVLP) to construct Hurricanes and Storm Damage Risk Reduction System (HSDRRS) for the LPVLP and the WBVLP around the greater New Orleans area. The original agreement required the original projects to be completed at full expense of the federal government. The full expense contract was modified to a cost share agreement whereby, the State/CPRA was required to pay 35% of the total costs of the project after the CPRA required USACE to raise the levee heights where necessary to enhance the level of protection necessary to achieve certification for participation in the National Flood Insurance Program (NFIP). In 2016, USACE served CPRA with a Notice of Contract Completion (NCC) relative to portions of the projects and provided an accounting of the deferred payment calculation of the total cost of the project for payment. At this point, USACE has not permitted a review of all costs incurred on the project. As a result, CPRA contends that the total costs are not verifiable and continues to disagree with the NCC letter presented by USACE and disputes the costs as unsupported. A liability for the costs of the project therefore cannot be reasonably estimated at this time.

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NOTE 10: FUND BALANCE/NET POSITION DISCLOSURES

A. CLASSIFICATION OF FUND BALANCES

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

| | General Fund | Capital Outlay Escrow Fund | Louisiana Education Quality Trust Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-----------------|-------------------------------------|---|-----------------------------------|--------------------------------|
| Fund Balances | | | | | |
| Nonspendable: | | | | | |
| Inventory | \$ 72,521 | \$ -- | \$ -- | \$ -- | \$ 72,521 |
| Prepaid Items | 25,415 | -- | -- | -- | 25,415 |
| Permanent Fund Corpus | -- | -- | 1,268,154 | 1,395,630 | 2,663,784 |
| Restricted for: | | | | | |
| General Government: | | | | | |
| Administration & Regulatory Oversight | 65,214 | -- | -- | -- | 65,214 |
| Agriculture & Forestry Programs | 444 | -- | -- | -- | 444 |
| Conservation & Environment Programs: | | | | | |
| Coastal Protection & Restoration | 197,915 | -- | -- | -- | 197,915 |
| Oilfield Site Restoration | 21,685 | -- | -- | -- | 21,685 |
| Wildlife & Fisheries Conservation | 162,946 | -- | -- | -- | 162,946 |
| Other Conservation & Environment Programs | 5,284 | -- | -- | -- | 5,284 |
| Artificial Reef Development | 19,949 | -- | -- | -- | 19,949 |
| Budget Stabilization | 286,793 | -- | -- | -- | 286,793 |
| Education Programs: | | | | | |
| Minimum Foundation Program | 81,136 | -- | -- | -- | 81,136 |
| Other Education Programs | 53,428 | -- | 131,489 | 92,346 | 277,263 |
| Capital Projects | -- | -- | -- | 374,465 | 374,465 |
| Unemployment Compensation | 9 | -- | -- | -- | 9 |
| Culture, Recreation, & Tourism Programs | 745 | -- | -- | 3,491 | 4,236 |
| Debt Service | 25,727 | 9,201 | -- | 162,013 | 196,941 |
| Corrections Programs | 3,392 | -- | -- | -- | 3,392 |
| Transportation & Development Programs | 1,818 | -- | -- | -- | 1,818 |
| Economic Development Programs | 2,899 | -- | -- | -- | 2,899 |
| Health & Welfare Programs: | | | | | |
| State Medicaid Match | 15,264 | -- | -- | -- | 15,264 |
| Other Health & Welfare Programs | 25,108 | -- | -- | 38,324 | 63,432 |
| Military & Veterans Affairs Programs | 21,423 | -- | -- | -- | 21,423 |
| Youth Programs | 910 | -- | -- | -- | 910 |
| Workforce Support & Training Programs | 3,240 | -- | -- | -- | 3,240 |
| Committed for: | | | | | |
| General Government: | | | | | |
| Administration & Regulatory Oversight | 7,812 | -- | -- | -- | 7,812 |
| Legislative Branch | 1 | -- | -- | -- | 1 |
| Grants to Local Governments | 23,072 | -- | -- | -- | 23,072 |
| Group Benefits Program | 198,685 | -- | -- | -- | 198,685 |
| Risk Management Program | 33,245 | -- | -- | -- | 33,245 |
| Economic Development Programs | 50,357 | -- | -- | -- | 50,357 |
| Agriculture & Forestry Programs: | | | | | |
| Forestry Productivity | 7,477 | -- | -- | -- | 7,477 |
| Grain & Cotton Indemnity Program | 4,390 | -- | -- | -- | 4,390 |
| Other Agriculture & Forestry Programs | 5,276 | -- | -- | -- | 5,276 |
| Capital Projects | 162,621 | 152,560 | -- | -- | 315,181 |
| Labor & Workforce Programs: | | | | | |
| Workers' Compensation Administration | 6,385 | -- | -- | -- | 6,385 |
| Workers' Compensation 2nd Injury Program | 28,597 | -- | -- | -- | 28,597 |
| Incumbent Worker Training Program | -- | -- | -- | 24,625 | 24,625 |
| Employment Security Administration | -- | -- | -- | 2,174 | 2,174 |

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| | General Fund | Capital Outlay Escrow Fund | Louisiana Education Quality Trust Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---------------------|-------------------------------------|---|-----------------------------------|--------------------------------|
| Other Labor & Workforce Programs | -- | -- | -- | 8,544 | 8,544 |
| Culture, Recreation, & Tourism Programs: | | | | | |
| State Park Improvements | 8,095 | -- | -- | -- | 8,095 |
| Other Culture, Recreation, & Tourism Programs | 601 | -- | -- | 6,626 | 7,227 |
| Transportation & Development Programs | 10,608 | -- | -- | -- | 10,608 |
| Public Safety Programs: | | | | | |
| Interoperability Communication Program | 459 | -- | -- | -- | 459 |
| Motor Carrier Safety & Administration | 1,027 | -- | -- | -- | 1,027 |
| Crime Victims' Reparation | 2,586 | -- | -- | -- | 2,586 |
| Other Public Safety Programs | 13,217 | -- | -- | -- | 13,217 |
| Telecommunications Tax Credits | 1,648 | -- | -- | -- | 1,648 |
| Health & Welfare Programs: | | | | | |
| Fraud Detection Programs | 8,073 | -- | -- | -- | 8,073 |
| Telecommunications for the Deaf | 647 | -- | -- | -- | 647 |
| Disability Affairs | 54 | -- | -- | -- | 54 |
| Drug Abuse Education & Treatment | 519 | -- | -- | -- | 519 |
| Other Health & Welfare Programs | 20,518 | -- | -- | -- | 20,518 |
| Employer Pension Contributions | 563 | -- | -- | -- | 563 |
| Conservation & Environment Programs: | | | | | |
| Administration | 2,102 | -- | -- | -- | 2,102 |
| Coastal Protection & Restoration | 2,237 | -- | -- | -- | 2,237 |
| Environmental Quality Programs | 13,478 | -- | -- | -- | 13,478 |
| Pollution Remediation Programs | 107,166 | -- | -- | -- | 107,166 |
| Wildlife & Fisheries Conservation | 6,068 | -- | -- | -- | 6,068 |
| Natural Resource Restoration | 61,848 | -- | -- | -- | 61,848 |
| Other Conservation & Environment Programs | 116,413 | -- | -- | -- | 116,413 |
| Education Programs: | | | | | |
| Earnings Enhancements on College Savings | 18,888 | -- | -- | -- | 18,888 |
| Public Educator Salary Increases | 9,846 | -- | -- | -- | 9,846 |
| Other Education Programs | 27,951 | -- | -- | 1 | 27,952 |
| Military & Veterans Affairs Programs | 3,831 | -- | -- | -- | 3,831 |
| Unassigned | (565,349) | -- | -- | (4,508) | (569,857) |
| Total Fund Balance | <u>\$ 1,494,277</u> | <u>\$ 161,761</u> | <u>\$ 1,399,643</u> | <u>\$ 2,103,731</u> | <u>\$ 5,159,412</u> |

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

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

| | Beginning Balance | Prior Period Adjustments | Beginning Balance, as Restated |
|--|----------------------|-----------------------------|--------------------------------------|
| General Fund | \$ 1,285,378 | \$ (1,297) | \$ 1,284,081 |
| Capital Outlay Escrow Fund | 84,125 | -- | 84,125 |
| Louisiana Education Quality Trust Fund | 1,347,045 | -- | 1,347,045 |
| Nonmajor Governmental Funds | 2,057,234 | -- | 2,057,234 |
| Louisiana Community & Technical Colleges System | (137,445) | 684 | (136,761) |

The beginning fund balance of the General Fund changed due mainly to various immaterial prior period adjustments within the Office of Risk Management, the Legislative Branch agencies, and the Judicial Branch agencies. The restatement in beginning fund balance also included a decrease of \$1.1 million due to cash eliminations within the Louisiana Economic Development Fund and other prior period adjustments. Restatements to beginning net position were also recorded in the Louisiana Community and Technical Colleges System financial statements for capital assets and for various other adjustments.

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C. NET POSITION RESTATEMENT – GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

| | <u>Beginning Balance</u> | | <u>Prior Period Adjustments</u> | | <u>Beginning Balance, as Restated</u> |
|--------------------------|------------------------------|----|-------------------------------------|----|---|
| Governmental Activities | \$ 3,978,045 | \$ | 72,377 | \$ | 4,050,422 |
| Business-type Activities | 2,081,130 | | 4,802 | | 2,085,932 |

Beginning net position for governmental activities increased by \$72.4 million due to restatements of beginning net position/fund balance recorded in various governmental funds and accounts. The largest restatements are related to net pension liability, OPEB and capital assets. The restatements for net pension liability and OPEB primarily resulted from the reclassification of the Office of Student Financial Assistance and the Louisiana Universities Marine Consortium from the governmental fund type to discrete component unit when they merged with the Board of Regents. The restatements for capital assets are corrections to prior period balances for movable property, infrastructure, construction in progress, and intangible assets.

Beginning net position for the business-type activities changed primarily due to restatements recorded in the boards and commissions for changes made to income recognition, net pension liabilities, and for various other adjustments. Restatements to beginning net position were also recorded in the Louisiana Community and Technical Colleges System financial statements as discussed above. As a result, beginning net position for business-type activities increased by \$4.8 million in fiscal year 2017.

D. BUDGET STABILIZATION

Louisiana voters first approved a constitutional amendment in 1990 to formally set aside funds for use when the State's Revenue Estimating Conference (REC) forecasts revenue shortfalls for the subsequent fiscal year or projects a budgetary deficit in the current fiscal year. The funds set aside are deposited into the Budget Stabilization Fund, as authorized by Louisiana Constitution Article VII, Section 10.3 and LRS 39.94. The fund's activity is accounted for within the General Fund and has a restricted fund balance of \$287 million at June 30, 2017, in the accompanying financial statements.

Budget Stabilization is funded by the following sources in accordance with the Constitution: (1) all money available for appropriation from the State general fund and dedicated funds in excess of the expenditure limit; (2) all mineral revenues in excess of \$850 million received by the State in each fiscal year; (3) 25% of any money designated in the official forecast as nonrecurring; (4) legislative appropriations to the fund, including any appropriation to the fund from money designated in the official forecast; and (5) the fund's investment earnings realized in each fiscal year. No appropriation or deposit to the fund can be made if the appropriation or deposit would cause the fund cash balance to exceed 4% of total state revenue receipts for the previous fiscal year.

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

NOTE 11: TAX ABATEMENT PROGRAMS

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

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| GASB 77 Tax Abatements | Programs Administered by Louisiana Economic Development (LED) | |
|--|--|--|
| | Competitive Projects Payroll Incentive Program | Digital Interactive Media and Software Tax Credit |
| 1. Purpose of the Program | To encourage program participants to choose to locate in the state of Louisiana, which would result in a positive economic benefit to the state. | To encourage development in Louisiana of a strong capital base for the production of digital interactive media products and platforms in order to achieve a more independent self supporting industry |
| 2. Tax being Abated | State Sales and Use Taxes, Corporate Income Tax | State Individual or Corporate Income Tax |
| 3. Authority to Enter into Abatement Agreement | LRS 51:3121 et. seq. | LRS 47:6022 |
| 4. Eligibility Criteria | At least 50% of sales of the business are to out of state customers, customers who resell the product or service to out of state customers for ultimate use, and/or to the federal government. Create a minimum number of jobs and payroll. Offer an eligible basic health care plan to the people employed. | A company seeking to participate in program must apply through an application process and be certified as eligible by Louisiana Economic Development. |
| 5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced | Tax Rebate | Tax Credit |
| 6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined | Provides an incentive rebate up to 15% of the company's new payroll and either a 5% state sales and use tax rebate on capital expenditures or a 1.2% project facility expense rebate. | Tax credits of 18% on eligible expenditures on goods obtained from a source within the state and services performed in the state. An additional 7.2% may be earned on eligible Louisiana resident payroll. |
| 7. Provisions for Recapturing Abated Taxes | The Secretary of LED at his sole discretion may disallow the rebate and (1) offset and reduce pending or future rebate payments or (2) request the Louisiana Department of Revenue to increase the tax liability. | The company's state income taxes can be increased to recapture the credits received, if the expenditures were not actually expended in Louisiana as production related costs of the state certified production. |
| 8. The Types of Commitments made by the Recipients of the Tax Abatement | Must demonstrate net new jobs and payroll within the state and the project is deemed to be competitive in nature. Must offer a qualified basic health care benefits plan to the individuals employed. Must also meet specific total sales criteria. | Only expenditures for goods obtained from a source within the state and services performed in the state are potentially eligible to receive tax credits. Expenditures must be audited by a CPA firm assigned by LED. |
| 9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis | \$-0- | \$10,432,086 |
| 10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed | No information was omitted due to legal prohibitions | No information was omitted due to legal prohibitions |

State of Louisiana

| GASB 77 Tax Abatements | Programs Administered by Louisiana Economic Development (LED) | |
|--|---|---|
| | Enterprise Zone Program | Exemption for Manufacturing Establishments (Industry Assistance) Program |
| 1. Purpose of the Program | To stimulate employment for residents in depressed areas of the state that are designated as Enterprise Zones by providing tax incentives to businesses hiring from these areas. | To induce industrial development in the state, encourage the establishment of new business enterprises, and the retention and expansion of existing business. |
| 2. Tax being Abated | State Sales and Use Taxes and State Income Taxes | State Corporation Franchise Tax, State Income Taxes, and State Sales and Use Taxes |
| 3. Authority to Enter into Abatement Agreement | LRS 51:1781 et. seq. | LRS 47:4301-4306 |
| 4. Eligibility Criteria | New or existing Louisiana businesses which will at a minimum create 5 permanent new full time jobs employing individuals from targeted groups, or increase their nationwide employment by 10% within the first 12 months. Also the business must hire 50% or more of the new jobs from the targeted groups. | May consider any and all factors which are relevant to the continued operations of the applicant including benefits to the state in terms of employment opportunities, payroll, expenditures for goods and services, creation of new jobs, and contributions to the revenue base of the state. |
| 5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced | Tax Credit and Rebate | Tax Exemptions |
| 6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined | One time \$3,500 or \$1,000 job tax credit for each net new job created or a 4% rebate of sales and use taxes on qualifying purchases or a 1.5% refundable tax credit on the total capital investment. | Tax liabilities reduced based on annual report filed with LED, which includes total jobs with payroll, current year's capital investment, and any other contractual requirements. |
| 7. Provisions for Recapturing Abated Taxes | No recapture provisions for this program. Companies must be certified as eligible by Louisiana Economic Development before any tax credits or rebates can be claimed. | A contract may be canceled upon review of an audit that has uncovered a violation of the contract or the need for the exemption or the grounds for the exemption are no longer applicable. The state shall give notice in writing and any remaining portion of the exemption granted may be canceled. |
| 8. The Types of Commitments made by the Recipients of the Tax Abatement | The company must certify that the required job requirements have been met based on the eligibility criteria listed in item number 4 above. | The business entity shall give preference to Louisiana manufacturers and must continue to operate and maintain business, jobs, payroll, capital investment in Louisiana, and comply with any other requirement as listed in the approved contract. |
| 9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis | \$44,621,847 | \$-0- |
| 10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed | No information was omitted due to legal prohibitions | No information was omitted due to legal prohibitions |

State of Louisiana

| GASB 77 Tax Abatements | Programs Administered by Louisiana Economic Development (LED) | |
|--|---|---|
| | Louisiana Quality Jobs Program | Motion Picture Production Tax Credit |
| 1. Purpose of the Program | An incentive to encourage businesses to locate or expand existing operations in Louisiana and create quality jobs focusing on specific industry sectors. | To encourage development in Louisiana of a strong capital and infrastructure base for motion picture production in order to achieve an independent, self supporting industry. |
| 2. Tax being Abated | State Sales and Use Taxes and State Income Taxes | State Income Taxes |
| 3. Authority to Enter into Abatement Agreement | LRS 51:2451 | LRS 47:6007 |
| 4. Eligibility Criteria | Must be an eligible type business, must create a minimum number of new direct jobs, must comply with healthcare and payroll requirements, and other thresholds. | A motion picture company domiciled and headquartered in Louisiana, which has a viable multi-market commercial distribution plan may complete an application to be certified by LED to become a state certified production company, then the production expenditures are audited by a CPA appointed by the office and the tax credit is issued to the motion picture production company upon approval. |
| 5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced | Tax Rebate | Tax Credit |
| 6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined | Up to 6% rebate on qualified payroll and either a 5% state sales tax rebate or a 1.5% project facility expense rebate on qualifying items. | Certified companies earn 30% on eligible expenditures including labor and an additional 10% on Louisiana resident labor. Tax credits may be used to offset state income taxes; are fully transferrable; and can be sold back to the state at a reduced value. |
| 7. Provisions for Recapturing Abated Taxes | By the third fiscal year the company's verified gross payroll must agree to the minimum of five new direct jobs or the gross payroll must equal or exceed the minimum required threshold. If these provisions are not met, rebates can be recaptured. | Tax credits previously granted, but later disallowed pursuant to the provisions of LRS 47:6007 may be recovered by the secretary of the Department of Revenue through any collection remedy authorized by LRS 47:1561. |
| 8. The Types of Commitments made by the Recipients of the Tax Abatement | Create a minimum of 5 new direct jobs that are full time and offered a basic health care plan. There are also minimum wage and payroll threshold requirements. | Only expenditures for goods obtained from a source within the state and services performed in the state are potentially eligible to receive tax credits. Expenditures must actually have been made and subsequently audited by a CPA assigned by the LED. |
| 9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis | \$102,398,055 | \$205,833,457 |
| 10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed | No information was omitted due to legal prohibitions | No information was omitted due to legal prohibitions |

State of Louisiana

| GASB 77 Tax Abatements | Programs Administered by Louisiana Economic Development (LED) | |
|--|--|---|
| | Musical and Theatrical Production Income Tax Credit | Ports Investor Tax Credits |
| 1. Purpose of the Program | To enhance economic and educational development and offer numerous and varied employment opportunities while creating opportunities for new and relocating businesses. | To encourage private investment in and the use of state port facilities in Louisiana. |
| 2. Tax being Abated | State Individual Income and State Corporate Income Taxes | State Income and Corporate Franchise Taxes |
| 3. Authority to Enter into Abatement Agreement | LRS 47:6034 | LRS 47:6036 |
| 4. Eligibility Criteria | Must be a state certified musical or theatrical production or infrastructure which includes performing and or filming of live musical and theatrical performance in the state before live audiences. | A Cooperative Endeavor Agreement is required between the Port and the applicant for qualifying projects that will result in significant positive economic benefits to the state. |
| 5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced | Tax Credit | Tax Credit |
| 6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined | Eligible production expenditures are as follows: (1) Expenditures greater than \$100,000 and less than or equal to \$300,000 = 7.2% (2) Expenditures greater than \$300,000 and less than or equal to \$1,000,000 = 14.4% (3) Expenditures greater than \$1,000,000 = 18% (4) Additional credits may be earned at the rate of 7.2% for Louisiana resident payroll. | The Department of Economic Development may grant a tax credit equal to 72% of the total capital costs of such qualifying project to be taken at 5% per tax year or shall grant such other amount of tax credit to be taken at such other percentage which is warranted by the significant positive economic benefit, within certain maximum limits. |
| 7. Provisions for Recapturing Abated Taxes | Credits previously granted to a taxpayer but later disallowed by the Department of Economic Development may be recovered through any collection remedy authorized by LRS 47:1561. | If the funds for which an investing company received credits are not invested and expended within the requirements of the agreement, the investing company's state income tax for such taxable period can be increased to recapture the credit. |
| 8. The Types of Commitments made by the Recipients of the Tax Abatement | Only goods obtained from a source within the state and services performed in the state are potentially eligible to receive tax credits. Expenditures must actually have been made and subsequently audited by a CPA assigned by the LED. | Must be a project sponsored or undertaken by a public port and one or more investing companies that has capital costs of not less than \$1,500,000 and with the predominant business activity constituting warehousing or port and harbor operations and cargo handling. |
| 9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis | \$6,455,066 | \$-0- |
| 10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed | No information was omitted due to legal prohibitions | No information was omitted due to legal prohibitions |

State of Louisiana

| GASB 77 Tax Abatements | Programs Administered by Louisiana Economic Development (LED) | |
|--|---|--|
| | Retention and Modernization Tax Credit | Sound Recording Investor Tax Credit |
| 1. Purpose of the Program | To provide an inducement for businesses to remain in the state and not relocate outside the state and to modernize their existing operations in Louisiana. | To encourage the development in Louisiana of a strong capital and infrastructure base for sound recording productions in order to achieve a more independent, self supporting music and sound recording industry. |
| 2. Tax being Abated | State Individual Income Tax, State Corporate Income and State Corporate Franchise Tax | State Income Taxes |
| 3. Authority to Enter into Abatement Agreement | LRS 51:2399.1 through 51:2399.6 | LRS 47:6023 |
| 4. Eligibility Criteria | Employer must increase a minimum 10% in the maximum capacity or efficiency of the facility; or make an approved investment of at least \$5,000,000 in the facility. | Qualified expenditures of a state certified production or state certified recording infrastructure project occurring over specified period of time. |
| 5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced | Tax Credit | Tax Credit |
| 6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined | The tax credits are determined by LED based on a percentage of certified expenditures according to current statutes. | An investor may be allowed a tax credit of 18% of the eligible expenditures made in excess of \$15,000 or, if a resident of this state, in excess of \$5,000. |
| 7. Provisions for Recapturing Abated Taxes | There are no recapture provisions. Once expenses are verified, certification letters are issued by an independent CPA. | If the funds for which an investor receives credits are not invested in and expended with respect to a state-certified production within a certain time period, then the investor's state income tax shall be increased by such amount necessary for the recapture of the credits. |
| 8. The Types of Commitments made by the Recipients of the Tax Abatement | The company commits to capital investments and jobs and payroll targets. | Only audited expenditures of a state certified production for goods obtained from a source within the state and services performed in the state are potentially eligible to receive tax credits. |
| 9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis | \$3,035,558 | \$81,549.69 |
| 10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed | No information was omitted due to legal prohibitions | No information was omitted due to legal prohibitions |

State of Louisiana

| GASB 77 Tax Abatements | Programs Administered by Louisiana Economic Development (LED) | |
|--|---|--------------|
| | Tax Equalization Program | |
| 1. Purpose of the Program | To encourage the establishment and retention of manufacturing establishments, headquarters, or warehousing and distribution establishments by providing a procedure whereby the total state and local taxes imposed be reduced to the level imposed by other competing states. | |
| 2. Tax being Abated | State Corporation Franchise Tax, State Corporation Income Tax, and State Sales and Use Taxes | |
| 3. Authority to Enter into Abatement Agreement | LRS 47:3201-3205 | |
| 4. Eligibility Criteria | The company must be located in another state or located in Louisiana and contemplating re-locating to another state which offers a greater tax advantage than Louisiana. Upon recommendation by the state, the company must receive an invitation to apply for the program from the Governor. | |
| 5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced | Tax Exemption | |
| 6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined | Taxes may be reduced by submitting an annual compilation report showing the differences between taxes paid by the company in Louisiana and the taxes that would be paid in another state if the company relocated to the other state. | |
| 7. Provisions for Recapturing Abated Taxes | Written notice of violations of the terms of the contract are given to the contracted company. If the violations are not corrected within 90 days, any remaining portions of the exemption from tax granted under the contract may be terminated. | |
| 8. The Types of Commitments made by the Recipients of the Tax Abatement | The company must continue to operate and maintain business, jobs, payroll and capital investment in Louisiana. | |
| 9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis | | \$14,310,010 |
| 10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed | No information was omitted due to legal prohibitions | |

State of Louisiana

| GASB 77 Tax Abatements | Programs Administered by Louisiana Department of Insurance | |
|--|---|--|
| | Louisiana Capital Companies (CAPCO) Tax Credit Program | New Market Jobs Act Program |
| 1. Purpose of the Program | To provide assistance in the formation and expansion of new businesses that create jobs in the state by providing for the availability of venture capital financing to entrepreneurs, managers, inventors, and other individuals for the development and operation of qualified Louisiana businesses. | To encourage capital or equity investment in, or loan to, any qualified active low-income community business |
| 2. Tax being Abated | Income Taxes and Insurance Premium Taxes for categories of Life, Accident, & Health; Fire Casualty & Misc.; Surplus Lines; and Retaliatory. | Insurance Premium taxes (for categories of Life, Accident, & Health; Fire Casualty & Misc.; Surplus Lines; and Retaliatory) |
| 3. Authority to Enter into Abatement Agreement | LRS 51:1921, LRS 22:832E | LRS 47:6016.1 |
| 4. Eligibility Criteria | Companies must be certified by the Louisiana Office of Financial Institutions. The capitalization must be at least \$200,000. | The qualified community development entity (CDE) must apply to Department of Revenue for certification of the equity investments it issues. |
| 5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced | Tax Credit | Tax Credit |
| 6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined | The income tax credit is 35% of the capital investment. The total income tax credits granted to all taxpayers are limited to \$2,000,000 per calendar year. For insurance premium tax reductions, tax reductions are applied to the premium tax liability by year. | The credit amount is equal to the applicable percentage for such credit allowance date multiplied by the purchase price paid to the issuer of such qualified equity investment. |
| 7. Provisions for Recapturing Abated Taxes | Premium tax reductions are subject to the same forfeiture and repayment provisions as income tax credits as described in LRS 51:1927 (C) and 1928(A) | If the company violates the terms of the agreement, or if the federal tax credit is recaptured by the IRS, the Department of Insurance shall recapture the claimed credit on a return. |
| 8. The Types of Commitments made by the Recipients of the Tax Abatement | Companies must be certified as a Louisiana Capital Company by the Office of Financial Institutions. | Any qualified community development entity that makes a qualified equity investment is vested with an earned credit against state premium tax liability that may be used as per the enacted law. |
| 9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis | \$122,903 | \$4,675,020 |
| 10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed | No information was omitted due to legal prohibitions | No information was omitted due to legal prohibitions |

State of Louisiana

| GASB 77 Tax Abatements | Programs Administered by Louisiana Department of Revenue | |
|--|---|--|
| | Neighborhood Assistance Program | New Market Tax Credit |
| 1. Purpose of the Program | To provide incentives to businesses to provide neighborhood assistance, job training for individuals, community services, or crime prevention to upgrade impoverished areas. | To encourage and attract private sector equity investment in a qualified community development entity in the state. |
| 2. Tax being Abated | Corporation and Individual Income Taxes. | State Corporate Income and Franchise Taxes and State Individual Income Tax |
| 3. Authority to Enter into Abatement Agreement | LRS 47:35 and 287.753 | LRS 47:6016 |
| 4. Eligibility Criteria | The business must present a proposal to the Commission of Administration, endorsed by the local government within the area, that must set forth the program to be conducted, the neighborhood area to be served, why the program is needed, the estimated amount to be invested in the program, and the plans for implementing the program. | The qualified community development entity (CDE) must apply to Louisiana for certification of the equity investments it issues. LED certifies that qualified low-income investments are consistent with the target industries. |
| 5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced | Tax Credit | Tax Credit |
| 6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined | The credit is up to 50% of the actual amount contributed to approved programs, limited to \$180,000 annually. Total credits granted in a fiscal year can not exceed one percent of the total amount of state corporate income tax collected in the prior fiscal year. | The credit is equal to the applicable percentage of the adjusted purchase price paid to the issuer of such qualified equity investment for such investment which, in turn, has been invested in qualified low-income community investments for such credit allowance date. |
| 7. Provisions for Recapturing Abated Taxes | No provisions for recapturing the abated taxes. | If an company fails to maintain qualified low-income community investments in the state in an amount at least equal to the amount used in calculating the credits issued, then the credits awarded can be recaptured. |
| 8. The Types of Commitments made by the Recipients of the Tax Abatement | Provide neighborhood Assistance, job training, education for individuals, community services, or crime prevention. | The tax credits are based on qualified investments made by the companies. |
| 9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis | \$-0- | \$620,187 |
| 10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed | No information was omitted due to legal prohibitions | No information was omitted due to legal prohibitions |

State of Louisiana

| GASB 77 Tax Abatements | Programs Administered by Louisiana Department of Revenue | |
|--|--|--|
| | Procurement Processing Company Rebate | Rehabilitation of Historic Structures |
| 1. Purpose of the Program | To recruit purchasing companies that generate sales of items subject to state sales / use taxes that will have a significant positive economic benefit to the state. | To provide a credit for the costs and expenses incurred during the rehabilitation of a historic structure located in a downtown development or cultural district. |
| 2. Tax being Abated | State Sales Tax | State Income and Franchise Taxes |
| 3. Authority to Enter into Abatement Agreement | LRS 47:6351 | LRS 47:6019 |
| 4. Eligibility Criteria | The company must be a procurement processing company that is engaged in managing the activities of unrelated purchasing companies that brings new taxable sales to Louisiana. | In order to qualify for the credit, the historic structure must be located in a downtown development or cultural district listed on the National Register of Historic Places or be certified by the state historic preservation office as contributing to the historical significance of the district. The structures must be nonresidential real property or residential rental property. |
| 5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced | Rebate | Tax Credit |
| 6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined | A percentage, as determined by contract, of state sales tax revenue generated as a result of the activities of these purchasing companies. | The credit is equal to 25% of the eligible costs and expenses of the rehabilitation incurred prior to January 1, 2018, regardless of the year in which the property is placed in service. For expenses incurred on or after January 1, 2018, the credit is equal to 20% of the eligible costs and expenses, regardless of the year in which the property is placed in service. |
| 7. Provisions for Recapturing Abated Taxes | If after a rebate has been paid, and it is determined that certain items did not constitute new taxable sales, the amount rebated for those items shall be recaptured from the company, subject to the prescriptive period set forth in LRS 47:1561.2. | No provisions for recapturing the abated taxes. |
| 8. The Types of Commitments made by the Recipients of the Tax Abatement | The rebate payments are based upon new taxable sales which is the sale of goods and services upon which state sales and use tax is paid, which would not have occurred but for the operation in the state of the procurement processing company. | The credit is for the amount of eligible costs and expenses incurred during the rehabilitation of the historic structure. |
| 9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis | \$4,211,331 | \$89,102,648 |
| 10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed | No information was omitted due to legal prohibitions | No information was omitted due to legal prohibitions |

State of Louisiana

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

| Programs Administered by Louisiana Department of Revenue | |
|--|--|
| GASB 77 Tax Abatements | <p>Cooperative Endeavor Agreements for Tax Increment Financing (TIF) Districts</p> <ol style="list-style-type: none"> 1. Algiers TIF-New Orleans 2. Bass Pro TIF-Denham Springs 3. Broussard TIF 4. Cabela's TIF-Gonzales 5. Garrett Rd TIF-Monroe 6. Rooms to Go TIF-St. Tammany 7. Ruston TIF 8. Tower Drive TIF-Monroe 9. Capitol House Taxing District TIF-Baton Rouge 10. Bluebonnet Convention Hotel Taxing District TIF-Baton Rouge 11. EBRATS Building Special Taxing District TIF-Baton Rouge |
| 8. The Types of Commitments made by the Recipients of the Tax Abatement | <p>This districts anticipates that the projects will result in the creation of jobs, stimulate economic development and increase sales and use tax receipts within the geographic area comprising the District, serving an integral public purpose. The districts will proceed with diligence to issue the bonds and, as necessary, make the funds therefrom available to the Corporation for the development and construction of the project.</p> |
| 9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis | \$11,878,623.53 |
| 10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed | <p>No information was omitted due to legal prohibitions</p> |

State of Louisiana

NOTE 12: OTHER DISCLOSURES

A. RELATED PARTY TRANSACTIONS

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

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

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

A SBESE member at large is currently the Superintendent of the St. Bernard Parish School Board. St Bernard Parish School Board is a sub-recipient of funds authorized by SBESE. For the fiscal year ended June 30, 2017, St Bernard Parish School Board received amounts totaling \$52,034,186 in funding authorized by SBESE and released by the Department of Education.

A SBESE member at large is currently the Superintendent of the Diocese of Alexandria Office of Catholic Schools. For fiscal year ended June 30, 2017, the Diocese of Alexandria received \$21,841 in funding authorized by the Department of Education.

The Motor Fuels Underground Storage Tank Trust Advisory Board advises the Secretary of the Department of Environmental Quality regarding the Underground Storage Tank Trust Fund transactions. One board member has ownership in a company that received disbursements of \$139,664 from the Trust Fund. One board member holds a key management position in a company that received disbursements of \$3,425,794 in payments from the Trust Fund.

B. ADOPTION OF NEW ACCOUNTING STANDARDS

For the year ended June 30, 2017, the State of Louisiana implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; GASB Statement No. 77, *Tax Abatement Disclosures*; GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*; GASB Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB Statement 14*; and GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*.

NOTE 13: SUBSEQUENT EVENTS

A. NATURAL DISASTER

During August of 2017, Southwest Louisiana suffered damages due to Tropical Storm Harvey. The Governor and the President of the United States declared the event a federal disaster, and the Governor's Office of Homeland Security and Emergency Preparedness began administering claims and assistance pursuant to that declaration.

B. DEBT ISSUANCES

On September 30, 2017, the State issued \$300,090,000, with a premium of \$41,667,293 in General Obligation Bonds, Series 2017-B, to fund capital outlay projects.

On August 30, 2017, the State issued \$358,095,000, with a premium of \$56,499,113, in Gasoline and Fuels Tax Revenue Refunding Bonds Series 2017-B and 2017-C to refund a portion of the 2012 Series A-1 Refunding and 2010 Series B Second Lien Bonds.

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

On October 24, 2017, Delta Campus Facilities Corporation refunded a portion of the \$42,470,000 Revenue Bonds Series 2008 for the par amount of \$22,750,000.

On October 24, 2017, LCTCS Facilities Corporation refunded the \$45,280,000 Revenue Bonds Series 2009B and the \$64,025,000 Revenue Bonds Series 2010 for the par amount of \$88,590,000.

On October 25, 2017, Louisiana Local Government Environmental Facilities and Community Development Authority issued \$20,770,000 in revenue bonds on behalf of the LCTCS Facilities Corporation, a nonprofit organization, for Act 360 Phase 2, for the following projects: North Baton Rouge Campus of Baton Rouge Community College in Baton Rouge; Bossier City Campus of the Bossier Parish Community College in Bossier City; Advanced Workforce Training Campus of Louisiana Delta Community College in Tallulah; Advanced Technology Center of Louisiana Delta Community College in Monroe; and the Workforce Training Center of Northshore Technical Community College in Walker.

C. CONSTITUTIONAL AMENDMENTS

Three amendments to the Louisiana Constitution of 1974 were voted on in a general election on October 14, 2017. All of the amendments passed and are summarized below.

Amendment one passed, which exempts from property tax materials and other property delivered to a construction site for the purpose of using the property in any tract of land, building, or other construction as a component part until the construction project is complete as defined by law and reasonable industry standards.

Amendment two passed, which provides for an exemption from an ad valorem property tax beginning in 2018 for the total assessed value of the homestead of an unmarried surviving spouse of a person who died and was either (1) an emergency medical responder, technician, or paramedic who died while performing the duties of their employment; (2) a volunteer firefighter, verified by the Office of the State Fire Marshal to have died while performing firefighting duties; or (3) a law enforcement or fire protection officer who died on duty and would have qualified for the salary supplement if he had completed the first year of his employment before his death.

Amendment three passed, which creates the "Construction Subfund" within the Transportation Trust Fund and requires that any new taxes on gasoline, motor fuels, or special fuels on or after July 1, 2017 to be deposited into the subfund. These monies are dedicated solely for the direct costs associated with actual project delivery, construction, and maintenance of transportation and capital transit infrastructure projects of the state and local governments. The amendment prohibits the Department of Transportation and Development from using any monies in the subfund for the payment of employee wages and related benefits or employee retirement benefits.



REQUIRED SUPPLEMENTARY
INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION
AND ANALYSIS

State of Louisiana

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--|---------------------|---------------------|-----------------------------------|--|
| | ORIGINAL | FINAL | | |
| REVENUES: | | | | |
| INTERGOVERNMENTAL | \$ 11,770,462 | \$ 11,990,493 | \$ 11,047,757 | \$ (942,736) |
| TOTAL REVENUES | <u>11,770,462</u> | <u>11,990,493</u> | <u>11,047,757</u> | <u>(942,736)</u> |
| EXPENDITURES: | | | | |
| CURRENT: | | | | |
| GENERAL GOVERNMENT | 1,115,267 | 1,123,104 | 1,002,190 | 120,914 |
| CULTURE, RECREATION & TOURISM | 93,001 | 98,372 | 78,913 | 19,459 |
| TRANSPORTATION & DEVELOPMENT | 655,999 | 671,188 | 619,259 | 51,929 |
| PUBLIC SAFETY | 1,982,558 | 1,992,497 | 1,549,922 | 442,575 |
| HEALTH & WELFARE | 12,862,974 | 13,069,474 | 12,476,647 | 592,827 |
| CORRECTIONS | 776,916 | 812,794 | 757,344 | 55,450 |
| YOUTH DEVELOPMENT | 122,565 | 117,798 | 112,811 | 4,987 |
| CONSERVATION & ENVIRONMENT | 544,708 | 548,483 | 329,208 | 219,275 |
| EDUCATION | 6,377,875 | 6,372,865 | 6,200,663 | 172,202 |
| AGRICULTURE & FORESTRY | 85,463 | 87,727 | 77,441 | 10,286 |
| ECONOMIC DEVELOPMENT | 144,117 | 202,900 | 131,055 | 71,845 |
| MILITARY & VETERANS AFFAIRS | 164,875 | 182,990 | 166,984 | 16,006 |
| WORKFORCE SUPPORT & TRAINING | 283,228 | 283,016 | 250,201 | 32,815 |
| TOTAL EXPENDITURES | <u>25,209,546</u> | <u>25,563,208</u> | <u>23,752,638</u> | <u>1,810,570</u> |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | <u>(13,439,084)</u> | <u>(13,572,715)</u> | <u>(12,704,881)</u> | <u>(867,834)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | 13,811,356 | 13,943,270 | 13,567,183 | (376,087) |
| TRANSFERS OUT | <u>(540,321)</u> | <u>(532,739)</u> | <u>(303,924)</u> | <u>228,815</u> |
| TOTAL OTHER FINANCING SOURCES/(USES) | <u>13,271,035</u> | <u>13,410,531</u> | <u>13,263,259</u> | <u>(147,272)</u> |
| NET CHANGE IN BUDGETARY FUND BALANCE | <u>(168,049)</u> | <u>(162,184)</u> | <u>558,378</u> | <u>720,562</u> |
| BUDGETARY FUND BALANCE - BEGINNING | <u>168,049</u> | <u>162,184</u> | <u>(130,716)</u> | <u>(292,900)</u> |
| BUDGETARY FUND BALANCE - ENDING | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 427,662</u> | <u>\$ 427,662</u> |

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

State of Louisiana

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY REPORTING

FOR THE YEAR ENDED JUNE 30, 2017

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

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resulting basis and perspective differences in the revenues in excess of (less than) expenditures and other financing sources (uses) between budgetary and GAAP presentations for the year ended June 30, 2017, is presented below (expressed in thousands) for the General Fund.

| | | |
|--|----|------------------|
| Fund Balance (Budgetary Basis) | \$ | 427,662 |
| Reconciling Adjustments: | | |
| Basis Differences: | | |
| For budgetary purposes, the carryforward of expenditure authority from fiscal year 2017 to fiscal year 2018 is considered a reduction in fiscal year 2017 fund balance. However, under GAAP, reductions in fund balance would occur only when expenditures are incurred. | | 19,157 |
| Certain adjustments are necessary to convert budgetary fund balance to GAAP fund balance. These adjustments include payroll accruals, adjustments for inventories, accruals related to non-exchange transactions, and expenditure adjustments related to the recognition of principal and interest on defeased debt. | | (889,049) |
| Perspective Differences: | | |
| Statutorily dedicated funds are included in the General Fund for GAAP presentation but are considered separate funds for budgetary presentation. | | 1,533,258 |
| The Office of Group Benefits and the Office of Risk Management are excluded from the General Fund for budgetary presentation but included in the General Fund for GAAP presentation. | | 253,910 |
| Under the budgetary basis, expenditures for certain entities reported in the General Fund such as the legislative and judicial branches are recognized when monies are warranted rather than when the expenditures are incurred. | | <u>149,339</u> |
| Fund Balance (GAAP) | \$ | <u>1,494,277</u> |

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



State of Louisiana

PENSIONS SCHEDULE OF COST SHARING PLAN CONTRIBUTIONS (In thousands)

| | <u>LASERS</u> | | | <u>TRSL</u> | | |
|--|----------------|----------------|----------------|---------------|---------------|---------------|
| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| Contractually required contribution | \$ 536,720 | \$ 562,470 | \$ 569,001 | \$ 47,439 | \$ 50,162 | \$ 51,520 |
| Contributions in relation to the contractually required contribution | <u>536,720</u> | <u>562,470</u> | <u>569,001</u> | <u>47,439</u> | <u>50,162</u> | <u>51,520</u> |
| Contribution deficiency (excess) | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |
| Covered payroll | \$ 1,568,078 | \$ 1,563,623 | \$ 1,568,676 | \$ 159,014 | \$ 159,585 | \$ 163,855 |
| Contributions as a percentage of covered payroll | 34.23% | 35.97% | 36.27% | 29.83% | 31.43% | 31.44% |
| | <u>DARS</u> | | | <u>LCCRRF</u> | | |
| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| Contractually required contribution | \$ -- | \$ 984 | \$ 1,934 | \$ 1,482 | \$ 1,494 | \$ 1,485 |
| Contributions in relation to the contractually required contribution | <u>--</u> | <u>984</u> | <u>1,934</u> | <u>1,482</u> | <u>1,494</u> | <u>1,485</u> |
| Contribution deficiency (excess) | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |
| Covered payroll | \$ 27,918 | \$ 27,960 | \$ 27,896 | \$ 7,766 | \$ 7,912 | \$ 8,394 |
| Contributions as a percentage of covered payroll | 0.00% | 3.52% | 6.93% | 19.08% | 18.88% | 17.69% |

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

State of Louisiana

| <u>2017</u> | <u>LSERS</u> <u>2016</u> | <u>2015</u> |
|---------------------|-----------------------------|---------------------|
| \$ 189 | \$ 234 | \$ 244 |
| <u>189</u> | <u>234</u> | <u>244</u> |
| \$ <u><u>--</u></u> | \$ <u><u>--</u></u> | \$ <u><u>--</u></u> |
| \$ 690 | \$ 777 | \$ 741 |
| 27.39% | 30.12% | 32.93% |

| <u>2017</u> | <u>ROVERS</u> <u>2016</u> | <u>2015</u> |
|---------------------|------------------------------|---------------------|
| \$ 2,017 | \$ 2,292 | \$ 2,437 |
| <u>2,017</u> | <u>2,292</u> | <u>2,437</u> |
| \$ <u><u>--</u></u> | \$ <u><u>--</u></u> | \$ <u><u>--</u></u> |
| \$ 10,177 | \$ 10,342 | \$ 10,233 |
| 19.82% | 22.16% | 23.82% |

State of Louisiana

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

| | <u>LASERS</u> | | | <u>TRSL</u> | | |
|---|---------------|--------------|--------------|---------------|-------------|-------------|
| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| Proportion of the net pension liability (percentage) | 79.72% | 79.45% | 78.50% | 4.16% | 4.21% | 4.26% |
| Proportionate share of the net pension liability (asset) | \$ 6,260,399 | \$ 5,403,807 | \$ 4,908,708 | \$ 488,598 | \$ 452,274 | \$ 435,565 |
| Covered payroll | \$ 1,568,078 | \$ 1,568,676 | \$ 1,558,594 | \$ 159,014 | \$ 163,855 | \$ 188,202 |
| Proportionate share of the net pension liability as a percentage of covered payroll | 399.24% | 344.48% | 314.94% | 307.27% | 276.02% | 231.43% |
| Plan fiduciary net position as a percentage of the total pension liability | 57.32% | 62.38% | 65.02% | 60.62% | 62.77% | 63.65% |
| | | | | | | |
| | <u>DARS</u> | | | <u>LCCRRF</u> | | |
| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| Proportion of the net pension liability (percentage) | 46.38% | 46.90% | 47.86% | 8.53% | 8.54% | 8.27% |
| Proportionate share of the net pension liability (asset) | \$ 8,878 | \$ 2,526 | \$ 955 | \$ 15,785 | \$ 12,806 | \$ 11,155 |
| Covered payroll | \$ 27,918 | \$ 27,896 | \$ 28,091 | \$ 7,766 | \$ 8,394 | \$ 7,525 |
| Proportionate share of the net pension liability as a percentage of covered payroll | 31.80% | 9.06% | 3.40% | 203.26% | 152.56% | 148.24% |
| Plan fiduciary net position as a percentage of the total pension liability | 95.22% | 98.59% | 99.45% | 73.61% | 77.61% | 79.38% |

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

State of Louisiana

| | <u>LSERS</u> | |
|-------------|--------------|-------------|
| <u>2017</u> | <u>2016</u> | <u>2015</u> |
| 0.27% | 0.26% | 0.27% |
| \$ 2,057 | \$ 1,659 | \$ 1,592 |
| \$ 690 | \$ 741 | \$ 916 |
| 298.12% | 223.89% | 173.80% |
| 70.11% | 75.29% | 76.14% |

| | <u>ROVERS</u> | |
|-------------|---------------|-------------|
| <u>2017</u> | <u>2016</u> | <u>2015</u> |
| 74.15% | 74.07% | 72.46% |
| \$ 21,040 | \$ 18,141 | \$ 16,753 |
| \$ 10,177 | \$ 10,233 | \$ 9,911 |
| 206.74% | 177.28% | 169.03% |
| 73.54% | 76.47% | 77.68% |

State of Louisiana

PENSIONS

Schedule of Changes in Net Pension Liability and Related Ratios

(Louisiana State Police Retirement System only)

(In thousands)

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

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



State of Louisiana

PENSIONS

SCHEDULE OF SINGLE EMPLOYER PLAN CONTRIBUTIONS

(Louisiana State Police Retirement System only)

(In thousands)

| | 2017 | 2016 |
|--|------------|------------|
| Actuarially determined contribution | \$ 48,556 | \$ 56,380 |
| Contributions in relation to the actuarially determined contribution | 48,556 | 56,380 |
| Contribution deficiency (excess) | \$ -- | \$ -- |
| Covered payroll | \$ 108,937 | \$ 104,059 |
| Contributions as a percentage of covered payroll | 44.57% | 54.18% |

Notes to Schedule:

Valuation date: June 30, 2017 June 30, 2016

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

Methods and assumptions used to determine contribution rates:

| | | |
|-------------------------------|---|---|
| Actuarial cost method | Entry age Normal | Entry age Normal |
| Amortization method | Level Annuity | Level Annuity |
| Remaining amortization period | 28 years | 29 years |
| Asset valuation method | Market | Market |
| Inflation | 2.5% | 2.30% |
| Salary increases | 4.0% - 16.5% based on the member's years of service | 4.0% - 16.5% based on the member's years of service |
| Investment rate of return | 7.0%, net of plan investment expense, including inflation | 7.0%, net of plan investment expense, including inflation |
| Retirement age | The 2008-2012 experience study updated retirement rates based on age and service eligibility requirements for normal retirement benefits. | The 2008-2012 experience study updated retirement rates based on age and service eligibility requirements for normal retirement benefits. |
| Mortality | Mortality rates were based on the 2008-2012 experience study which updated preretirement deaths and postretirement life expectancies to the RP-2000 Combined Healthy Sex Distinct Mortality Table with mortality improvements projected to 2025. The RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants. | Mortality rates were based on the 2008-2012 experience study which updated preretirement deaths and postretirement life expectancies to the RP-2000 Sex Distinct Mortality Table with mortality improvements projected to 2025. |

Other information

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

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

| <u>2015</u> | |
|-------------|------------------|
| \$ | 53,798 |
| | <u>53,798</u> |
| \$ | <u><u>--</u></u> |
| \$ | 85,233 |
| | 63.12% |

June 30, 2015

Entry age Normal

Level Annuity

30 years

Market

2.30%

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

7.0%, net of plan investment expense,
including inflation

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

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

State of Louisiana

OTHER POSTEMPLOYMENT BENEFITS PLANS

FOR THE YEAR ENDED JUNE 30, 2017

OGB Plan

The State of Louisiana Post-Retirement Benefit Plan is administered by the Office of Group Benefits (OGB) as a multiple-employer defined benefit OPEB plan. It provides health and life insurance coverage to eligible members. The following table presents the actuarially determined funding progress for the Plan using the projected unit credit cost method.

Schedule of Funding Progress

(Expressed in Thousands)

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll [(b-a)/c] |
|--------------------------|-------------------------------|---------------------------------------|---------------------------|--------------------|---------------------|---|
| 7/1/2014 | \$-- | \$5,082,779 | \$5,082,779 | 0.00% | \$1,497,831 | 339.34% |
| 7/1/2015 | \$-- | \$5,279,986 | \$5,279,986 | 0.00% | \$1,530,803 | 344.92% |
| 7/1/2016 | \$-- | \$4,649,249 | \$4,649,249 | 0.00% | \$1,510,846 | 307.72% |

Reconciliation of OGB 7/1/2014 Valuation to 7/1/2016 Valuation*

For the 7/1/16 valuation, the AAL decreased by \$430 million, or 8.5%, from \$5.08 billion (7/1/14) to \$4.65 billion (7/1/16). The main reasons for this decrease are (1) a smaller active population, (2) better claims experience than expected, (3) lower than expected spousal coverage for future retirees, (4) incorporating disabled mortality rates to current disabled retirees, and (5) an update to the participation assumptions based on more recent information.

While the above factors decreased the liability, additional factors that increased it include: (1) a lower discount rate assumption reflecting more appropriate market conditions, (2) improved mortality tables being applied to the population, reflecting members living longer, (3) higher than expected contributions for retirees, and (4) addition of a post Medicare excise tax.

The remaining variances include census changes, a change in the age based curves and inclusion of DROP participant information.

*The 7/1/2015 determination of actuarial accrued liability was made by projecting the 7/1/14 valuation results to 7/1/15.

LSU Health

The Louisiana State University (LSU) System (System), a discretely presented component unit of the State, offers its eligible employees, retirees, and their beneficiaries healthcare coverage through the LSU Health Plan. It is a single-employer defined benefit plan. The following table presents the actuarially determined funding progress for the Plan using the projected unit credit cost method.

Schedule of Funding Progress

(Expressed in Thousands)

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll [(b-a)/c] |
|--------------------------|-------------------------------|---------------------------------------|---------------------------|--------------------|---------------------|---|
| 7/1/2014 | \$-- | \$45,416 | \$45,416 | 0.00% | \$28,352 | 160.19% |
| 7/1/2015 | \$-- | \$48,920 | \$48,920 | 0.00% | \$34,058 | 143.63% |
| 7/1/2016 | \$-- | \$71,278 | \$71,278 | 0.00% | \$42,138 | 169.15% |

**BUDGETARY COMPARISON
SCHEDULE
MAJOR DEBT SERVICE FUND**

State of Louisiana

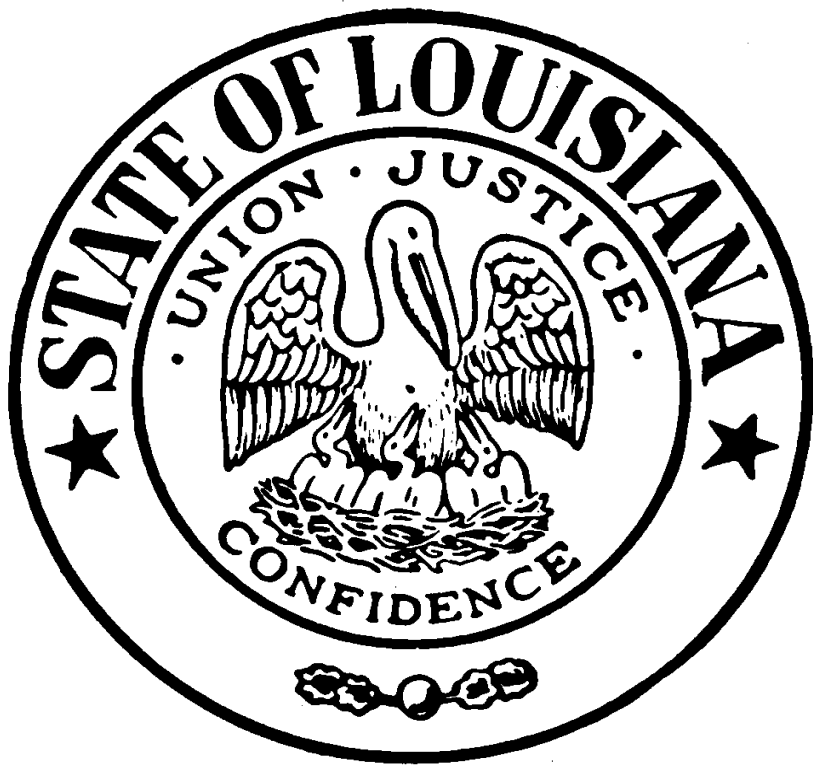
BUDGETARY COMPARISON SCHEDULE - BOND SECURITY AND REDEMPTION FUND

BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|---------------------|---------------------|-----------------------------------|--|
| | ORIGINAL | FINAL | | |
| REVENUES: | | | | |
| INTERGOVERNMENTAL | \$ -- | \$ -- | \$ 713 | \$ 713 |
| TAXES | 9,846,900 | 9,701,800 | 9,880,099 | 178,299 |
| TOBACCO SETTLEMENT | 108,600 | 94,300 | 56,507 | (37,793) |
| GAMING | 904,100 | 878,600 | 745,062 | (133,538) |
| USE OF MONEY & PROPERTY | 238,500 | 215,600 | 335,895 | 120,295 |
| LICENSES, PERMITS & FEES | 1,147,656 | 1,387,738 | 1,421,612 | 33,874 |
| SALES OF COMMODITIES & SERVICES | -- | -- | 15 | 15 |
| GIFTS, DONATIONS, AND CONTRIBUTIONS | -- | -- | 1,488 | 1,488 |
| OTHER | 245,400 | 446,273 | 2,930 | (443,343) |
| INTERAGENCY TRANSFERS | 855,087 | 913,449 | 701,402 | (212,047) |
| TOTAL REVENUES | <u>13,346,243</u> | <u>13,637,760</u> | <u>13,145,723</u> | <u>(492,037)</u> |
| EXPENDITURES: | | | | |
| CURRENT: | | | | |
| GENERAL GOVERNMENT | -- | -- | 180 | (180) |
| DEBT SERVICE: | | | | |
| PRINCIPAL | 254,170 | 254,170 | 254,170 | -- |
| INTEREST | 147,282 | 137,511 | 137,511 | -- |
| ISSUANCE COSTS & OTHER CHARGES | -- | -- | 632 | (632) |
| TOTAL EXPENDITURES | <u>401,452</u> | <u>391,681</u> | <u>392,493</u> | <u>(812)</u> |
| EXCESS(DEFICIENCY) OF REVENUES | | | | |
| OVER(UNDER) EXPENDITURES | <u>12,944,791</u> | <u>13,246,079</u> | <u>12,753,230</u> | <u>(492,849)</u> |
| OTHER FINANCING SOURCES(USES): | | | | |
| TRANSFERS OUT | (12,944,791) | (13,246,079) | (12,766,097) | 479,982 |
| PREMIUM ON LONG-TERM DEBT ISSUED | -- | -- | 105 | 105 |
| SALES OF GENERAL CAPITAL ASSETS | -- | -- | 421 | 421 |
| INSURANCE RECOVERIES | -- | -- | 12,341 | 12,341 |
| TOTAL OTHER FINANCING SOURCES/(USES) | <u>(12,944,791)</u> | <u>(13,246,079)</u> | <u>(12,753,230)</u> | <u>492,849</u> |
| NET CHANGE IN BUDGETARY FUND BALANCE | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| BUDGETARY FUND BALANCE - BEGINNING | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| BUDGETARY FUND BALANCE - ENDING | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |



COMBINING AND INDIVIDUAL FUND STATEMENTS



State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2017

SPECIAL REVENUE FUNDS

(EXPRESSED IN THOUSANDS)

| | EMPLOYMENT SECURITY ADMINISTRATIVE ACCOUNT | FEDERAL ENERGY SETTLEMENT FUND | INCUMBENT WORKER TRAINING ACCOUNT | LABOR PENALTY & INTEREST ACCOUNT |
|--|---|--------------------------------------|--|--|
| ASSETS: | | | | |
| CASH & CASH EQUIVALENTS | \$ 3,174 | \$ 9,104 | \$ 8,247 | \$ 2,788 |
| INVESTMENTS | -- | -- | 13,889 | -- |
| RECEIVABLES (NET) | 656 | -- | 3,163 | 6,692 |
| DUE FROM OTHER FUNDS | -- | -- | -- | -- |
| DUE FROM FEDERAL GOVERNMENT | -- | 90 | -- | -- |
| TOTAL ASSETS | \$ 3,830 | \$ 9,194 | \$ 25,299 | \$ 9,480 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| LIABILITIES: | | | | |
| ACCOUNTS PAYABLE | \$ -- | \$ -- | \$ -- | \$ -- |
| DUE TO OTHER FUNDS | 1,656 | 13,702 | 674 | 935 |
| AMOUNTS DUE TO COMPONENT UNITS | -- | -- | -- | -- |
| DUE TO LOCAL GOVERNMENTS | -- | -- | -- | -- |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | -- | -- | -- | -- |
| TOTAL LIABILITIES | 1,656 | 13,702 | 674 | 935 |
| DEFERRED INFLOWS OF RESOURCES: | | | | |
| UNAVAILABLE REVENUE | -- | -- | -- | -- |
| TOTAL DEFERRED INFLOWS OF RESOURCES | -- | -- | -- | -- |
| FUND BALANCES: | | | | |
| NONSPENDABLE | -- | -- | -- | -- |
| RESTRICTED | -- | -- | -- | -- |
| COMMITTED | 2,174 | -- | 24,625 | 8,545 |
| UNASSIGNED | -- | (4,508) | -- | -- |
| TOTAL FUND BALANCES | 2,174 | (4,508) | 24,625 | 8,545 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 3,830 | \$ 9,194 | \$ 25,299 | \$ 9,480 |

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

| LOUISIANA TOURISM PROMOTION DISTRICT FUND | MARSH ISLAND OPERATING FUND | RETIREMENT SYSTEMS INSURANCE PROCEEDS FUND | STATE HIGHWAY FUND #2 | TRANSPORTATION TRUST FUND | TOTAL SPECIAL REVENUE FUNDS |
|--|--------------------------------|---|--------------------------|------------------------------|--------------------------------|
| \$ 2,126 | \$ 557 | \$ -- | \$ 12,668 | \$ 45,451 | \$ 84,115 |
| -- | -- | -- | -- | 245,174 | 259,063 |
| 2,076 | 14 | -- | 843 | -- | 13,444 |
| 2,424 | -- | -- | -- | 100,694 | 103,118 |
| -- | -- | -- | -- | 69,284 | 69,374 |
| <u>\$ 6,626</u> | <u>\$ 571</u> | <u>\$ --</u> | <u>\$ 13,511</u> | <u>\$ 460,603</u> | <u>\$ 529,114</u> |
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | 571 | -- | 6,521 | 86,138 | 110,197 |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | 6,990 | -- | 6,990 |
| -- | -- | -- | -- | -- | -- |
| <u>--</u> | <u>571</u> | <u>--</u> | <u>13,511</u> | <u>86,138</u> | <u>117,187</u> |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 374,465 | 374,465 |
| 6,626 | -- | -- | -- | -- | 41,970 |
| -- | -- | -- | -- | -- | (4,508) |
| <u>6,626</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>374,465</u> | <u>411,927</u> |
| <u>\$ 6,626</u> | <u>\$ 571</u> | <u>\$ --</u> | <u>\$ 13,511</u> | <u>\$ 460,603</u> | <u>\$ 529,114</u> |

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | DEBT SERVICE FUNDS | | | PERMANENT FUNDS |
|--|---|--|-----------------------------|------------------------------|
| | TOBACCO SETTLEMENT FINANCING CORPORATION | TRANSPORTATION INFRASTRUCTURE MODEL FOR ECONOMIC DEVELOPMENT | TOTAL DEBT SERVICE FUNDS | EDUCATION EXCELLENCE FUND |
| ASSETS: | | | | |
| CASH & CASH EQUIVALENTS | \$ 171 | \$ 11,759 | \$ 11,930 | \$ 13,607 |
| INVESTMENTS | 72,258 | 78,162 | 150,420 | 514,901 |
| RECEIVABLES (NET) | 47 | 131 | 178 | -- |
| DUE FROM OTHER FUNDS | -- | 28 | 28 | -- |
| DUE FROM FEDERAL GOVERNMENT | -- | -- | -- | -- |
| TOTAL ASSETS | \$ 72,476 | \$ 90,080 | \$ 162,556 | \$ 528,508 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| LIABILITIES: | | | | |
| ACCOUNTS PAYABLE | \$ 10 | \$ 28 | \$ 38 | \$ 187 |
| DUE TO OTHER FUNDS | -- | 375 | 375 | 14,194 |
| AMOUNTS DUE TO COMPONENT UNITS | -- | -- | -- | -- |
| DUE TO LOCAL GOVERNMENTS | -- | -- | -- | -- |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | -- | -- | -- | -- |
| TOTAL LIABILITIES | 10 | 403 | 413 | 14,381 |
| DEFERRED INFLOWS OF RESOURCES: | | | | |
| UNAVAILABLE REVENUE | -- | 131 | 131 | -- |
| TOTAL DEFERRED INFLOWS OF RESOURCES | -- | 131 | 131 | -- |
| FUND BALANCES: | | | | |
| NONSPENDABLE | -- | -- | -- | 464,444 |
| RESTRICTED | 72,466 | 89,546 | 162,012 | 49,683 |
| COMMITTED | -- | -- | -- | -- |
| UNASSIGNED | -- | -- | -- | -- |
| TOTAL FUND BALANCES | 72,466 | 89,546 | 162,012 | 514,127 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 72,476 | \$ 90,080 | \$ 162,556 | \$ 528,508 |

(Concluded)

State of Louisiana

PERMANENT FUNDS

| FULLER-EDWARDS ARBORETUM TRUST FUND | HEALTH EXCELLENCE FUND | W.R. IRBY BEQUEST FUND | TOPS FUND | TOTAL PERMANENT FUNDS | TOTAL NONMAJOR GOVERNMENTAL FUNDS |
|---|---------------------------|---------------------------|-------------------|--------------------------|---|
| \$ 168 | \$ -- | \$ 2,501 | \$ -- | \$ 16,276 | \$ 112,321 |
| -- | 514,900 | 1,001 | 514,901 | 1,545,703 | 1,955,186 |
| -- | -- | 8 | -- | 8 | 13,630 |
| -- | 1,346 | -- | -- | 1,346 | 104,492 |
| -- | -- | -- | -- | -- | 69,374 |
| <u>\$ 168</u> | <u>\$ 516,246</u> | <u>\$ 3,510</u> | <u>\$ 514,901</u> | <u>\$ 1,563,333</u> | <u>\$ 2,255,003</u> |
| | | | | | |
| \$ 1 | \$ 9,787 | \$ 21 | \$ 3,233 | \$ 13,229 | \$ 13,267 |
| -- | 1,836 | -- | 21 | 16,051 | 126,623 |
| -- | -- | -- | 4,197 | 4,197 | 4,197 |
| -- | -- | -- | -- | -- | 6,990 |
| -- | -- | 64 | -- | 64 | 64 |
| <u>1</u> | <u>11,623</u> | <u>85</u> | <u>7,451</u> | <u>33,541</u> | <u>151,141</u> |
| -- | -- | -- | -- | -- | 131 |
| -- | -- | -- | -- | -- | 131 |
| 100 | 466,299 | -- | 464,787 | 1,395,630 | 1,395,630 |
| 67 | 38,324 | 3,425 | 42,663 | 134,162 | 670,639 |
| -- | -- | -- | -- | -- | 41,970 |
| -- | -- | -- | -- | -- | (4,508) |
| <u>167</u> | <u>504,623</u> | <u>3,425</u> | <u>507,450</u> | <u>1,529,792</u> | <u>2,103,731</u> |
| <u>\$ 168</u> | <u>\$ 516,246</u> | <u>\$ 3,510</u> | <u>\$ 514,901</u> | <u>\$ 1,563,333</u> | <u>\$ 2,255,003</u> |

State of Louisiana

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

SPECIAL REVENUE FUNDS

(EXPRESSED IN THOUSANDS)

| | EMPLOYMENT SECURITY ADMINISTRATIVE ACCOUNT | FEDERAL ENERGY SETTLEMENT FUND | INCUMBENT WORKER TRAINING ACCOUNT | LABOR PENALTY & INTEREST ACCOUNT |
|--|---|--------------------------------------|--|--|
| REVENUES: | | | | |
| INTERGOVERNMENTAL REVENUES | \$ -- | \$ 101 | \$ -- | \$ -- |
| TAXES | 3,905 | -- | 19,075 | -- |
| TOBACCO SETTLEMENT | -- | -- | -- | -- |
| USE OF MONEY & PROPERTY | 12 | 34 | 71 | 98 |
| LICENSES, PERMITS & FEES | -- | -- | -- | 3,984 |
| OTHER | -- | 10 | -- | -- |
| TOTAL REVENUES | <u>3,917</u> | <u>145</u> | <u>19,146</u> | <u>4,082</u> |
| EXPENDITURES: | | | | |
| CURRENT: | | | | |
| GENERAL GOVERNMENT | -- | -- | -- | -- |
| CULTURE, RECREATION & TOURISM | -- | -- | -- | -- |
| EDUCATION | -- | -- | -- | -- |
| AGRICULTURE & FORESTRY | -- | -- | -- | -- |
| INTERGOVERNMENTAL | -- | -- | -- | -- |
| DEBT SERVICE: | | | | |
| PRINCIPAL | -- | -- | -- | -- |
| INTEREST | -- | -- | -- | -- |
| ISSUANCE COSTS & OTHER CHARGES | -- | -- | -- | -- |
| TOTAL EXPENDITURES | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>3,917</u> | <u>145</u> | <u>19,146</u> | <u>4,082</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | -- | -- | -- | -- |
| TRANSFERS OUT | (3,739) | (1,903) | (18,388) | (2,640) |
| REFUNDING BONDS ISSUED | -- | -- | -- | -- |
| PAYMENTS TO REFUNDED BOND ESCROW AGENT | -- | -- | -- | -- |
| TOTAL OTHER FINANCING SOURCES/(USES) | <u>(3,739)</u> | <u>(1,903)</u> | <u>(18,388)</u> | <u>(2,640)</u> |
| NET CHANGE IN FUND BALANCES | 178 | (1,758) | 758 | 1,442 |
| FUND BALANCES AT BEGINNING OF YEAR | <u>1,996</u> | <u>(2,750)</u> | <u>23,867</u> | <u>7,103</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ 2,174</u> | <u>\$ (4,508)</u> | <u>\$ 24,625</u> | <u>\$ 8,545</u> |

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

| LOUISIANA TOURISM PROMOTION DISTRICT FUND | MARSH ISLAND OPERATING FUND | RETIREMENT SYSTEMS INSURANCE PROCEEDS FUND | STATE HIGHWAY FUND #2 | TRANSPORTATION TRUST FUND | TOTAL SPECIAL REVENUE FUNDS |
|--|--------------------------------|---|--------------------------|------------------------------|--------------------------------|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ 737,822 | \$ 737,923 |
| 25,827 | -- | -- | -- | -- | 48,807 |
| -- | -- | -- | -- | -- | -- |
| 5 | 300 | -- | -- | -- | 520 |
| -- | -- | 64,991 | 13,060 | -- | 82,035 |
| -- | 3 | -- | -- | -- | 13 |
| <u>25,832</u> | <u>303</u> | <u>64,991</u> | <u>13,060</u> | <u>737,822</u> | <u>869,298</u> |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| -- | -- | 64,991 | 6,530 | -- | 71,521 |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| <u>--</u> | <u>--</u> | <u>64,991</u> | <u>6,530</u> | <u>--</u> | <u>71,521</u> |
| <u>25,832</u> | <u>303</u> | <u>--</u> | <u>6,530</u> | <u>737,822</u> | <u>797,777</u> |
| 2,424 | 288 | -- | -- | 623,194 | 625,906 |
| (25,438) | (591) | -- | (6,530) | (1,325,424) | (1,384,653) |
| -- | -- | -- | -- | -- | -- |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| <u>(23,014)</u> | <u>(303)</u> | <u>--</u> | <u>(6,530)</u> | <u>(702,230)</u> | <u>(758,747)</u> |
| 2,818 | -- | -- | -- | 35,592 | 39,030 |
| 3,808 | -- | -- | -- | 338,873 | 372,897 |
| <u>\$ 6,626</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 374,465</u> | <u>\$ 411,927</u> |

State of Louisiana

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | DEBT SERVICE FUNDS | | | PERMANENT FUNDS |
|--|---|--|-----------------------------|------------------------------|
| | TOBACCO SETTLEMENT FINANCING CORPORATION | TRANSPORTATION INFRASTRUCTURE MODEL FOR ECONOMIC DEVELOPMENT | TOTAL DEBT SERVICE FUNDS | EDUCATION EXCELLENCE FUND |
| REVENUES: | | | | |
| INTERGOVERNMENTAL REVENUES | \$ -- | \$ -- | \$ -- | -- |
| TAXES | -- | 126,977 | 126,977 | -- |
| TOBACCO SETTLEMENT | 84,760 | -- | 84,760 | -- |
| USE OF MONEY & PROPERTY | 338 | 302 | 640 | -- |
| LICENSES, PERMITS & FEES | -- | -- | -- | -- |
| OTHER | 25 | -- | 25 | -- |
| TOTAL REVENUES | 85,123 | 127,279 | 212,402 | -- |
| EXPENDITURES: | | | | |
| CURRENT: | | | | |
| GENERAL GOVERNMENT | 120 | -- | 120 | -- |
| CULTURE, RECREATION & TOURISM | -- | -- | -- | -- |
| EDUCATION | -- | -- | -- | 187 |
| AGRICULTURE & FORESTRY | -- | -- | -- | -- |
| INTERGOVERNMENTAL | -- | -- | -- | -- |
| DEBT SERVICE: | | | | |
| PRINCIPAL | 56,445 | 23,705 | 80,150 | -- |
| INTEREST | 30,268 | 116,239 | 146,507 | -- |
| ISSUANCE COSTS & OTHER CHARGES | -- | 224 | 224 | -- |
| TOTAL EXPENDITURES | 86,833 | 140,168 | 227,001 | 187 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (1,710) | (12,889) | (14,599) | (187) |
| OTHER FINANCING SOURCES (USES): | | | | |
| TRANSFERS IN | -- | 15,692 | 15,692 | 15,172 |
| TRANSFERS OUT | -- | (16) | (16) | (15,113) |
| REFUNDING BONDS ISSUED | -- | 200,000 | 200,000 | -- |
| PAYMENTS TO REFUNDED BOND ESCROW AGENT | -- | (200,000) | (200,000) | -- |
| TOTAL OTHER FINANCING SOURCES/(USES) | -- | 15,676 | 15,676 | 59 |
| NET CHANGE IN FUND BALANCES | (1,710) | 2,787 | 1,077 | (128) |
| FUND BALANCES AT BEGINNING OF YEAR | 74,176 | 86,759 | 160,935 | 514,255 |
| FUND BALANCES AT END OF YEAR | \$ 72,466 | \$ 89,546 | \$ 162,012 | \$ 514,127 |

(Concluded)

State of Louisiana

PERMANENT FUNDS

| FULLER-EDWARDS ARBORETUM TRUST FUND | HEALTH EXCELLENCE FUND | W.R. IRBY BEQUEST FUND | TOPS FUND | TOTAL PERMANENT FUNDS | TOTAL NONMAJOR GOVERNMENTAL FUNDS |
|---|---------------------------|---------------------------|------------|--------------------------|---|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | 737,923 |
| -- | -- | -- | -- | -- | 175,784 |
| -- | -- | -- | -- | -- | 84,760 |
| 1 | -- | -- | -- | 1 | 1,161 |
| -- | -- | 1,819 | -- | 1,819 | 83,854 |
| -- | -- | -- | 2 | 2 | 40 |
| 1 | -- | 1,819 | 2 | 1,822 | 1,083,522 |
| -- | -- | -- | -- | -- | 120 |
| -- | -- | 1,169 | -- | 1,169 | 1,169 |
| -- | -- | -- | -- | 187 | 187 |
| 1 | -- | -- | -- | 1 | 1 |
| -- | -- | -- | 52,510 | 52,510 | 124,031 |
| -- | -- | -- | -- | -- | 80,150 |
| -- | -- | -- | -- | -- | 146,507 |
| -- | -- | -- | -- | -- | 224 |
| 1 | -- | 1,169 | 52,510 | 53,867 | 352,389 |
| -- | -- | 650 | (52,508) | (52,045) | 731,133 |
| -- | 25,509 | -- | 57,553 | 98,234 | 739,832 |
| -- | (24,649) | -- | (37) | (39,799) | (1,424,468) |
| -- | -- | -- | -- | -- | 200,000 |
| -- | -- | -- | -- | -- | (200,000) |
| -- | 860 | -- | 57,516 | 58,435 | (684,636) |
| -- | 860 | 650 | 5,008 | 6,390 | 46,497 |
| 167 | 503,763 | 2,775 | 502,442 | 1,523,402 | 2,057,234 |
| \$ 167 | \$ 504,623 | \$ 3,425 | \$ 507,450 | \$ 1,529,792 | \$ 2,103,731 |

State of Louisiana

COMBINING STATEMENT OF NET POSITION

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | BOARDS & COMMISSIONS | CLEAN WATER STATE REVOLVING LOAN FUND | DRINKING WATER REVOLVING LOAN FUND | LOUISIANA AGRICULTURAL FINANCE AUTHORITY |
|---|-------------------------|---|--|---|
| ASSETS | | | | |
| CURRENT ASSETS: | | | | |
| CASH & CASH EQUIVALENTS | \$ 44,640 | \$ 257,630 | \$ 112,252 | \$ 10,641 |
| INVESTMENTS | 12,550 | -- | -- | -- |
| RECEIVABLES (NET) | 903 | 982 | 1,084 | 824 |
| DUE FROM OTHER FUNDS | 8 | -- | -- | 615 |
| INVENTORIES | 5 | -- | -- | -- |
| PREPAYMENTS | 130 | -- | -- | -- |
| NOTES RECEIVABLE | -- | 24,624 | 7,675 | 505 |
| OTHER CURRENT ASSETS | 106 | -- | -- | 47 |
| TOTAL CURRENT ASSETS | <u>58,342</u> | <u>283,236</u> | <u>121,011</u> | <u>12,632</u> |
| NON-CURRENT ASSETS: | | | | |
| RESTRICTED ASSETS | | | | |
| CASH | 2,517 | -- | -- | 3,887 |
| INVESTMENTS | 106 | -- | -- | -- |
| RECEIVABLES | 92 | -- | -- | -- |
| INVESTMENTS | 4,301 | -- | -- | -- |
| RECEIVABLES (NET) | -- | -- | -- | 50 |
| NOTES RECEIVABLE | -- | 298,694 | 139,319 | 1,581 |
| CAPITAL ASSETS (NOTE 5) | | | | |
| LAND | 2,557 | -- | -- | 6,835 |
| BUILDING & IMPROVEMENTS (NET) | 13,277 | -- | -- | 24,337 |
| MACHINERY & EQUIPMENT (NET) | 762 | -- | -- | 1,870 |
| INFRASTRUCTURE (NET) | -- | -- | -- | -- |
| INTANGIBLE ASSETS (NET) | 337 | -- | -- | -- |
| CONSTRUCTION IN PROGRESS | 111 | -- | -- | 68 |
| OTHER NONCURRENT ASSETS | 402 | -- | -- | 162 |
| TOTAL NON-CURRENT ASSETS | <u>24,462</u> | <u>298,694</u> | <u>139,319</u> | <u>38,790</u> |
| TOTAL ASSETS | <u>82,804</u> | <u>581,930</u> | <u>260,330</u> | <u>51,422</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES | 14,200 | -- | -- | -- |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>14,200</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| LIABILITIES | | | | |
| CURRENT LIABILITIES: | | | | |
| ACCOUNTS PAYABLE | 2,300 | 30 | -- | 77 |
| ACCRUED INTEREST | -- | -- | -- | 140 |
| DUE TO OTHER FUNDS | -- | -- | -- | 2,271 |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | 8 | -- | -- | -- |
| UNEARNED REVENUES | 2,518 | -- | -- | 5 |
| OTHER CURRENT LIABILITIES | 149 | -- | -- | 3 |
| CURRENT PORTION OF LONG-TERM LIABILITIES: | | | | |
| COMPENSATED ABSENCES PAYABLE | 231 | -- | -- | -- |
| BONDS PAYABLE | -- | -- | -- | 8,735 |
| TOTAL CURRENT LIABILITIES | <u>5,206</u> | <u>30</u> | <u>--</u> | <u>11,231</u> |
| NONCURRENT LIABILITIES: | | | | |
| NONCURRENT PORTION OF LONG-TERM LIABILITIES: | | | | |
| COMPENSATED ABSENCES PAYABLE | 1,026 | -- | -- | -- |
| BONDS PAYABLE | -- | -- | -- | -- |
| NET OPEB OBLIGATION | 14,636 | -- | -- | -- |
| NET PENSION LIABILITY | 52,608 | -- | -- | -- |
| TOTAL NON-CURRENT LIABILITIES | <u>68,270</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| TOTAL LIABILITIES | <u>73,476</u> | <u>30</u> | <u>--</u> | <u>11,231</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| DEFERRED AMOUNTS ON DEBT REFUNDING | -- | -- | -- | -- |
| PENSION-RELATED DEFERRED INFLOWS OF RESOURCES | 2,491 | -- | -- | -- |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>2,491</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| NET POSITION | | | | |
| NET INVESTMENT IN CAPITAL ASSETS | 17,045 | -- | -- | 27,474 |
| RESTRICTED FOR OTHER PURPOSES | 2,626 | -- | -- | 841 |
| UNRESTRICTED | 1,366 | 581,900 | 260,330 | 11,876 |
| TOTAL NET POSITION | <u>\$ 21,037</u> | <u>\$ 581,900</u> | <u>\$ 260,330</u> | <u>\$ 40,191</u> |

State of Louisiana

| LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY | LOUISIANA GULF OPPORTUNITY ZONE LOAN FUND | LOUISIANA PROPERTY ASSISTANCE AGENCY | LOUISIANA TRANSPORTATION AUTHORITY | PRISON ENTERPRISES | TOTAL NONMAJOR ENTERPRISE FUNDS |
|--|---|---|--|-----------------------|------------------------------------|
| \$ 2,784 | \$ -- | \$ 986 | \$ -- | \$ 1,663 | \$ 430,596 |
| -- | -- | -- | -- | -- | 12,550 |
| 47 | -- | 112 | -- | 2,849 | 6,801 |
| -- | -- | -- | -- | -- | 623 |
| 2 | -- | -- | -- | 6,850 | 6,857 |
| -- | -- | -- | -- | 9 | 139 |
| -- | 15,424 | -- | -- | -- | 48,228 |
| -- | -- | -- | -- | -- | 153 |
| <u>2,833</u> | <u>15,424</u> | <u>1,098</u> | <u>--</u> | <u>11,371</u> | <u>505,947</u> |
| -- | -- | -- | 165 | -- | 6,569 |
| -- | -- | -- | 948 | -- | 1,054 |
| -- | -- | -- | 295 | -- | 387 |
| -- | -- | -- | -- | -- | 4,301 |
| -- | -- | -- | -- | -- | 50 |
| -- | 165,569 | -- | -- | -- | 605,163 |
| -- | -- | 526 | -- | -- | 9,918 |
| 554 | -- | 440 | 712 | 390 | 39,710 |
| 14 | -- | 29 | -- | 6,309 | 8,984 |
| -- | -- | -- | 310,066 | -- | 310,066 |
| -- | -- | -- | -- | -- | 337 |
| -- | -- | -- | -- | 630 | 809 |
| -- | -- | -- | -- | -- | 564 |
| <u>568</u> | <u>165,569</u> | <u>995</u> | <u>312,186</u> | <u>7,329</u> | <u>987,912</u> |
| <u>3,401</u> | <u>180,993</u> | <u>2,093</u> | <u>312,186</u> | <u>18,700</u> | <u>1,493,859</u> |
| <u>335</u> | <u>--</u> | <u>1,303</u> | <u>--</u> | <u>3,030</u> | <u>18,868</u> |
| <u>335</u> | <u>--</u> | <u>1,303</u> | <u>--</u> | <u>3,030</u> | <u>18,868</u> |
| 34 | -- | 818 | 8 | 3,144 | 6,411 |
| -- | -- | -- | 2,008 | -- | 2,148 |
| -- | -- | -- | -- | -- | 2,271 |
| -- | -- | -- | -- | -- | 8 |
| 17 | -- | -- | -- | 3 | 2,543 |
| -- | -- | -- | -- | -- | 152 |
| 4 | -- | 13 | -- | 40 | 288 |
| -- | -- | -- | 856 | -- | 9,591 |
| <u>55</u> | <u>--</u> | <u>831</u> | <u>2,872</u> | <u>3,187</u> | <u>23,412</u> |
| 22 | -- | 110 | -- | 421 | 1,579 |
| -- | -- | -- | 172,073 | -- | 172,073 |
| 512 | -- | 2,051 | -- | 6,770 | 23,969 |
| 1,431 | -- | 5,215 | -- | 12,830 | 72,084 |
| <u>1,965</u> | <u>--</u> | <u>7,376</u> | <u>172,073</u> | <u>20,021</u> | <u>269,705</u> |
| <u>2,020</u> | <u>--</u> | <u>8,207</u> | <u>174,945</u> | <u>23,208</u> | <u>293,117</u> |
| -- | -- | -- | 6,595 | -- | 6,595 |
| 16 | -- | 333 | -- | 487 | 3,327 |
| <u>16</u> | <u>--</u> | <u>333</u> | <u>6,595</u> | <u>487</u> | <u>9,922</u> |
| 568 | -- | 995 | 131,254 | 7,329 | 184,665 |
| -- | -- | -- | -- | -- | 3,467 |
| 1,132 | 180,993 | (6,139) | (608) | (9,294) | 1,021,556 |
| <u>\$ 1,700</u> | <u>\$ 180,993</u> | <u>\$ (5,144)</u> | <u>\$ 130,646</u> | <u>\$ (1,965)</u> | <u>\$ 1,209,688</u> |

State of Louisiana

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

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | BOARDS & COMMISSIONS | CLEAN WATER STATE REVOLVING LOAN FUND | DRINKING WATER REVOLVING LOAN FUND | LOUISIANA AGRICULTURAL FINANCE AUTHORITY |
|---|-------------------------|--|---|---|
| OPERATING REVENUES: | | | | |
| SALES OF COMMODITIES & SERVICES | \$ 3,287 | \$ -- | \$ -- | \$ -- |
| ASSESSMENTS | 4,370 | -- | -- | -- |
| USE OF MONEY & PROPERTY | 299 | 2,645 | 4,698 | 3,989 |
| LICENSES, PERMITS & FEES | 34,727 | -- | -- | -- |
| FEDERAL GRANTS & CONTRACTS | -- | 686 | -- | -- |
| OTHER | 2,618 | 1,493 | 693 | 46 |
| TOTAL OPERATING REVENUES | 45,301 | 4,824 | 5,391 | 4,035 |
| OPERATING EXPENSES: | | | | |
| COST OF SALES & SERVICES | 14,789 | 944 | 3,432 | 1,762 |
| ADMINISTRATIVE | 30,385 | -- | -- | 1,262 |
| DEPRECIATION | 697 | -- | -- | 2,309 |
| AMORTIZATION | 41 | -- | -- | -- |
| TOTAL OPERATING EXPENSES | 45,912 | 944 | 3,432 | 5,333 |
| OPERATING INCOME (LOSS) | (611) | 3,880 | 1,959 | (1,298) |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| INTERGOVERNMENTAL REVENUES | 9 | -- | -- | -- |
| INTERGOVERNMENTAL EXPENSES | -- | -- | -- | -- |
| GAIN ON SALE OF CAPITAL ASSETS | -- | -- | -- | 332 |
| LOSS ON SALE OF CAPITAL ASSETS | (4) | -- | -- | -- |
| FEDERAL GRANTS | -- | -- | -- | 14 |
| INTEREST EXPENSE | -- | -- | -- | (669) |
| OTHER REVENUES | 3,403 | -- | -- | 35 |
| OTHER EXPENSES | (3,010) | (11) | (49) | (5) |
| TOTAL NONOPERATING REVENUES (EXPENSES) | 398 | (11) | (49) | (293) |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | (213) | 3,869 | 1,910 | (1,591) |
| CAPITAL CONTRIBUTIONS | | | | |
| TRANSFERS IN | 8 | 13,006 | 12,807 | 11,610 |
| TRANSFERS OUT | (33) | (4,684) | -- | -- |
| CHANGE IN NET POSITION | (238) | 12,191 | 14,717 | 10,019 |
| TOTAL NET POSITION - BEGINNING AS RESTATED | 21,275 | 569,709 | 245,613 | 30,172 |
| TOTAL NET POSITION - ENDING | \$ 21,037 | \$ 581,900 | \$ 260,330 | \$ 40,191 |

State of Louisiana

| LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY | LOUISIANA GULF OPPORTUNITY ZONE LOAN FUND | LOUISIANA PROPERTY ASSISTANCE AGENCY | LOUISIANA TRANSPORTATION AUTHORITY | PRISON ENTERPRISES | TOTAL NONMAJOR ENTERPRISE FUNDS |
|--|---|---|--|-----------------------|------------------------------------|
| \$ 1,828 | \$ -- | \$ 5,404 | \$ -- | \$ 27,895 | \$ 38,414 |
| -- | -- | -- | -- | -- | 4,370 |
| -- | -- | -- | -- | -- | 11,631 |
| -- | -- | -- | 4,327 | -- | 39,054 |
| -- | -- | -- | -- | -- | 686 |
| -- | -- | -- | -- | -- | 4,850 |
| <u>1,828</u> | <u>--</u> | <u>5,404</u> | <u>4,327</u> | <u>27,895</u> | <u>99,005</u> |
| 464 | -- | 1,799 | -- | 14,904 | 38,094 |
| 1,174 | -- | 4,286 | 23 | 11,310 | 48,440 |
| 23 | -- | 162 | 9,420 | 719 | 13,330 |
| -- | -- | -- | -- | -- | 41 |
| <u>1,661</u> | <u>--</u> | <u>6,247</u> | <u>9,443</u> | <u>26,933</u> | <u>99,905</u> |
| <u>167</u> | <u>--</u> | <u>(843)</u> | <u>(5,116)</u> | <u>962</u> | <u>(900)</u> |
| -- | -- | -- | -- | -- | 9 |
| -- | -- | -- | -- | (1,075) | (1,075) |
| -- | -- | -- | -- | 847 | 1,179 |
| (2) | -- | (1,982) | -- | (1,049) | (3,037) |
| -- | -- | -- | -- | -- | 14 |
| -- | -- | -- | (4,863) | -- | (5,532) |
| 10 | -- | 5 | 11 | 203 | 3,667 |
| -- | -- | -- | -- | (173) | (3,248) |
| <u>8</u> | <u>--</u> | <u>(1,977)</u> | <u>(4,852)</u> | <u>(1,247)</u> | <u>(8,023)</u> |
| 175 | -- | (2,820) | (9,968) | (285) | (8,923) |
| -- | -- | -- | 998 | -- | 26,811 |
| 57 | -- | -- | 6,152 | -- | 17,827 |
| -- | (49,992) | -- | (6,130) | -- | (60,839) |
| 232 | (49,992) | (2,820) | (8,948) | (285) | (25,124) |
| <u>1,468</u> | <u>230,985</u> | <u>(2,324)</u> | <u>139,594</u> | <u>(1,680)</u> | <u>1,234,812</u> |
| <u>\$ 1,700</u> | <u>\$ 180,993</u> | <u>\$ (5,144)</u> | <u>\$ 130,646</u> | <u>\$ (1,965)</u> | <u>\$ 1,209,688</u> |

State of Louisiana

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | BOARDS & COMMISSIONS | CLEAN WATER STATE REVOLVING LOAN FUND | DRINKING WATER REVOLVING LOAN FUND | LOUISIANA AGRICULTURAL FINANCE AUTHORITY |
|--|-------------------------|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| RECEIPTS FROM CUSTOMERS | \$ 41,502 | \$ -- | \$ -- | \$ 3,832 |
| RECEIPTS FROM INTERFUND REIMBURSEMENTS | -- | -- | -- | 46 |
| RECEIPTS OF PRINCIPAL/INTEREST FROM LOAN PROGRAMS | -- | 20,750 | 18,043 | 148 |
| OTHER OPERATING RECEIPTS | 4,320 | 2,201 | -- | -- |
| PAYMENTS TO SUPPLIERS & SERVICE PROVIDERS | (19,517) | -- | -- | (1,715) |
| PAYMENTS FOR LOANS MADE UNDER LOAN PROGRAMS | -- | (73,682) | (23,636) | (195) |
| PAYMENTS TO EMPLOYEES FOR SERVICES | (21,271) | -- | -- | -- |
| PAYMENTS FOR INTERFUND SERVICES USED | -- | -- | -- | (1,104) |
| OTHER OPERATING PAYMENTS | (115) | -- | -- | -- |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>4,919</u> | <u>(50,731)</u> | <u>(5,593)</u> | <u>1,012</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| PROCEEDS FROM THE ISSUANCE OF NON-CAPITAL DEBT | -- | -- | 2,951 | -- |
| RECEIPTS FROM OPERATING GRANTS | -- | -- | -- | 49 |
| RECEIPTS FOR PRINCIPAL AND INTEREST DEBT SERVICE | -- | -- | -- | -- |
| RECEIPTS FROM OTHER FUNDS | 5,053 | -- | -- | 8,479 |
| PAYMENTS FOR PRINCIPAL ON NON-CAPITAL DEBT | -- | (1) | (3,000) | -- |
| PAYMENTS FOR GRANTS AND SUBSIDIES | -- | -- | -- | (5) |
| PAYMENTS TO OTHER FUNDS | (4,514) | (4,712) | -- | -- |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | <u>539</u> | <u>(4,713)</u> | <u>(49)</u> | <u>8,523</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| RECEIPTS FROM CAPITAL GRANTS | -- | 13,006 | 12,807 | -- |
| PROCEEDS FROM THE SALE OF CAPITAL ASSETS | -- | -- | -- | 337 |
| PAYMENTS TO ACQUIRE, CONSTRUCT, & IMPROVE CAPITAL ASSETS | (2,258) | -- | -- | (1,335) |
| PAYMENTS FOR PRINCIPAL ON CAPITAL DEBT | -- | -- | -- | (13,805) |
| PAYMENTS FOR INTEREST ON CAPITAL DEBT | -- | -- | -- | (883) |
| NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES | <u>(2,258)</u> | <u>13,006</u> | <u>12,807</u> | <u>(15,686)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| PURCHASES OF INVESTMENTS | (10,881) | -- | -- | -- |
| PROCEEDS FROM THE SALE OF INVESTMENTS | 7,268 | -- | -- | -- |
| INTEREST AND DIVIDENDS | 166 | -- | -- | -- |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <u>(3,447)</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS | (247) | (42,438) | 7,165 | (6,151) |
| CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR AS RESTATED | <u>47,404</u> | <u>300,068</u> | <u>105,087</u> | <u>20,679</u> |
| CASH & CASH EQUIVALENTS AT END OF YEAR | <u>\$ 47,157</u> | <u>\$ 257,630</u> | <u>\$ 112,252</u> | <u>\$ 14,528</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | | | |
| OPERATING INCOME (LOSS) | \$ (611) | \$ 3,880 | \$ 1,959 | \$ (1,298) |
| ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | | | |
| DEPRECIATION/AMORTIZATION | 738 | -- | -- | 2,309 |
| PROVISION FOR UNCOLLECTIBLE ACCOUNTS | -- | -- | -- | -- |
| NONEMPLOYER CONTRIBUTING ENTITY REVENUE | -- | -- | -- | -- |
| OTHER | 895 | -- | -- | -- |
| CHANGES IN ASSETS AND LIABILITIES: | | | | |
| (INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE | 321 | (236) | (114) | (209) |
| (INCREASE)/DECREASE IN PREPAYMENTS | 87 | -- | -- | -- |
| (INCREASE)/DECREASE IN INVENTORIES | (1) | -- | -- | -- |
| (INCREASE)/DECREASE IN OTHER ASSETS | 4 | (54,405) | (7,438) | 438 |
| (INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO PENSIONS | (6,439) | -- | -- | -- |
| INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS | 157 | 30 | -- | (7) |
| INCREASE/(DECREASE) IN COMPENSATED ABSENCES | (17) | -- | -- | -- |
| INCREASE/(DECREASE) IN UNEARNED REVENUES | 110 | -- | -- | (27) |
| INCREASE/(DECREASE) IN NET OPEB OBLIGATION | 964 | -- | -- | -- |
| INCREASE/(DECREASE) IN NET PENSION LIABILITY | 8,768 | -- | -- | -- |
| INCREASE/(DECREASE) IN OTHER LIABILITIES | (47) | -- | -- | (194) |
| INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO PENSIONS | (10) | -- | -- | -- |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>\$ 4,919</u> | <u>\$ (50,731)</u> | <u>\$ (5,593)</u> | <u>\$ 1,012</u> |

(Continued)

State of Louisiana

| LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY | LOUISIANA GULF OPPORTUNITY ZONE LOAN FUND | LOUISIANA PROPERTY ASSISTANCE AGENCY | LOUISIANA TRANSPORTATION AUTHORITY | PRISON ENTERPRISES | TOTAL NONMAJOR ENTERPRISE FUNDS |
|---|---|---|--|-----------------------|---------------------------------------|
| \$ 1,998 | \$ -- | \$ 5,414 | \$ 4,389 | \$ 27,445 | \$ 84,580 |
| -- | -- | -- | -- | -- | 46 |
| -- | -- | -- | -- | -- | 38,941 |
| -- | -- | 2 | -- | -- | 6,523 |
| (810) | -- | (3,344) | (19) | (19,744) | (45,149) |
| -- | -- | -- | -- | -- | (97,513) |
| (603) | -- | (2,063) | -- | (6,538) | (30,475) |
| -- | -- | -- | -- | -- | (1,104) |
| -- | -- | -- | -- | -- | (115) |
| <u>585</u> | <u>--</u> | <u>9</u> | <u>4,370</u> | <u>1,163</u> | <u>(44,266)</u> |
| -- | -- | -- | -- | -- | 2,951 |
| -- | -- | -- | -- | -- | 49 |
| -- | 49,992 | -- | -- | -- | 49,992 |
| -- | -- | -- | 6,152 | -- | 19,684 |
| -- | -- | -- | -- | -- | (3,001) |
| -- | -- | -- | -- | -- | (5) |
| -- | (49,992) | -- | (6,130) | -- | (65,348) |
| -- | -- | -- | <u>22</u> | -- | <u>4,322</u> |
| -- | -- | -- | -- | -- | 25,813 |
| -- | -- | -- | -- | 1,013 | 1,350 |
| -- | -- | -- | -- | (2,175) | (5,768) |
| -- | -- | -- | (735) | -- | (14,540) |
| -- | -- | -- | <u>(5,395)</u> | -- | <u>(6,278)</u> |
| -- | -- | -- | (6,130) | (1,162) | 577 |
| -- | -- | -- | -- | -- | (27,574) |
| -- | -- | -- | (16,693) | -- | 25,676 |
| -- | -- | -- | 18,408 | -- | 204 |
| 9 | -- | 5 | 11 | 13 | 204 |
| <u>9</u> | <u>--</u> | <u>5</u> | <u>1,726</u> | <u>13</u> | <u>(1,694)</u> |
| 594 | -- | 14 | (12) | 14 | (41,061) |
| <u>2,190</u> | <u>--</u> | <u>972</u> | <u>177</u> | <u>1,649</u> | <u>478,226</u> |
| <u>\$ 2,784</u> | <u>\$ --</u> | <u>\$ 986</u> | <u>\$ 165</u> | <u>\$ 1,663</u> | <u>\$ 437,165</u> |
| \$ 167 | \$ -- | \$ (843) | \$ (5,116) | \$ 962 | \$ (900) |
| 23 | -- | 162 | 9,420 | 719 | 13,371 |
| -- | -- | (4) | -- | -- | (4) |
| -- | -- | -- | -- | 1 | 1 |
| 44 | -- | 11 | -- | (1,198) | (248) |
| 197 | -- | (184) | 61 | (452) | (616) |
| -- | -- | -- | -- | (3) | 84 |
| 129 | -- | -- | -- | 662 | 790 |
| -- | -- | -- | -- | -- | (61,401) |
| (41) | -- | 448 | -- | (1,527) | (7,559) |
| (130) | -- | (265) | 5 | (115) | (325) |
| (16) | -- | 10 | -- | 14 | (9) |
| -- | -- | -- | -- | -- | 83 |
| (6) | -- | 80 | -- | 487 | 1,525 |
| 204 | -- | 353 | -- | 1,773 | 11,098 |
| 15 | -- | -- | -- | (1) | (227) |
| (1) | -- | 241 | -- | (159) | 71 |
| <u>\$ 585</u> | <u>\$ --</u> | <u>\$ 9</u> | <u>\$ 4,370</u> | <u>\$ 1,163</u> | <u>\$ (44,266)</u> |

State of Louisiana

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

| | 2017 |
|--|---------|
| LOUISIANA AGRICULTURAL FINANCE AUTHORITY | |
| GAIN ON DISPOSAL OF CAPITAL ASSETS | 332 |
| LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY | |
| LOSS ON DISPOSAL OF CAPITAL ASSETS | (3) |
| LOUISIANA TRANSPORTATION AUTHORITY | |
| CONTRIBUTIONS OF CAPITAL ASSETS | 998 |
| PRISON ENTERPRISES | |
| GAIN ON DISPOSAL OF CAPITAL ASSETS | 847 |
| LOSS ON DISPOSAL OF CAPITAL ASSETS | (1,049) |

(Concluded)



State of Louisiana

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | DIVISION OF ADMINISTRATIVE LAW | LOUISIANA CORRECTIONAL FACILITIES CORPORATION | OFFICE FACILITIES CORPORATION |
|---|--------------------------------------|--|----------------------------------|
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| CASH & CASH EQUIVALENTS | \$ 901 | \$ 37 | \$ 2,493 |
| INVESTMENTS | -- | 556 | 7,788 |
| RESTRICTED INVESTMENTS | -- | -- | 27,464 |
| RECEIVABLES (NET) | 2,414 | 1 | -- |
| INVENTORIES | 25 | -- | -- |
| PREPAYMENTS | -- | -- | 734 |
| TOTAL CURRENT ASSETS | <u>3,340</u> | <u>594</u> | <u>38,479</u> |
| NON-CURRENT ASSETS: | | | |
| RESTRICTED ASSETS | | | |
| INVESTMENTS | -- | 2,405 | -- |
| CAPITAL ASSETS (NOTE 5) | | | |
| LAND | -- | -- | 301 |
| MACHINERY & EQUIPMENT (NET) | 42 | -- | -- |
| OTHER NONCURRENT ASSETS | -- | -- | 58 |
| TOTAL NON-CURRENT ASSETS | <u>42</u> | <u>2,405</u> | <u>359</u> |
| TOTAL ASSETS | <u>3,382</u> | <u>2,999</u> | <u>38,838</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES | 3,004 | -- | -- |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>3,004</u> | <u>--</u> | <u>--</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES: | | | |
| ACCOUNTS PAYABLE | 241 | -- | 1 |
| DUE TO OTHER FUNDS | 2,055 | -- | -- |
| UNEARNED REVENUES | -- | -- | 69 |
| OTHER CURRENT LIABILITIES | 45 | -- | -- |
| CURRENT PORTION OF LONG-TERM LIABILITIES: | | | |
| CONTRACTS PAYABLE | -- | -- | -- |
| COMPENSATED ABSENCES PAYABLE | 29 | -- | -- |
| NOTES PAYABLE | -- | -- | -- |
| OTHER LONG-TERM LIABILITIES | -- | -- | 29 |
| TOTAL CURRENT LIABILITIES | <u>2,370</u> | <u>--</u> | <u>99</u> |
| NONCURRENT LIABILITIES: | | | |
| NONCURRENT PORTION OF LONG-TERM LIABILITIES: | | | |
| COMPENSATED ABSENCES PAYABLE | 294 | -- | -- |
| NOTES PAYABLE | -- | -- | -- |
| NET OPEB OBLIGATION | 2,767 | -- | -- |
| NET PENSION LIABILITY | 14,167 | -- | -- |
| OTHER LONG-TERM LIABILITIES | -- | -- | 87 |
| TOTAL NON-CURRENT LIABILITIES | <u>17,228</u> | <u>--</u> | <u>87</u> |
| TOTAL LIABILITIES | <u>19,598</u> | <u>--</u> | <u>186</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| PENSION-RELATED DEFERRED INFLOWS OF RESOURCES | 493 | -- | -- |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>493</u> | <u>--</u> | <u>--</u> |
| NET POSITION | | | |
| NET INVESTMENT IN CAPITAL ASSETS | 42 | -- | 301 |
| RESTRICTED FOR DEBT SERVICE | -- | 2,406 | 25,392 |
| RESTRICTED FOR OTHER PURPOSES | -- | -- | 2 |
| UNRESTRICTED | (13,747) | 593 | 12,957 |
| TOTAL NET POSITION | <u>\$ (13,705)</u> | <u>\$ 2,999</u> | <u>\$ 38,652</u> |

State of Louisiana

| OFFICE OF AIRCRAFT SERVICES | OFFICE OF STATE HUMAN CAPITAL MANAGEMENT | OFFICE OF STATE PROCUREMENT | OFFICE OF TECHNOLOGY SERVICES | TOTAL INTERNAL SERVICE FUNDS |
|--------------------------------|--|--------------------------------|-------------------------------------|---------------------------------|
| \$ 410 | \$ 470 | \$ 4,228 | \$ 8,965 | \$ 17,504 |
| -- | -- | -- | -- | 8,344 |
| -- | -- | -- | -- | 27,464 |
| 110 | 987 | 53 | 22,966 | 26,531 |
| 112 | -- | -- | 1,338 | 1,475 |
| -- | -- | -- | 2,535 | 3,269 |
| <u>632</u> | <u>1,457</u> | <u>4,281</u> | <u>35,804</u> | <u>84,587</u> |
| -- | -- | -- | -- | 2,405 |
| -- | -- | -- | -- | 301 |
| 7 | -- | -- | 4,936 | 4,985 |
| -- | -- | -- | -- | 58 |
| <u>7</u> | <u>--</u> | <u>--</u> | <u>4,936</u> | <u>7,749</u> |
| <u>639</u> | <u>1,457</u> | <u>4,281</u> | <u>40,740</u> | <u>92,336</u> |
| <u>189</u> | <u>--</u> | <u>14,071</u> | <u>98,651</u> | <u>115,915</u> |
| <u>189</u> | <u>--</u> | <u>14,071</u> | <u>98,651</u> | <u>115,915</u> |
| 66 | 20 | 1,107 | 25,471 | 26,906 |
| -- | -- | -- | 31,000 | 33,055 |
| -- | -- | -- | -- | 69 |
| -- | -- | -- | -- | 45 |
| -- | -- | -- | 5,611 | 5,611 |
| 6 | -- | 24 | 399 | 458 |
| -- | -- | -- | 1,908 | 1,908 |
| -- | -- | -- | -- | 29 |
| <u>72</u> | <u>20</u> | <u>1,131</u> | <u>64,389</u> | <u>68,081</u> |
| 11 | -- | 461 | 5,335 | 6,101 |
| -- | -- | -- | 2,880 | 2,880 |
| 336 | -- | 718 | 17,377 | 21,198 |
| 913 | -- | 17,682 | 188,501 | 221,263 |
| -- | -- | -- | -- | 87 |
| <u>1,260</u> | <u>--</u> | <u>18,861</u> | <u>214,093</u> | <u>251,529</u> |
| <u>1,332</u> | <u>20</u> | <u>19,992</u> | <u>278,482</u> | <u>319,610</u> |
| <u>11</u> | <u>--</u> | <u>165</u> | <u>8,712</u> | <u>9,381</u> |
| <u>11</u> | <u>--</u> | <u>165</u> | <u>8,712</u> | <u>9,381</u> |
| 7 | -- | -- | 1,102 | 1,452 |
| -- | -- | -- | -- | 27,798 |
| -- | -- | -- | -- | 2 |
| <u>(522)</u> | <u>1,437</u> | <u>(1,805)</u> | <u>(148,905)</u> | <u>(149,992)</u> |
| <u>\$(515)</u> | <u>\$1,437</u> | <u>\$(1,805)</u> | <u>\$(147,803)</u> | <u>\$(120,740)</u> |

State of Louisiana

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

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | DIVISION OF ADMINISTRATIVE LAW | LOUISIANA CORRECTIONAL FACILITIES CORPORATION | OFFICE FACILITIES CORPORATION |
|--|--------------------------------------|--|----------------------------------|
| OPERATING REVENUES: | | | |
| SALES OF COMMODITIES & SERVICES | \$ 7,629 | \$ -- | \$ -- |
| USE OF MONEY & PROPERTY | -- | -- | 24,740 |
| TOTAL OPERATING REVENUES | <u>7,629</u> | <u>--</u> | <u>24,740</u> |
| OPERATING EXPENSES: | | | |
| COST OF SALES & SERVICES | -- | 784 | -- |
| ADMINISTRATIVE | 7,541 | 11 | 24,724 |
| DEPRECIATION | 9 | -- | -- |
| TOTAL OPERATING EXPENSES | <u>7,550</u> | <u>795</u> | <u>24,724</u> |
| OPERATING INCOME (LOSS) | <u>79</u> | <u>(795)</u> | <u>16</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| GAIN ON SALE OF CAPITAL ASSETS | -- | -- | -- |
| INTEREST EXPENSE | -- | -- | (5) |
| OTHER REVENUES | 7 | 11 | 437 |
| OTHER EXPENSES | -- | -- | (544) |
| TOTAL NONOPERATING REVENUES (EXPENSES) | <u>7</u> | <u>11</u> | <u>(112)</u> |
| CHANGE IN NET POSITION | 86 | (784) | (96) |
| TOTAL NET POSITION - BEGINNING AS RESTATED | <u>(13,791)</u> | <u>3,783</u> | <u>38,748</u> |
| TOTAL NET POSITION - ENDING | \$ <u><u>(13,705)</u></u> | \$ <u><u>2,999</u></u> | \$ <u><u>38,652</u></u> |

State of Louisiana

| OFFICE OF AIRCRAFT SERVICES | OFFICE OF STATE HUMAN CAPITAL MANAGEMENT | OFFICE OF STATE PROCUREMENT | OFFICE OF TECHNOLOGY SERVICES | TOTAL INTERNAL SERVICE FUNDS |
|--------------------------------|--|--------------------------------|-------------------------------------|---------------------------------|
| \$ 1,898 | \$ 2,244 | \$ 9,194 | \$ 267,132 | \$ 288,097 |
| -- | -- | -- | -- | 24,740 |
| <u>1,898</u> | <u>2,244</u> | <u>9,194</u> | <u>267,132</u> | <u>312,837</u> |
| 1,381 | -- | -- | 33,416 | 35,581 |
| 617 | 1,356 | 15,521 | 277,572 | 327,342 |
| 6 | -- | -- | 1,942 | 1,957 |
| <u>2,004</u> | <u>1,356</u> | <u>15,521</u> | <u>312,930</u> | <u>364,880</u> |
| <u>(106)</u> | <u>888</u> | <u>(6,327)</u> | <u>(45,798)</u> | <u>(52,043)</u> |
| -- | -- | -- | 70 | 70 |
| -- | -- | -- | (60) | (65) |
| 1 | 4 | 2,336 | 14 | 2,810 |
| -- | -- | -- | -- | (544) |
| <u>1</u> | <u>4</u> | <u>2,336</u> | <u>24</u> | <u>2,271</u> |
| (105) | 892 | (3,991) | (45,774) | (49,772) |
| <u>(410)</u> | <u>545</u> | <u>2,186</u> | <u>(102,029)</u> | <u>(70,968)</u> |
| <u>\$ (515)</u> | <u>\$ 1,437</u> | <u>\$ (1,805)</u> | <u>\$ (147,803)</u> | <u>\$ (120,740)</u> |

State of Louisiana

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | DIVISION OF ADMINISTRATIVE LAW | LOUISIANA CORRECTIONAL FACILITIES CORPORATION | OFFICE FACILITIES CORPORATION |
|---|--------------------------------------|--|----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| RECEIPTS FROM CUSTOMERS | \$ -- | \$ -- | \$ 27,410 |
| RECEIPTS FROM INTERFUND SERVICES PROVIDED | 5,145 | -- | -- |
| OTHER OPERATING RECEIPTS | 2,081 | -- | -- |
| PAYMENTS TO SUPPLIERS & SERVICE PROVIDERS | (1,069) | (795) | (26,586) |
| PAYMENTS TO EMPLOYEES FOR SERVICES | (6,057) | -- | -- |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>100</u> | <u>(795)</u> | <u>824</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | |
| RECEIPTS FROM OTHER FUNDS | -- | -- | -- |
| PAYMENTS TO OTHER FUNDS | -- | -- | -- |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | <u>--</u> | <u>--</u> | <u>--</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | |
| RECEIPTS FROM CAPITAL GRANTS | -- | -- | -- |
| PAYMENTS TO ACQUIRE, CONSTRUCT, & IMPROVE CAPITAL ASSETS | -- | -- | -- |
| PAYMENTS FOR PRINCIPAL ON CAPITAL DEBT | -- | -- | -- |
| PAYMENTS FOR INTEREST ON CAPITAL DEBT | -- | (1) | -- |
| NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | <u>--</u> | <u>(1)</u> | <u>--</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| PURCHASES OF INVESTMENTS | -- | (8,202) | (2,863) |
| PROCEEDS FROM THE SALE OF INVESTMENTS | -- | 8,989 | 585 |
| INTEREST AND DIVIDENDS | 6 | 11 | 518 |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <u>6</u> | <u>798</u> | <u>(1,760)</u> |
| NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS | 106 | 2 | (936) |
| CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR AS RESTATED | <u>795</u> | <u>35</u> | <u>3,429</u> |
| CASH & CASH EQUIVALENTS AT END OF YEAR | <u>\$ 901</u> | <u>\$ 37</u> | <u>\$ 2,493</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | | |
| OPERATING INCOME (LOSS) | \$ 79 | \$ (795) | \$ 16 |
| ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | | |
| DEPRECIATION/AMORTIZATION | 9 | -- | -- |
| OTHER | 1,697 | -- | -- |
| CHANGES IN ASSETS AND LIABILITIES: | | | |
| (INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE | (2,377) | -- | 2,397 |
| (INCREASE)/DECREASE IN DUE FROM OTHER FUNDS | 2 | -- | -- |
| (INCREASE)/DECREASE IN PREPAYMENTS | -- | -- | (714) |
| (INCREASE)/DECREASE IN INVENTORIES | 1 | -- | -- |
| (INCREASE)/DECREASE IN OTHER ASSETS | -- | -- | 33 |
| (INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO PENSIONS | (1,273) | -- | -- |
| INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS | 84 | -- | (684) |
| INCREASE/(DECREASE) IN COMPENSATED ABSENCES | (14) | -- | -- |
| INCREASE/(DECREASE) IN UNEARNED REVENUES | -- | -- | (224) |
| INCREASE/(DECREASE) IN NET OPEB OBLIGATION | 194 | -- | -- |
| INCREASE/(DECREASE) IN NET PENSION LIABILITY | 1,455 | -- | -- |
| INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO PENSIONS | 243 | -- | -- |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>\$ 100</u> | <u>\$ (795)</u> | <u>\$ 824</u> |

State of Louisiana

| OFFICE OF AIRCRAFT SERVICES | OFFICE OF STATE HUMAN CAPITAL MANAGEMENT | OFFICE OF STATE PROCUREMENT | OFFICE OF TECHNOLOGY SERVICES | TOTAL INTERNAL SERVICE FUNDS |
|-----------------------------------|--|--------------------------------|-------------------------------------|---------------------------------|
| \$ -- | \$ -- | \$ -- | \$ -- | 27,410 |
| 2,144 | 2,987 | 9,234 | 289,897 | 309,407 |
| -- | -- | -- | -- | 2,081 |
| (1,510) | (484) | (2,067) | (216,726) | (249,237) |
| <u>(485)</u> | <u>(1,837)</u> | <u>(6,863)</u> | <u>(72,849)</u> | <u>(88,091)</u> |
| <u>149</u> | <u>666</u> | <u>304</u> | <u>322</u> | <u>1,570</u> |
| -- | -- | 2,314 | 31,000 | 33,314 |
| -- | (4,166) | -- | (20,667) | (24,833) |
| -- | <u>(4,166)</u> | <u>2,314</u> | <u>10,333</u> | <u>8,481</u> |
| -- | -- | -- | 4 | 4 |
| -- | -- | -- | (1,067) | (1,067) |
| -- | -- | -- | (1,942) | (1,942) |
| -- | -- | -- | <u>(55)</u> | <u>(56)</u> |
| -- | -- | -- | <u>(3,060)</u> | <u>(3,061)</u> |
| -- | -- | -- | -- | (11,065) |
| -- | -- | -- | -- | 9,574 |
| 1 | 4 | 22 | 10 | 572 |
| <u>1</u> | <u>4</u> | <u>22</u> | <u>10</u> | <u>(919)</u> |
| 150 | (3,496) | 2,640 | 7,605 | 6,071 |
| <u>260</u> | <u>3,966</u> | <u>1,588</u> | <u>1,360</u> | <u>11,433</u> |
| <u>\$ 410</u> | <u>\$ 470</u> | <u>\$ 4,228</u> | <u>\$ 8,965</u> | <u>\$ 17,504</u> |
| \$ (106) | \$ 888 | \$ (6,327) | \$ (45,798) | \$ (52,043) |
| 6 | -- | -- | 1,942 | 1,957 |
| (5) | (280) | -- | -- | 1,412 |
| 254 | 1,023 | 39 | 22,766 | 24,102 |
| -- | -- | -- | -- | 2 |
| -- | -- | -- | 1,370 | 656 |
| (20) | -- | -- | (466) | (485) |
| -- | -- | -- | -- | 33 |
| (28) | -- | (12,409) | 37,361 | 23,651 |
| (87) | (965) | 830 | (31,034) | (31,856) |
| (15) | -- | (10) | (375) | (414) |
| -- | -- | -- | -- | (224) |
| 23 | -- | 334 | 3,708 | 4,259 |
| 130 | -- | 17,682 | 16,469 | 35,736 |
| <u>(3)</u> | <u>--</u> | <u>165</u> | <u>(5,621)</u> | <u>(5,216)</u> |
| <u>\$ 149</u> | <u>\$ 666</u> | <u>\$ 304</u> | <u>\$ 322</u> | <u>\$ 1,570</u> |

State of Louisiana

COMBINING STATEMENT OF FIDUCIARY NET POSITION

PENSION TRUST FUNDS

JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM | LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM | LOUISIANA STATE POLICE RETIREMENT SYSTEM | TEACHERS' RETIREMENT SYSTEM OF LOUISIANA | TOTAL PENSION TRUST FUNDS |
|--|---|--|---|---|---------------------------------|
| ASSETS | | | | | |
| CASH & CASH EQUIVALENTS | \$ 50,717 | \$ 197,913 | \$ 2,029 | \$ 216,603 | \$ 467,262 |
| RECEIVABLES: | | | | | |
| EMPLOYER CONTRIBUTIONS | 13,279 | 51,125 | 1,144 | 173,363 | 238,911 |
| MEMBER CONTRIBUTIONS | 3,028 | 11,708 | 139 | 58,060 | 72,935 |
| INVESTMENT PROCEEDS | 1,973 | 58,769 | -- | 2,134,140 | 2,194,882 |
| INTEREST & DIVIDENDS | 2,101 | 33,069 | 426 | 42,822 | 78,418 |
| OTHER | 546 | 3,495 | -- | 9,736 | 13,777 |
| TOTAL RECEIVABLES | 20,927 | 158,166 | 1,709 | 2,418,121 | 2,598,923 |
| INVESTMENTS (AT FAIR VALUE): | | | | | |
| SHORT-TERM INVESTMENTS | 22,716 | 142,664 | 45,867 | 1,033,091 | 1,244,338 |
| U.S. GOVERNMENT AND AGENCY OBLIGATIONS | 39,991 | 172,608 | 12,239 | 1,106,219 | 1,331,057 |
| BONDS - DOMESTIC | 320,525 | 715,979 | 104,580 | 807,554 | 1,948,638 |
| BONDS - INTERNATIONAL | 184,810 | 447,375 | 22,869 | 1,568,602 | 2,223,656 |
| EQUITIES - DOMESTIC | 422,453 | 2,666,614 | 328,744 | 5,927,969 | 9,345,780 |
| EQUITIES - INTERNATIONAL | 577,245 | 3,798,052 | 163,475 | 3,465,255 | 8,004,027 |
| ALTERNATIVE INVESTMENTS | 286,161 | 3,048,044 | 102,066 | 5,296,424 | 8,732,695 |
| COLLATERAL HELD UNDER SECURITIES LENDING PROGRAM | 91,269 | 1,239,683 | 65,033 | 2,484,645 | 3,880,630 |
| OTHER INVESTMENTS | 2,197 | -- | -- | -- | 2,197 |
| INVESTMENTS (AT CONTRACT VALUE): | | | | | |
| SYNTHETIC GUARANTEED INVESTMENT CONTRACT | -- | 500,163 | -- | -- | 500,163 |
| TOTAL INVESTMENTS | 1,947,367 | 12,731,182 | 844,873 | 21,689,759 | 37,213,181 |
| OTHER ASSETS | 389 | -- | 1 | -- | 390 |
| PROPERTY PLANT AND EQUIPMENT (NET) | 3,164 | 3,856 | 1,250 | 3,431 | 11,701 |
| TOTAL ASSETS | 2,022,564 | 13,091,117 | 849,862 | 24,327,914 | 40,291,457 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES | -- | -- | 343 | 4,096 | 4,439 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | -- | -- | 343 | 4,096 | 4,439 |
| LIABILITIES | | | | | |
| ACCOUNTS PAYABLE | 1,264 | 16,531 | 804 | 11,582 | 30,181 |
| RETIREMENT BENEFITS PAYABLE | 1,124 | -- | -- | 7,440 | 8,564 |
| INVESTMENT COMMITMENTS PAYABLE | 2,712 | 71,560 | -- | 2,275,223 | 2,349,495 |
| OBLIGATIONS UNDER SECURITIES LENDING PROGRAM | 91,269 | 1,239,572 | 65,033 | 2,484,645 | 3,880,519 |
| NET OPEB OBLIGATION | 3,489 | 10,178 | 447 | 13,398 | 27,512 |
| NET PENSION LIABILITY | -- | -- | 1,308 | 18,766 | 20,074 |
| REFUNDS PAYABLE | -- | -- | -- | 5,741 | 5,741 |
| OTHER LIABILITIES | -- | -- | 23 | 1,557 | 1,580 |
| TOTAL LIABILITIES | 99,858 | 1,337,841 | 67,615 | 4,818,352 | 6,323,666 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| PENSION-RELATED DEFERRED INFLOWS OF RESOURCES | -- | -- | 18 | 312 | 330 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | -- | -- | 18 | 312 | 330 |
| NET POSITION RESTRICTED FOR PENSIONS | \$ 1,922,706 | \$ 11,753,276 | \$ 782,572 | \$ 19,513,346 | \$ 33,971,900 |

State of Louisiana

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

PENSION TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM | LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM | LOUISIANA STATE POLICE RETIREMENT SYSTEM | TEACHERS' RETIREMENT SYSTEM OF LOUISIANA | TOTAL PENSION TRUST FUNDS |
|---|---|--|---|---|---------------------------------|
| ADDITIONS | | | | | |
| CONTRIBUTIONS: | | | | | |
| EMPLOYER | \$ 81,398 | \$ 675,584 | \$ 48,556 | \$ 1,124,032 | \$ 1,929,570 |
| MEMBER | 22,162 | 149,931 | 7,184 | 328,541 | 507,818 |
| NON-EMPLOYER | -- | -- | -- | 38,763 | 38,763 |
| TOTAL CONTRIBUTIONS | <u>103,560</u> | <u>825,515</u> | <u>55,740</u> | <u>1,491,336</u> | <u>2,476,151</u> |
| INVESTMENT INCOME: | | | | | |
| NET INCREASE IN FAIR VALUE OF INVESTMENTS | 228,798 | 1,106,494 | 93,252 | 2,325,810 | 3,754,354 |
| INTEREST & DIVIDENDS | 12,881 | 206,281 | 7,785 | 298,681 | 525,628 |
| ALTERNATIVE INVESTMENT INCOME | 7,267 | 275,155 | -- | 77,452 | 359,874 |
| LESS ALTERNATIVE INVESTMENT EXPENSES | (4,169) | (45,917) | -- | (59,492) | (109,578) |
| SECURITIES LENDING INCOME | 435 | 11,156 | 46 | 23,132 | 34,769 |
| LESS SECURITIES LENDING EXPENSES | -- | (4,792) | -- | (10,881) | (15,673) |
| OTHER INVESTMENT INCOME | -- | 1,834 | -- | 8 | 1,842 |
| LESS INVESTMENT EXPENSES OTHER THAN ALTERNATIVE INVESTMENTS AND SECURITIES LENDING | <u>(5,799)</u> | <u>(29,610)</u> | <u>(2,136)</u> | <u>(42,175)</u> | <u>(79,720)</u> |
| NET INVESTMENT INCOME | 239,413 | 1,520,601 | 98,947 | 2,612,535 | 4,471,496 |
| OTHER INCOME | -- | 14,049 | 2,318 | 2,973 | 19,340 |
| TOTAL ADDITIONS | <u>342,973</u> | <u>2,360,165</u> | <u>157,005</u> | <u>4,106,844</u> | <u>6,966,987</u> |
| DEDUCTIONS | | | | | |
| RETIREMENT BENEFITS | 179,086 | 1,274,461 | 43,534 | 2,063,449 | 3,560,530 |
| REFUNDS OF CONTRIBUTIONS | 4,231 | 37,606 | 9 | 49,806 | 91,652 |
| ADMINISTRATIVE EXPENSES | 3,955 | 17,980 | 825 | 17,762 | 40,522 |
| DEPRECIATION & AMORTIZATION EXPENSES | 241 | 557 | 33 | 432 | 1,263 |
| OTHER | <u>564</u> | <u>--</u> | <u>455</u> | <u>--</u> | <u>1,019</u> |
| TOTAL DEDUCTIONS | <u>188,077</u> | <u>1,330,604</u> | <u>44,856</u> | <u>2,131,449</u> | <u>3,694,986</u> |
| CHANGE IN NET POSITION | 154,896 | 1,029,561 | 112,149 | 1,975,395 | 3,272,001 |
| NET POSITION RESTRICTED FOR PENSIONS | | | | | |
| BEGINNING OF YEAR | <u>1,767,810</u> | <u>10,723,715</u> | <u>670,423</u> | <u>17,537,951</u> | <u>30,699,899</u> |
| END OF YEAR | <u>\$ 1,922,706</u> | <u>\$ 11,753,276</u> | <u>\$ 782,572</u> | <u>\$ 19,513,346</u> | <u>\$ 33,971,900</u> |

State of Louisiana

COMBINING STATEMENT OF FIDUCIARY NET POSITION

INVESTMENT TRUST FUNDS

JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | EDUCATION EXCELLENCE LOCAL GOVERNMENT INVESTMENT TRUST FUND | LOUISIANA ASSET MANAGEMENT POOL * | TOTAL INVESTMENT TRUST FUNDS |
|--|---|---|------------------------------------|
| <u>ASSETS</u> | | | |
| CASH & CASH EQUIVALENTS | \$ -- | \$ 3,720 | \$ 3,720 |
| RECEIVABLES: | | | |
| INTEREST & DIVIDENDS | 44 | 166 | 210 |
| TOTAL RECEIVABLES | 44 | 166 | 210 |
| INVESTMENTS (AT FAIR VALUE): | | | |
| SHORT-TERM INVESTMENTS | -- | 582,549 | 582,549 |
| U.S. GOVERNMENT AND AGENCY OBLIGATIONS | 15,423 | 476,815 | 492,238 |
| BONDS - DOMESTIC | 5,960 | -- | 5,960 |
| REPURCHASE AGREEMENTS | -- | 148,293 | 148,293 |
| OTHER INVESTMENTS | 33,143 | -- | 33,143 |
| TOTAL INVESTMENTS | 54,526 | 1,207,657 | 1,262,183 |
| OTHER ASSETS | -- | 16 | 16 |
| PROPERTY PLANT AND EQUIPMENT (NET) | -- | 49 | 49 |
| TOTAL ASSETS | 54,570 | 1,211,608 | 1,266,178 |
| <u>LIABILITIES</u> | | | |
| ACCOUNTS PAYABLE | 306 | 113 | 419 |
| INVESTMENT COMMITMENTS PAYABLE | 1,175 | -- | 1,175 |
| OTHER LIABILITIES | -- | 58 | 58 |
| TOTAL LIABILITIES | 1,481 | 171 | 1,652 |
| NET POSITION HELD IN TRUST FOR INVESTMENT POOL PARTICIPANTS | \$ 53,089 | \$ 1,211,437 | \$ 1,264,526 |

* For the period ending December 31, 2016.

State of Louisiana

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

INVESTMENT TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | EDUCATION EXCELLENCE LOCAL GOVERNMENT INVESTMENT TRUST FUND | LOUISIANA ASSET MANAGEMENT POOL * | TOTAL INVESTMENT TRUST FUNDS |
|--|---|---|------------------------------------|
| <u>ADDITIONS</u> | | | |
| CONTRIBUTIONS: | | | |
| POOL PARTICIPANTS (DEPOSITS) | \$ 14,316 | \$ 1,558,030 | \$ 1,572,346 |
| TOTAL CONTRIBUTIONS | 14,316 | 1,558,030 | 1,572,346 |
| INVESTMENT INCOME: | | | |
| NET INCREASE (DECREASE) IN FAIR VALUE OF INVESTMENTS | (580) | 468 | (112) |
| INTEREST & DIVIDENDS | 546 | 2,527 | 3,073 |
| GAIN ON SALE OF INVESTMENTS | -- | 42 | 42 |
| OTHER INVESTMENT INCOME | -- | 5,250 | 5,250 |
| NET INVESTMENT INCOME (LOSS) | (34) | 8,287 | 8,253 |
| OTHER INCOME | 4 | -- | 4 |
| TOTAL ADDITIONS | 14,286 | 1,566,317 | 1,580,603 |
| <u>DEDUCTIONS</u> | | | |
| ADMINISTRATIVE EXPENSES | 54 | 1,910 | 1,964 |
| DISTRIBUTIONS TO POOL PARTICIPANTS | 14,959 | 1,515,551 | 1,530,510 |
| TOTAL DEDUCTIONS | 15,013 | 1,517,461 | 1,532,474 |
| CHANGE IN NET POSITION | (727) | 48,856 | 48,129 |
| NET POSITION HELD IN TRUST FOR INVESTMENT POOL PARTICIPANTS | | | |
| BEGINNING OF YEAR | 53,816 | 1,162,581 | 1,216,397 |
| END OF YEAR | \$ 53,089 | \$ 1,211,437 | \$ 1,264,526 |

* For the period ending December 31, 2016.

State of Louisiana

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | DEBT SERVICE RESERVE FUND | ESCROW FUND | FREE SCHOOL FUND | INSURANCE TRUST FUND | MISCELLANEOUS AGENCY FUNDS |
|------------------------------------|---------------------------------|-------------------|---------------------|-------------------------|-------------------------------|
| <u>ASSETS</u> | | | | | |
| CASH & CASH EQUIVALENTS | \$ 3,395 | \$ 166,670 | \$ 1,748 | \$ 20,691 | \$ 13,763 |
| INVESTMENTS | -- | 211,086 | 29,333 | 39,658 | -- |
| RECEIVABLES | -- | 144,458 | 467 | 1,767 | -- |
| OTHER ASSETS | -- | -- | -- | 607 | -- |
| TOTAL ASSETS | \$ <u>3,395</u> | \$ <u>522,214</u> | \$ <u>31,548</u> | \$ <u>62,723</u> | \$ <u>13,763</u> |
| <u>LIABILITIES</u> | | | | | |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | \$ 3,385 | \$ 305,597 | \$ 31,207 | \$ 62,653 | \$ 13,763 |
| OTHER LIABILITIES | 10 | 216,617 | 341 | 70 | -- |
| TOTAL LIABILITIES | \$ <u>3,395</u> | \$ <u>522,214</u> | \$ <u>31,548</u> | \$ <u>62,723</u> | \$ <u>13,763</u> |

| | NON-STATE ENTITIES OPEB FUND | PARISH ROYALTY FUND | PAYROLL CLEARING FUND | TOTAL AGENCY FUNDS |
|------------------------------------|------------------------------------|------------------------|-----------------------------|-----------------------|
| <u>ASSETS</u> | | | | |
| CASH & CASH EQUIVALENTS | \$ -- | \$ 5,455 | \$ 78,343 | \$ 290,065 |
| INVESTMENTS | -- | -- | -- | 280,077 |
| RECEIVABLES | 19,873 | 2,248 | -- | 168,813 |
| OTHER ASSETS | -- | -- | -- | 607 |
| TOTAL ASSETS | \$ <u>19,873</u> | \$ <u>7,703</u> | \$ <u>78,343</u> | \$ <u>739,562</u> |
| <u>LIABILITIES</u> | | | | |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | \$ 17,484 | \$ 7,703 | \$ 78,343 | \$ 520,135 |
| OTHER LIABILITIES | 2,389 | -- | -- | 219,427 |
| TOTAL LIABILITIES | \$ <u>19,873</u> | \$ <u>7,703</u> | \$ <u>78,343</u> | \$ <u>739,562</u> |

State of Louisiana

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | BALANCE JULY 1, 2016 | ADDITIONS | DELETIONS | BALANCE JUNE 30, 2017 |
|------------------------------------|-------------------------|---------------------|---------------------|--------------------------|
| <u>DEBT SERVICE RESERVE FUND</u> | | | | |
| ASSETS: | | | | |
| CASH & CASH EQUIVALENTS | \$ 3,395 | \$ -- | \$ -- | \$ 3,395 |
| TOTAL ASSETS | <u>\$ 3,395</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 3,395</u> |
| LIABILITIES: | | | | |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | \$ 3,395 | \$ -- | \$ 10 | \$ 3,385 |
| OTHER LIABILITIES | <u>--</u> | <u>10</u> | <u>--</u> | <u>10</u> |
| TOTAL LIABILITIES | <u>\$ 3,395</u> | <u>\$ 10</u> | <u>\$ 10</u> | <u>\$ 3,395</u> |
| <u>ESCROW FUND</u> | | | | |
| ASSETS: | | | | |
| CASH & CASH EQUIVALENTS | \$ 162,230 | \$ 1,455,680 | \$ 1,451,240 | \$ 166,670 |
| INVESTMENTS | 174,923 | 36,163 | -- | 211,086 |
| RECEIVABLES | <u>157,320</u> | <u>144,458</u> | <u>157,320</u> | <u>144,458</u> |
| TOTAL ASSETS | <u>\$ 494,473</u> | <u>\$ 1,636,301</u> | <u>\$ 1,608,560</u> | <u>\$ 522,214</u> |
| LIABILITIES: | | | | |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | \$ 280,554 | \$ 1,478,981 | \$ 1,453,938 | \$ 305,597 |
| OTHER LIABILITIES | <u>213,919</u> | <u>216,617</u> | <u>213,919</u> | <u>216,617</u> |
| TOTAL LIABILITIES | <u>\$ 494,473</u> | <u>\$ 1,695,598</u> | <u>\$ 1,667,857</u> | <u>\$ 522,214</u> |
| <u>FREE SCHOOL FUND</u> | | | | |
| ASSETS: | | | | |
| CASH & CASH EQUIVALENTS | \$ 2,251 | \$ 1,008 | \$ 1,511 | \$ 1,748 |
| INVESTMENTS | 28,785 | 1,006 | 458 | 29,333 |
| RECEIVABLES | <u>469</u> | <u>119</u> | <u>121</u> | <u>467</u> |
| TOTAL ASSETS | <u>\$ 31,505</u> | <u>\$ 2,133</u> | <u>\$ 2,090</u> | <u>\$ 31,548</u> |
| LIABILITIES: | | | | |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | \$ 31,452 | \$ 1,095 | \$ 1,340 | \$ 31,207 |
| OTHER LIABILITIES | <u>53</u> | <u>341</u> | <u>53</u> | <u>341</u> |
| TOTAL LIABILITIES | <u>\$ 31,505</u> | <u>\$ 1,436</u> | <u>\$ 1,393</u> | <u>\$ 31,548</u> |

(Continued)

State of Louisiana

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | BALANCE JULY 1, 2016 | ADDITIONS | DELETIONS | BALANCE JUNE 30, 2017 |
|-------------------------------------|-------------------------|-------------------|-------------------|--------------------------|
| <u>INSURANCE TRUST FUND</u> | | | | |
| ASSETS: | | | | |
| CASH & CASH EQUIVALENTS | \$ 26,697 | \$ 9,074 | \$ 15,080 | \$ 20,691 |
| INVESTMENTS | 44,287 | 9,367 | 13,996 | 39,658 |
| RECEIVABLES | 9,037 | 1,204 | 8,474 | 1,767 |
| OTHER ASSETS | 837 | -- | 230 | 607 |
| TOTAL ASSETS | <u>\$ 80,858</u> | <u>\$ 19,645</u> | <u>\$ 37,780</u> | <u>\$ 62,723</u> |
| LIABILITIES: | | | | |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | \$ 80,717 | \$ 19,575 | \$ 37,639 | \$ 62,653 |
| OTHER LIABILITIES | 141 | 71 | 142 | 70 |
| TOTAL LIABILITIES | <u>\$ 80,858</u> | <u>\$ 19,646</u> | <u>\$ 37,781</u> | <u>\$ 62,723</u> |
| <u>MISCELLANEOUS AGENCY FUNDS</u> | | | | |
| ASSETS: | | | | |
| CASH & CASH EQUIVALENTS | \$ 18,542 | \$ 64,448 | \$ 69,227 | \$ 13,763 |
| TOTAL ASSETS | <u>\$ 18,542</u> | <u>\$ 64,448</u> | <u>\$ 69,227</u> | <u>\$ 13,763</u> |
| LIABILITIES: | | | | |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | \$ 18,542 | \$ 64,448 | \$ 69,227 | \$ 13,763 |
| TOTAL LIABILITIES | <u>\$ 18,542</u> | <u>\$ 64,448</u> | <u>\$ 69,227</u> | <u>\$ 13,763</u> |
| <u>NON-STATE ENTITIES OPEB FUND</u> | | | | |
| ASSETS: | | | | |
| CASH & CASH EQUIVALENTS | \$ 4,256 | \$ 232,733 | \$ 236,989 | \$ -- |
| RECEIVABLES | 3,858 | 251,660 | 235,645 | 19,873 |
| TOTAL ASSETS | <u>\$ 8,114</u> | <u>\$ 484,393</u> | <u>\$ 472,634</u> | <u>\$ 19,873</u> |
| LIABILITIES: | | | | |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | \$ 6,371 | \$ 251,660 | \$ 240,547 | \$ 17,484 |
| OTHER LIABILITIES | 1,743 | 240,547 | 239,901 | 2,389 |
| TOTAL LIABILITIES | <u>\$ 8,114</u> | <u>\$ 492,207</u> | <u>\$ 480,448</u> | <u>\$ 19,873</u> |

(Continued)

State of Louisiana

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | BALANCE JULY 1, 2016 | ADDITIONS | DELETIONS | BALANCE JUNE 30, 2017 |
|------------------------------------|-------------------------|---------------------|---------------------|--------------------------|
| <u>PARISH ROYALTY FUND</u> | | | | |
| ASSETS: | | | | |
| CASH & CASH EQUIVALENTS | \$ 3,879 | \$ 19,767 | \$ 18,191 | \$ 5,455 |
| RECEIVABLES | <u>3,024</u> | <u>2,248</u> | <u>3,024</u> | <u>2,248</u> |
| TOTAL ASSETS | <u>\$ 6,903</u> | <u>\$ 22,015</u> | <u>\$ 21,215</u> | <u>\$ 7,703</u> |
| LIABILITIES: | | | | |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | \$ 6,903 | \$ 18,991 | \$ 18,191 | \$ 7,703 |
| TOTAL LIABILITIES | <u>\$ 6,903</u> | <u>\$ 18,991</u> | <u>\$ 18,191</u> | <u>\$ 7,703</u> |
| <u>PAYROLL CLEARING FUND</u> | | | | |
| ASSETS: | | | | |
| CASH & CASH EQUIVALENTS | \$ 78,067 | \$ 2,657,923 | \$ 2,657,647 | \$ 78,343 |
| TOTAL ASSETS | <u>\$ 78,067</u> | <u>\$ 2,657,923</u> | <u>\$ 2,657,647</u> | <u>\$ 78,343</u> |
| LIABILITIES: | | | | |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | \$ 78,067 | \$ 2,657,923 | \$ 2,657,647 | \$ 78,343 |
| TOTAL LIABILITIES | <u>\$ 78,067</u> | <u>\$ 2,657,923</u> | <u>\$ 2,657,647</u> | <u>\$ 78,343</u> |
| <u>TOTAL ALL AGENCY FUNDS</u> | | | | |
| ASSETS: | | | | |
| CASH & CASH EQUIVALENTS | \$ 299,317 | \$ 4,440,633 | \$ 4,449,885 | \$ 290,065 |
| INVESTMENTS | 247,995 | 46,536 | 14,454 | 280,077 |
| RECEIVABLES | 173,708 | 399,689 | 404,584 | 168,813 |
| OTHER ASSETS | <u>837</u> | <u>--</u> | <u>230</u> | <u>607</u> |
| TOTAL ASSETS | <u>\$ 721,857</u> | <u>\$ 4,886,858</u> | <u>\$ 4,869,153</u> | <u>\$ 739,562</u> |
| LIABILITIES: | | | | |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | \$ 506,001 | \$ 4,492,673 | \$ 4,478,539 | \$ 520,135 |
| OTHER LIABILITIES | <u>215,856</u> | <u>457,586</u> | <u>454,015</u> | <u>219,427</u> |
| TOTAL LIABILITIES | <u>\$ 721,857</u> | <u>\$ 4,950,259</u> | <u>\$ 4,932,554</u> | <u>\$ 739,562</u> |

(Concluded)

State of Louisiana

COMBINING STATEMENT OF NET POSITION

NONMAJOR COMPONENT UNITS

JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | ASCENSION ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY | BOARDS & COMMISSIONS | FOUNDATION FOR EXCELLENCE IN LOUISIANA PUBLIC BROADCASTING | GREATER BATON ROUGE PORT COMMISSION ** | GREATER NEW ORLEANS EXPRESSWAY COMMISSION * |
|---|---|-------------------------|---|--|--|
| ASSETS | | | | | |
| CURRENT ASSETS: | | | | | |
| CASH & CASH EQUIVALENTS | \$ 300 | \$ 12,952 | \$ 3,088 | \$ 6,528 | \$ 8,464 |
| RESTRICTED CASH & CASH EQUIVALENTS | -- | -- | -- | -- | 17,794 |
| INVESTMENTS | -- | 14,347 | 30,621 | 10,703 | 902 |
| RESTRICTED INVESTMENTS | -- | -- | -- | 737 | 8,868 |
| RECEIVABLES (NET) | 7 | 612 | 329 | 4,575 | 2,409 |
| LEASES RECEIVABLE (NET) | -- | -- | -- | -- | -- |
| AMOUNTS DUE FROM PRIMARY GOVERNMENT | 72 | -- | -- | -- | -- |
| DUE FROM FEDERAL GOVERNMENT | -- | -- | -- | -- | -- |
| INVENTORIES | 24 | -- | -- | -- | 857 |
| PREPAYMENTS | -- | 8 | -- | 71 | 624 |
| NOTES RECEIVABLE | -- | -- | -- | -- | -- |
| OTHER CURRENT ASSETS | -- | 9 | 162 | 50 | -- |
| TOTAL CURRENT ASSETS | 403 | 27,928 | 34,200 | 22,664 | 39,918 |
| NON-CURRENT ASSETS: | | | | | |
| RESTRICTED ASSETS | 169 | -- | 4,175 | -- | -- |
| INVESTMENTS | -- | 9,464 | -- | -- | -- |
| NOTES RECEIVABLE | -- | -- | -- | -- | -- |
| CAPITAL ASSETS | | | | | |
| LAND | 1,883 | 352 | -- | 11,212 | -- |
| BUILDING & IMPROVEMENTS (NET) | 1,249 | 992 | -- | 38,674 | 3,588 |
| MACHINERY & EQUIPMENT (NET) | 170 | 181 | -- | 2,537 | 3,379 |
| INFRASTRUCTURE (NET) | 10,386 | -- | -- | 17,271 | 117,888 |
| INTANGIBLE ASSETS (NET) | -- | -- | -- | -- | -- |
| CONSTRUCTION IN PROGRESS | 97 | -- | -- | 7,183 | -- |
| OTHER NONCURRENT ASSETS | -- | -- | -- | -- | -- |
| TOTAL NON-CURRENT ASSETS | 13,954 | 10,989 | 4,175 | 76,877 | 124,855 |
| TOTAL ASSETS | 14,357 | 38,917 | 38,375 | 99,541 | 164,773 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| DEFERRED AMOUNTS ON DEBT REFUNDING | -- | -- | -- | -- | -- |
| PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES | -- | 2,868 | -- | 1,475 | 3,018 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | -- | 2,868 | -- | 1,475 | 3,018 |
| LIABILITIES | | | | | |
| CURRENT LIABILITIES: | | | | | |
| ACCOUNTS PAYABLE | 154 | 268 | 40 | 2,614 | 3,307 |
| ACCRUED INTEREST | -- | -- | -- | -- | -- |
| AMOUNTS DUE TO PRIMARY GOVERNMENT | 1 | -- | 400 | -- | -- |
| DUE TO FEDERAL GOVERNMENT | -- | -- | -- | -- | -- |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | 6 | -- | -- | -- | -- |
| UNEARNED REVENUES | 12 | 2,098 | 133 | 1,685 | -- |
| OTHER CURRENT LIABILITIES | -- | 2,682 | -- | -- | -- |
| CURRENT PORTION OF LONG-TERM LIABILITIES: | | | | | |
| CONTRACTS PAYABLE | -- | -- | -- | -- | -- |
| COMPENSATED ABSENCES PAYABLE | -- | 11 | -- | -- | -- |
| CAPITAL LEASE OBLIGATIONS | -- | -- | -- | -- | -- |
| NOTES PAYABLE | -- | 23 | -- | -- | -- |
| BONDS PAYABLE | 15 | -- | -- | 640 | 2,820 |
| ESTIMATED LIABILITY FOR CLAIMS | -- | -- | -- | -- | -- |
| OTHER LONG-TERM LIABILITIES | -- | -- | -- | 85 | -- |
| TOTAL CURRENT LIABILITIES | 188 | 5,082 | 573 | 5,024 | 6,127 |
| NONCURRENT LIABILITIES: | | | | | |
| NONCURRENT PORTION OF LONG-TERM LIABILITIES: | | | | | |
| COMPENSATED ABSENCES PAYABLE | -- | 216 | -- | -- | 1,059 |
| CAPITAL LEASE OBLIGATIONS | -- | -- | -- | -- | -- |
| NOTES PAYABLE | -- | 368 | -- | -- | -- |
| BONDS PAYABLE | 665 | -- | -- | 1,410 | 39,388 |
| ESTIMATED LIABILITY FOR CLAIMS | -- | -- | -- | -- | 758 |
| NET OPEB OBLIGATION | -- | 2,931 | -- | 2,919 | 7,183 |
| NET PENSION LIABILITY | -- | 11,376 | -- | 6,525 | 2,161 |
| OTHER LONG-TERM LIABILITIES | -- | -- | -- | 15 | 1,366 |
| TOTAL NON-CURRENT LIABILITIES | 665 | 14,891 | -- | 10,869 | 51,915 |
| TOTAL LIABILITIES | 853 | 19,973 | 573 | 15,893 | 58,042 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| DEFERRED AMOUNTS ON DEBT REFUNDING | -- | -- | -- | -- | -- |
| GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS | -- | -- | -- | -- | -- |
| PENSION-RELATED DEFERRED INFLOWS OF RESOURCES | -- | 217 | -- | 119 | 343 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | -- | 217 | -- | 119 | 343 |
| NET POSITION | | | | | |
| NET INVESTMENT IN CAPITAL ASSETS | 13,106 | 1,134 | -- | 74,827 | 82,647 |
| RESTRICTED FOR: | | | | | |
| CAPITAL PROJECTS | -- | -- | -- | -- | 10,114 |
| DEBT SERVICE | 149 | -- | -- | 12 | 12,955 |
| OTHER PURPOSES | -- | -- | 74 | -- | -- |
| UNRESTRICTED | 249 | 20,461 | 37,728 | 10,165 | 3,690 |
| TOTAL NET POSITION | \$ 13,504 | \$ 21,595 | \$ 37,802 | \$ 85,004 | \$ 109,406 |

(Continued)

* As of October 31, 2016.

** As of December 31, 2016.

State of Louisiana

| HEALTH EDUCATION AUTHORITY OF LOUISIANA | HUMAN SERVICES DISTRICTS | LOUISIANA CANCER RESEARCH CENTER | LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION | LOUISIANA ECONOMIC DEVELOPMENT CORPORATION | LOUISIANA HOUSING CORPORATION | LOUISIANA INTERNATIONAL DEEP WATER GULF TRANSFER TERMINAL AUTHORITY | LOUISIANA PUBLIC FACILITIES AUTHORITY ** |
|--|--------------------------------|---|---|---|-------------------------------------|---|---|
| \$ 170 | \$ 31,747 | \$ 18,373 | \$ 63,062 | \$ 11,430 | \$ 1,816 | \$ 171 | \$ 3,858 |
| -- | -- | -- | -- | -- | -- | -- | -- |
| 1,663 | -- | 9,413 | 121,822 | -- | 8,094 | -- | 4,876 |
| -- | -- | -- | 44,449 | -- | -- | -- | -- |
| 12 | 12,183 | 3,026 | 53,341 | 2,348 | 905 | -- | 103 |
| -- | -- | 700 | -- | -- | -- | -- | -- |
| -- | 4,221 | 41 | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | 1,924 | -- | -- |
| -- | 334 | -- | -- | -- | -- | -- | -- |
| -- | 55 | 69 | 6,553 | -- | -- | -- | 63 |
| -- | -- | -- | -- | 136 | 1,028 | -- | 2,062 |
| -- | -- | -- | -- | 11,574 | 371 | -- | -- |
| <u>1,845</u> | <u>48,540</u> | <u>31,622</u> | <u>289,227</u> | <u>25,488</u> | <u>14,138</u> | <u>171</u> | <u>10,962</u> |
| -- | -- | -- | 4,549 | -- | 248,981 | -- | 261,393 |
| -- | -- | -- | 984 | 21,315 | -- | -- | 15,683 |
| -- | -- | -- | -- | 913 | -- | -- | 9,502 |
| -- | -- | 672 | -- | -- | 1,022 | -- | -- |
| -- | 10,512 | 89,540 | -- | -- | 72,762 | -- | -- |
| 4 | 1,001 | 4,484 | 346 | -- | 236 | -- | 37 |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | 953 | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | 89 | -- | -- |
| -- | -- | 53 | 108 | 6,211 | -- | -- | -- |
| <u>4</u> | <u>11,513</u> | <u>94,749</u> | <u>6,940</u> | <u>28,439</u> | <u>323,090</u> | <u>--</u> | <u>286,615</u> |
| <u>1,849</u> | <u>60,053</u> | <u>126,371</u> | <u>296,167</u> | <u>53,927</u> | <u>337,228</u> | <u>171</u> | <u>297,577</u> |
| -- | -- | -- | 26,617 | -- | -- | -- | -- |
| -- | 61,566 | -- | 321 | -- | 5,390 | -- | -- |
| -- | <u>61,566</u> | -- | <u>26,938</u> | -- | <u>5,390</u> | -- | -- |
| 192 | 12,989 | 4,809 | 5,550 | 218 | 2,840 | 3 | 1,262 |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | 5,748 | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | 2,468 | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | 113 | -- | 52,288 | 2,793 | -- | -- | -- |
| -- | -- | 1 | 11,500 | -- | -- | -- | 1,340 |
| -- | -- | 661 | -- | -- | -- | -- | -- |
| -- | 3,414 | 31 | 89 | -- | 73 | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | 55,479 | -- | 5,362 | -- | -- |
| -- | -- | -- | 40,421 | -- | -- | -- | -- |
| -- | 466 | -- | -- | -- | -- | -- | -- |
| <u>192</u> | <u>22,730</u> | <u>5,502</u> | <u>165,327</u> | <u>3,011</u> | <u>10,743</u> | <u>3</u> | <u>2,602</u> |
| -- | 2,977 | 44 | -- | -- | 1,032 | -- | -- |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | 516,528 | -- | 1,495 | -- | 221,370 |
| -- | -- | -- | -- | 1,199 | -- | -- | -- |
| -- | 61,889 | -- | 1,847 | -- | 8,311 | -- | -- |
| -- | 263,863 | -- | -- | -- | 25,303 | -- | -- |
| -- | -- | -- | 4,549 | -- | 3,439 | -- | -- |
| -- | <u>328,729</u> | <u>44</u> | <u>522,924</u> | <u>1,199</u> | <u>39,580</u> | <u>--</u> | <u>221,370</u> |
| <u>192</u> | <u>351,459</u> | <u>5,546</u> | <u>688,251</u> | <u>4,210</u> | <u>50,323</u> | <u>3</u> | <u>223,972</u> |
| -- | -- | -- | -- | -- | 440 | -- | -- |
| -- | -- | -- | -- | -- | 4,212 | -- | -- |
| -- | 12,383 | -- | 1 | -- | 3,059 | -- | -- |
| -- | <u>12,383</u> | -- | <u>1</u> | -- | <u>7,711</u> | -- | -- |
| 4 | 11,512 | 94,696 | 1,299 | -- | 74,109 | -- | 37 |
| -- | -- | -- | -- | -- | -- | -- | -- |
| -- | -- | -- | 138,927 | -- | -- | -- | 37,659 |
| -- | -- | 20,291 | -- | 6,319 | 238,245 | -- | -- |
| 1,653 | (253,735) | 5,838 | (505,373) | 43,398 | (27,770) | 168 | 35,909 |
| <u>\$ 1,657</u> | <u>\$ (242,223)</u> | <u>\$ 120,825</u> | <u>\$ (365,147)</u> | <u>\$ 49,717</u> | <u>\$ 284,584</u> | <u>\$ 168</u> | <u>\$ 73,605</u> |

State of Louisiana

COMBINING STATEMENT OF NET POSITION

NONMAJOR COMPONENT UNITS

JUNE 30, 2017

(EXPRESSED IN THOUSANDS)

| | LOUISIANA UTILITIES RESTORATION CORPORATION | OTHER LEEVE DISTRICTS | ROAD HOME CORPORATION | SABINE RIVER AUTHORITY | SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST & WEST | TOTAL NONMAJOR COMPONENT UNITS |
|---|--|-----------------------------|--------------------------|------------------------------|---|---|
| ASSETS | | | | | | |
| CURRENT ASSETS: | | | | | | |
| CASH & CASH EQUIVALENTS | \$ -- | \$ 44,137 | \$ 187 | \$ 13,519 | \$ 44,801 | \$ 264,603 |
| RESTRICTED CASH & CASH EQUIVALENTS | 110,340 | 27 | -- | 4,638 | -- | 132,799 |
| INVESTMENTS | -- | 88,902 | -- | -- | 73,109 | 364,452 |
| RESTRICTED INVESTMENTS | -- | -- | -- | -- | -- | 54,054 |
| RECEIVABLES (NET) | 13,565 | 11,302 | 893 | 1,522 | 193 | 107,325 |
| LEASES RECEIVABLE (NET) | -- | -- | -- | -- | -- | 700 |
| AMOUNTS DUE FROM PRIMARY GOVERNMENT | -- | 530 | -- | 361 | 1,713 | 6,938 |
| DUE FROM FEDERAL GOVERNMENT | -- | -- | -- | -- | 653 | 2,577 |
| INVENTORIES | -- | 36 | -- | -- | 319 | 1,570 |
| PREPAYMENTS | -- | 388 | 67 | -- | -- | 7,898 |
| NOTES RECEIVABLE | -- | -- | -- | -- | -- | 3,226 |
| OTHER CURRENT ASSETS | -- | 122 | -- | 22 | 259 | 12,569 |
| TOTAL CURRENT ASSETS | 123,905 | 145,444 | 1,147 | 20,062 | 121,047 | 958,711 |
| NON-CURRENT ASSETS: | | | | | | |
| RESTRICTED ASSETS | -- | 359 | -- | 513 | 9,240 | 529,379 |
| INVESTMENTS | -- | 15,638 | -- | 5,768 | 68,313 | 137,165 |
| NOTES RECEIVABLE | -- | 3 | -- | -- | -- | 10,418 |
| CAPITAL ASSETS | | | | | | |
| LAND | -- | 12,677 | 1,192 | 1,435 | 42,694 | 73,139 |
| BUILDING & IMPROVEMENTS (NET) | -- | 8,907 | 565 | 12,238 | 98,328 | 337,355 |
| MACHINERY & EQUIPMENT (NET) | -- | 11,078 | 8 | 1,151 | 4,944 | 29,556 |
| INFRASTRUCTURE (NET) | -- | 91,208 | -- | 32,606 | 84,797 | 354,156 |
| INTANGIBLE ASSETS (NET) | -- | 881 | -- | 4,952 | -- | 6,786 |
| CONSTRUCTION IN PROGRESS | -- | 17,942 | -- | 9,137 | 31,522 | 65,970 |
| OTHER NONCURRENT ASSETS | -- | 26 | 77 | 50 | 78 | 6,603 |
| TOTAL NON-CURRENT ASSETS | -- | 158,719 | 1,842 | 67,850 | 339,916 | 1,550,527 |
| TOTAL ASSETS | 123,905 | 304,163 | 2,989 | 87,912 | 460,963 | 2,509,238 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| DEFERRED AMOUNTS ON DEBT REFUNDING | -- | -- | -- | -- | -- | 26,617 |
| PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES | -- | 9,090 | -- | 2,508 | 11,868 | 98,104 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | -- | 9,090 | -- | 2,508 | 11,868 | 124,721 |
| LIABILITIES | | | | | | |
| CURRENT LIABILITIES: | | | | | | |
| ACCOUNTS PAYABLE | 13,911 | 3,361 | 642 | 1,041 | 408 | 53,609 |
| ACCRUED INTEREST | -- | -- | -- | 68 | -- | 68 |
| AMOUNTS DUE TO PRIMARY GOVERNMENT | -- | 2 | -- | -- | 1,494 | 7,645 |
| DUE TO FEDERAL GOVERNMENT | -- | -- | -- | -- | 2,224 | 4,692 |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | -- | -- | -- | -- | -- | 6 |
| UNEARNED REVENUES | -- | 204 | -- | 111 | 636 | 60,073 |
| OTHER CURRENT LIABILITIES | -- | 134 | -- | -- | 109 | 15,766 |
| CURRENT PORTION OF LONG-TERM LIABILITIES: | | | | | | |
| CONTRACTS PAYABLE | -- | 740 | -- | -- | 873 | 2,274 |
| COMPENSATED ABSENCES PAYABLE | -- | 99 | -- | -- | 1,183 | 4,900 |
| CAPITAL LEASE OBLIGATIONS | -- | 148 | 2 | -- | -- | 150 |
| NOTES PAYABLE | -- | -- | -- | -- | -- | 5,385 |
| BONDS PAYABLE | 207,451 | 1,015 | -- | 1,011 | 2,720 | 271,151 |
| ESTIMATED LIABILITY FOR CLAIMS | -- | -- | -- | -- | -- | 40,421 |
| OTHER LONG-TERM LIABILITIES | -- | 6 | 2 | -- | 65 | 624 |
| TOTAL CURRENT LIABILITIES | 221,362 | 5,709 | 646 | 2,231 | 9,712 | 466,764 |
| NONCURRENT LIABILITIES: | | | | | | |
| NONCURRENT PORTION OF LONG-TERM LIABILITIES: | | | | | | |
| COMPENSATED ABSENCES PAYABLE | -- | 1,252 | 73 | -- | 224 | 6,877 |
| CAPITAL LEASE OBLIGATIONS | -- | 220 | -- | -- | -- | 220 |
| NOTES PAYABLE | -- | -- | -- | -- | -- | 368 |
| BONDS PAYABLE | 590,682 | 3,990 | -- | 4,362 | 24,646 | 1,404,536 |
| ESTIMATED LIABILITY FOR CLAIMS | -- | -- | -- | -- | -- | 1,957 |
| NET OPEB OBLIGATION | -- | 20,148 | -- | 3,510 | 14,468 | 123,206 |
| NET PENSION LIABILITY | -- | 35,574 | -- | 8,663 | 49,590 | 403,055 |
| OTHER LONG-TERM LIABILITIES | -- | -- | -- | -- | -- | 9,369 |
| TOTAL NON-CURRENT LIABILITIES | 590,682 | 61,184 | 73 | 16,535 | 88,928 | 1,949,588 |
| TOTAL LIABILITIES | 812,044 | 66,893 | 719 | 18,766 | 98,640 | 2,416,352 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| DEFERRED AMOUNTS ON DEBT REFUNDING | -- | -- | -- | -- | -- | 440 |
| GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS | -- | -- | -- | -- | -- | 4,212 |
| PENSION-RELATED DEFERRED INFLOWS OF RESOURCES | -- | 653 | -- | 1,033 | 920 | 18,728 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | -- | 653 | -- | 1,033 | 920 | 23,380 |
| NET POSITION | | | | | | |
| NET INVESTMENT IN CAPITAL ASSETS | -- | 136,440 | 1,765 | 56,146 | 102,741 | 650,463 |
| RESTRICTED FOR: | | | | | | |
| CAPITAL PROJECTS | -- | -- | -- | 3,815 | 531 | 14,460 |
| DEBT SERVICE | -- | 350 | -- | 801 | -- | 190,853 |
| OTHER PURPOSES | -- | 27 | -- | -- | 243,085 | 508,041 |
| UNRESTRICTED | (688,139) | 108,890 | 505 | 9,859 | 26,914 | (1,169,590) |
| TOTAL NET POSITION | \$ (688,139) | \$ 245,707 | \$ 2,270 | \$ 70,621 | \$ 373,271 | \$ 194,227 |

(Concluded)

* As of October 31, 2016.

** As of December 31, 2016.

State of Louisiana

COMBINING STATEMENT OF ACTIVITIES

NONMAJOR COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2017

(EXPRESSED IN THOUSAND)

| | PROGRAM REVENUES | | | | |
|---|-------------------|----------------------------|--|--------------------------------------|--------------------------|
| | EXPENSES | CHARGES FOR SERVICES | OPERATING GRANTS & CONTRIBUTIONS | CAPITAL GRANTS & CONTRIBUTIONS | NET (EXPENSE) REVENUE |
| NONMAJOR COMPONENT UNITS: | | | | | |
| ASCENSION ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY | \$ 889 | \$ 388 | \$ 9 | \$ 956 | \$ 464 |
| BOARDS & COMMISSIONS | 10,379 | 7,452 | -- | -- | (2,927) |
| FOUNDATION FOR EXCELLENCE IN LOUISIANA PUBLIC BROADCASTING | 5,354 | 1,385 | 3,445 | -- | (524) |
| GREATER BATON ROUGE PORT COMMISSION ** | 10,621 | 10,320 | -- | 5,251 | 4,950 |
| GREATER NEW ORLEANS EXPRESSWAY COMMISSION * | 21,992 | 16,638 | -- | 4,924 | (430) |
| HEALTH EDUCATION AUTHORITY OF LOUISIANA | 382 | 297 | -- | -- | (85) |
| HUMAN SERVICES DISTRICTS | 186,100 | 52,844 | 11,174 | 19 | (122,063) |
| LOUISIANA CANCER RESEARCH CENTER | 19,208 | 1,377 | 13,499 | 2,541 | (1,791) |
| LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION | 28,035 | 81,065 | -- | -- | 53,030 |
| LOUISIANA ECONOMIC DEVELOPMENT CORPORATION | 20,046 | 237 | -- | -- | (19,809) |
| LOUISIANA HOUSING CORPORATION | 183,328 | 10,468 | 179,428 | -- | 6,568 |
| LOUISIANA INTERNATIONAL DEEP WATER GULF TRANSFER TERMINAL AUTHORITY | 183 | 220 | -- | -- | 37 |
| LOUISIANA PUBLIC FACILITIES AUTHORITY ** | 8,377 | 7,169 | -- | -- | (1,208) |
| LOUISIANA UTILITIES RESTORATION CORPORATION | 37,453 | 240,678 | -- | -- | 203,225 |
| OTHER LEVEE DISTRICTS | 59,568 | 1,063 | 3,152 | 9,533 | (45,820) |
| ROAD HOME CORPORATION | 3,387 | -- | 2,385 | 826 | (176) |
| SABINE RIVER AUTHORITY | 13,214 | 11,124 | -- | -- | (2,090) |
| SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST & WEST | 61,829 | 5,890 | 166 | 1,016 | (54,757) |
| TOTAL NONMAJOR COMPONENT UNITS | \$ 670,345 | \$ 448,615 | \$ 213,258 | \$ 25,066 | \$ 16,594 |

| | GENERAL REVENUES | | | NET POSITION BEGINNING OF YEAR AS RESTATED | NET POSITION END OF YEAR |
|---|--|------------------------------|---------------------------|---|-----------------------------|
| | PAYMENTS FROM PRIMARY GOVERNMENT | OTHER GENERAL REVENUES | CHANGE IN NET POSITION | | |
| NONMAJOR COMPONENT UNITS: | | | | | |
| ASCENSION ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY | \$ -- | \$ 17 | \$ 481 | \$ 13,023 | \$ 13,504 |
| BOARDS & COMMISSIONS | 360 | 1,033 | (1,534) | 23,129 | 21,595 |
| FOUNDATION FOR EXCELLENCE IN LOUISIANA PUBLIC BROADCASTING | -- | 4,288 | 3,764 | 34,038 | 37,802 |
| GREATER BATON ROUGE PORT COMMISSION ** | -- | 10 | 4,960 | 80,044 | 85,004 |
| GREATER NEW ORLEANS EXPRESSWAY COMMISSION * | 6,573 | 228 | 6,371 | 103,035 | 109,406 |
| HEALTH EDUCATION AUTHORITY OF LOUISIANA | -- | 53 | (32) | 1,689 | 1,657 |
| HUMAN SERVICES DISTRICTS | 111,970 | 2,312 | (7,781) | (234,442) | (242,223) |
| LOUISIANA CANCER RESEARCH CENTER | -- | -- | (1,791) | 122,616 | 120,825 |
| LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION | -- | 81,946 | 134,976 | (500,123) | (365,147) |
| LOUISIANA ECONOMIC DEVELOPMENT CORPORATION | 11,413 | 274 | (8,122) | 57,839 | 49,717 |
| LOUISIANA HOUSING CORPORATION | -- | 14,600 | 21,168 | 263,416 | 284,584 |
| LOUISIANA INTERNATIONAL DEEP WATER GULF TRANSFER TERMINAL AUTHORITY | -- | 1 | 38 | 130 | 168 |
| LOUISIANA PUBLIC FACILITIES AUTHORITY ** | -- | 508 | (700) | 74,305 | 73,605 |
| LOUISIANA UTILITIES RESTORATION CORPORATION | -- | 105 | 203,330 | (891,469) | (688,139) |
| OTHER LEVEE DISTRICTS | 2,724 | 56,618 | 13,522 | 232,185 | 245,707 |
| ROAD HOME CORPORATION | -- | -- | (176) | 2,446 | 2,270 |
| SABINE RIVER AUTHORITY | -- | 7,602 | 5,512 | 65,109 | 70,621 |
| SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST & WEST | 1,429 | 60,467 | 7,139 | 366,132 | 373,271 |
| TOTAL NONMAJOR COMPONENT UNITS | \$ 134,469 | \$ 230,062 | \$ 381,125 | \$ (186,898) | \$ 194,227 |

* As of October 31, 2016.

** As of December 31, 2016.



III. STATISTICAL SECTION

Statistical Section Index

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

| Contents | Page |
|--|-------------|
| Financial Trends | 170 |
| These schedules contain trend information to help the reader understand how Louisiana's financial performance and well-being have changed over time. | |
| Revenue Capacity | 180 |
| These schedules contain information to help the reader assess Louisiana's most significant state revenue source, income tax. | |
| Debt Capacity | 186 |
| These schedules present information to help the reader assess the affordability of Louisiana's current levels of outstanding debt and Louisiana's ability to issue additional debt in the future. | |
| Demographic and Economic Information | 192 |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which Louisiana's financial activities take place. | |
| Operating Information | 194 |
| These schedules contain service and infrastructure data to help the reader understand how the information in Louisiana's financial report relates to the services Louisiana provides and the activities it performs. | |

State of Louisiana

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|---------------------|---------------------|---------------------|----------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| NET INVESTMENT IN CAPITAL ASSETS * | \$ 11,641,540 | \$ 11,664,584 | \$ 11,401,308 | \$ 11,230,136 |
| RESTRICTED | 4,571,712 | 4,656,885 | 4,820,821 | 4,592,434 |
| UNRESTRICTED | <u>(11,949,852)</u> | <u>(12,343,424)</u> | <u>(12,443,429)</u> | <u>(5,460,846)</u> |
| TOTAL GOVERNMENTAL ACTIVITIES NET POSITION | <u>\$ 4,263,400</u> | <u>\$ 3,978,045</u> | <u>\$ 3,778,700</u> | <u>\$ 10,361,724</u> |
| BUSINESS-TYPE ACTIVITIES | | | | |
| NET INVESTMENT IN CAPITAL ASSETS * | \$ 446,609 | \$ 429,685 | \$ 389,158 | \$ 354,442 |
| RESTRICTED | 1,127,101 | 1,109,109 | 1,122,120 | 1,038,066 |
| UNRESTRICTED | <u>506,154</u> | <u>542,336</u> | <u>535,413</u> | <u>943,383</u> |
| TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION | <u>\$ 2,079,864</u> | <u>\$ 2,081,130</u> | <u>\$ 2,046,691</u> | <u>\$ 2,335,891</u> |
| PRIMARY GOVERNMENT | | | | |
| NET INVESTMENT IN CAPITAL ASSETS * | \$ 12,088,149 | \$ 12,094,269 | \$ 11,790,466 | \$ 11,584,578 |
| RESTRICTED | 5,698,813 | 5,765,994 | 5,942,941 | 5,630,500 |
| UNRESTRICTED | <u>(11,443,698)</u> | <u>(11,801,088)</u> | <u>(11,908,016)</u> | <u>(4,517,463)</u> |
| TOTAL PRIMARY GOVERNMENT NET POSITION | <u>\$ 6,343,264</u> | <u>\$ 6,059,175</u> | <u>\$ 5,825,391</u> | <u>\$ 12,697,615</u> |

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

Source: Office of Statewide Reporting and Accounting Policy

State of Louisiana

| <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 11,573,027 | \$ 11,466,833 | \$ 11,862,399 | \$ 14,737,911 | \$ 14,091,358 | \$ 12,780,381 |
| 4,721,228 | 4,580,471 | 5,008,705 | 5,096,314 | 5,489,526 | 5,214,389 |
| <u>(5,034,905)</u> | <u>(3,914,614)</u> | <u>(3,341,575)</u> | <u>(2,318,148)</u> | <u>(1,059,178)</u> | <u>682,749</u> |
| <u>\$ 11,259,350</u> | <u>\$ 12,132,690</u> | <u>\$ 13,529,529</u> | <u>\$ 17,516,077</u> | <u>\$ 18,521,706</u> | <u>\$ 18,677,519</u> |
| | | | | | |
| \$ 338,894 | \$ 200,294 | \$ 218,826 | \$ 170,960 | \$ 119,033 | \$ 19,755 |
| 991,425 | 839,363 | 906,600 | 1,048,285 | 1,417,455 | 1,572,760 |
| <u>966,905</u> | <u>1,042,012</u> | <u>896,531</u> | <u>772,984</u> | <u>964,436</u> | <u>940,801</u> |
| <u>\$ 2,297,224</u> | <u>\$ 2,081,669</u> | <u>\$ 2,021,957</u> | <u>\$ 1,992,229</u> | <u>\$ 2,500,924</u> | <u>\$ 2,533,316</u> |
| | | | | | |
| \$ 11,911,921 | \$ 11,667,127 | \$ 12,081,225 | \$ 14,908,871 | \$ 14,210,391 | \$ 12,800,136 |
| 5,712,653 | 5,419,834 | 5,915,305 | 6,144,599 | 6,906,981 | 6,787,149 |
| <u>(4,068,000)</u> | <u>(2,872,602)</u> | <u>(2,445,044)</u> | <u>(1,545,164)</u> | <u>(94,742)</u> | <u>1,623,550</u> |
| <u>\$ 13,556,574</u> | <u>\$ 14,214,359</u> | <u>\$ 15,551,486</u> | <u>\$ 19,508,306</u> | <u>\$ 21,022,630</u> | <u>\$ 21,210,835</u> |

State of Louisiana

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|----------------------|----------------------|----------------------|----------------------|
| EXPENSES | | | | |
| GOVERNMENTAL ACTIVITIES: | | | | |
| GENERAL GOVERNMENT | \$ 2,527,768 | \$ 2,625,646 | \$ 2,832,201 | \$ 4,675,822 |
| CULTURE, RECREATION, AND TOURISM | 103,386 | 112,186 | 117,876 | 98,784 |
| TRANSPORTATION AND DEVELOPMENT | 1,560,415 | 1,446,159 | 1,415,006 | 1,542,225 |
| PUBLIC SAFETY | 1,872,279 | 886,259 | 1,636,934 | 347,473 |
| HEALTH AND WELFARE | 14,044,785 | 11,287,812 | 11,065,490 | 10,208,763 |
| CORRECTIONS | 713,713 | 670,100 | 697,116 | 639,414 |
| YOUTH SERVICES | 91,636 | 78,435 | 85,475 | 108,772 |
| CONSERVATION AND ENVIRONMENT | 550,652 | 571,969 | 541,139 | 354,087 |
| EDUCATION | 6,147,844 | 6,184,322 | 6,246,331 | 6,382,964 |
| AGRICULTURE & FORESTRY | 89,613 | 83,850 | 70,710 | -- |
| ECONOMIC DEVELOPMENT | 259,836 | 256,067 | 311,360 | -- |
| MILITARY & VETERANS AFFAIRS | 183,731 | 171,718 | 161,366 | -- |
| WORKFORCE SUPPORT & TRAINING | 251,137 | 257,060 | 240,505 | -- |
| OTHER | -- | -- | -- | 26,599 |
| INTERGOVERNMENTAL | -- | -- | -- | 586,420 |
| INTEREST ON LONG-TERM DEBT | 289,139 | 258,062 | 305,799 | 305,101 |
| TOTAL GOVERNMENTAL ACTIVITIES EXPENSES | <u>28,685,934</u> | <u>24,889,645</u> | <u>25,727,308</u> | <u>25,276,424</u> |
| BUSINESS-TYPE ACTIVITIES: | | | | |
| HIGHER EDUCATION | 488,498 | 478,874 | 484,420 | 491,101 |
| LENDING & FINANCING ACTIVITIES | 24,749 | 29,311 | 34,838 | 41,506 |
| LOTTERY | -- | -- | -- | -- |
| PROPERTY ASSISTANCE | 9,892 | 7,866 | 6,998 | 6,720 |
| PRISON ENTERPRISES | 29,230 | 30,489 | 31,307 | 29,222 |
| REGULATION & OVERSIGHT | 48,926 | 45,699 | 42,643 | 44,755 |
| UNEMPLOYMENT INSURANCE | 242,249 | 251,175 | 204,083 | 218,744 |
| TOTAL BUSINESS-TYPE ACTIVITIES EXPENSES | <u>843,544</u> | <u>843,414</u> | <u>804,289</u> | <u>832,048</u> |
| TOTAL PRIMARY GOVERNMENT EXPENSES | <u>\$ 29,529,478</u> | <u>\$ 25,733,059</u> | <u>\$ 26,531,597</u> | <u>\$ 26,108,472</u> |
| PROGRAM REVENUES | | | | |
| GOVERNMENTAL ACTIVITIES: | | | | |
| CHARGES FOR SERVICES | | | | |
| GENERAL GOVERNMENT | \$ 1,305,131 | \$ 1,399,925 | \$ 1,282,105 | \$ 2,044,842 |
| CULTURE, RECREATION, AND TOURISM | 15,021 | 14,602 | 15,212 | 11,678 |
| TRANSPORTATION AND DEVELOPMENT | 181,040 | 189,311 | 178,548 | 34,254 |
| PUBLIC SAFETY | 321,562 | 351,318 | 318,140 | 277,384 |
| HEALTH AND WELFARE | 291,734 | 171,475 | 237,623 | 440,330 |
| CORRECTIONS | 39,170 | 30,491 | 42,818 | 40,809 |
| YOUTH SERVICES | 1,215 | 1,612 | 230 | 438 |
| CONSERVATION AND ENVIRONMENT | 168,717 | 159,403 | 158,759 | 740,512 |
| EDUCATION | 6,009 | 11,175 | 66,501 | 60,397 |
| AGRICULTURE & FORESTRY | 20,153 | 19,750 | 20,928 | -- |
| ECONOMIC DEVELOPMENT | 5,513 | 17,425 | 13,658 | -- |
| MILITARY & VETERANS AFFAIRS | 16,404 | 16,189 | 16,572 | -- |
| WORKFORCE SUPPORT & TRAINING | 78,238 | 68,723 | 50,984 | -- |
| INTERGOVERNMENTAL | -- | -- | -- | 1,812 |
| OPERATING GRANTS AND CONTRIBUTIONS | 14,464,231 | 10,614,966 | 11,323,586 | 10,475,760 |
| CAPITAL GRANTS AND CONTRIBUTIONS | 607,380 | 686,918 | 572,203 | 637,078 |
| TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES | <u>17,521,518</u> | <u>13,753,283</u> | <u>14,297,867</u> | <u>14,765,294</u> |

* GASB 63 replaced Net Assets with Net Position.

Source: Office of Statewide Reporting and Accounting Policy

(Continued)

State of Louisiana

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|----|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ | 4,607,483 | \$ 5,308,576 | \$ 6,497,216 | \$ 5,896,826 | \$ 6,972,403 | \$ 8,693,766 |
| | 99,582 | 92,741 | 110,078 | 86,845 | 122,928 | 148,178 |
| | 1,312,998 | 1,500,182 | 1,370,238 | 1,111,846 | 1,286,404 | 1,052,169 |
| | 336,143 | 326,627 | 337,149 | 349,369 | 371,326 | 331,086 |
| | 10,071,069 | 9,769,203 | 9,335,925 | 10,248,151 | 9,671,816 | 8,615,435 |
| | 657,028 | 633,544 | 671,436 | 686,957 | 727,095 | 649,858 |
| | 106,779 | 116,791 | 134,274 | 152,562 | 170,678 | 165,840 |
| | 343,487 | 364,234 | 372,703 | 595,690 | 499,648 | 439,009 |
| | 6,705,462 | 6,614,109 | 6,602,774 | 6,599,451 | 7,136,960 | 6,871,321 |
| | -- | -- | -- | -- | -- | -- |
| | -- | -- | -- | -- | -- | -- |
| | -- | -- | -- | -- | -- | -- |
| | 29,369 | 25,407 | 49,174 | 45,821 | 66,424 | 43,217 |
| | 515,763 | 505,680 | 430,763 | 398,377 | 485,875 | 540,505 |
| | 305,746 | 332,586 | 284,395 | 299,326 | 304,763 | 297,201 |
| | <u>25,090,909</u> | <u>25,589,680</u> | <u>26,196,125</u> | <u>26,471,221</u> | <u>27,816,320</u> | <u>27,847,585</u> |
| | 492,782 | -- | -- | -- | -- | -- |
| | 32,993 | 26,544 | 39,310 | 21,548 | 1,019 | 7,239 |
| | -- | -- | -- | 241,520 | 245,723 | 244,928 |
| | 7,617 | 7,661 | 10,239 | 11,349 | 10,563 | 10,909 |
| | 29,282 | 28,224 | 28,395 | 27,597 | 32,591 | 28,165 |
| | 43,125 | 45,074 | 171,720 | 203,163 | 45,270 | 42,560 |
| | 339,852 | 537,217 | 761,747 | 985,779 | 455,910 | 189,095 |
| | 945,651 | 644,720 | 1,011,411 | 1,490,956 | 791,076 | 522,896 |
| \$ | <u>26,036,560</u> | <u>26,234,400</u> | <u>27,207,536</u> | <u>27,962,177</u> | <u>28,607,396</u> | <u>28,370,481</u> |
| \$ | 2,178,896 | \$ 1,579,216 | \$ 1,906,708 | \$ 1,962,589 | \$ 2,029,900 | \$ 2,063,639 |
| | 11,576 | 11,246 | 10,932 | 17,281 | 8,984 | 33,232 |
| | 63,437 | 122,485 | 88,817 | 70,665 | 230,874 | 222,756 |
| | 310,738 | 323,089 | 279,280 | 280,500 | 303,813 | 306,615 |
| | 276,815 | 274,054 | 208,998 | 295,799 | 215,112 | 278,254 |
| | 43,518 | 40,780 | 39,958 | 38,520 | 39,018 | 32,553 |
| | 793 | 2,789 | 1,490 | -- | 7,827 | 584 |
| | 812,599 | 757,891 | 966,275 | 688,756 | 905,157 | 1,046,365 |
| | 37,810 | 38,915 | 5,518 | 60,329 | 41,544 | 31,158 |
| | -- | -- | -- | -- | -- | -- |
| | -- | -- | -- | -- | -- | -- |
| | -- | -- | -- | -- | -- | -- |
| | 1,678 | 1,471 | 1,733 | 1,425 | 1,244 | 1,246 |
| | 10,308,201 | 11,707,327 | 11,390,940 | 11,138,352 | 11,068,209 | 8,848,637 |
| | 1,049,293 | 1,076,896 | 2,403,996 | 2,526,649 | 3,010,693 | 5,405,015 |
| | <u>15,095,354</u> | <u>15,936,159</u> | <u>17,304,645</u> | <u>17,080,865</u> | <u>17,862,375</u> | <u>18,270,054</u> |

State of Louisiana

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|------------------------|------------------------|------------------------|------------------------|
| BUSINESS-TYPE ACTIVITIES: | | | | |
| CHARGES FOR SERVICES | | | | |
| HIGHER EDUCATION | 150,683 | 144,913 | 122,637 | 113,895 |
| LENDING & FINANCING ACTIVITIES | 18,521 | 17,169 | 17,869 | 19,043 |
| LOTTERY | -- | -- | -- | -- |
| PROPERTY ASSISTANCE | 7,247 | 7,579 | 7,831 | 7,547 |
| PRISON ENTERPRISES | 28,098 | 28,766 | 32,590 | 28,105 |
| REGULATION & OVERSIGHT | 48,703 | 48,580 | 49,221 | 44,157 |
| UNEMPLOYMENT INSURANCE | 234,254 | 236,139 | 257,726 | 262,738 |
| OPERATING GRANTS AND CONTRIBUTIONS | 168,135 | 183,245 | 216,051 | 96,002 |
| CAPITAL GRANTS AND CONTRIBUTIONS | 56,539 | 67,147 | 78,919 | 61,802 |
| TOTAL BUSINESS-TYPE ACTIVITIES PROGRAM REVENUES | <u>712,180</u> | <u>733,538</u> | <u>782,844</u> | <u>633,289</u> |
| TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES | <u>\$ 18,233,698</u> | <u>\$ 14,486,821</u> | <u>\$ 15,080,711</u> | <u>\$ 15,398,583</u> |
| NET (EXPENSE) REVENUE | | | | |
| GOVERNMENTAL ACTIVITIES | \$ (11,164,416) | \$ (11,136,362) | \$ (11,429,441) | \$ (10,511,130) |
| BUSINESS-TYPE ACTIVITIES | <u>(131,364)</u> | <u>(109,876)</u> | <u>(21,445)</u> | <u>(198,759)</u> |
| TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE | <u>\$ (11,295,780)</u> | <u>\$ (11,246,238)</u> | <u>\$ (11,450,886)</u> | <u>\$ (10,709,889)</u> |
| GENERAL REVENUES AND OTHER CHANGES IN NET POSITION | | | | |
| GOVERNMENTAL ACTIVITIES: | | | | |
| CORPORATE INCOME TAXES | \$ 313,977 | \$ 309,499 | \$ 226,162 | \$ 293,641 |
| INDIVIDUAL INCOME TAXES | 2,873,345 | 3,020,992 | 2,856,468 | 2,744,460 |
| SALES & USE TAXES | 4,335,828 | 3,294,191 | 3,129,686 | 2,969,835 |
| SEVERANCE TAXES | 384,866 | 434,449 | 710,071 | 837,130 |
| TOBACCO TAXES | 314,307 | 253,015 | 153,952 | 129,338 |
| FRANCHISE TAXES | 97,124 | 77,185 | 97,831 | 160,178 |
| GAS & FUELS TAXES, restricted for transportation | 639,493 | 626,618 | 609,805 | 613,917 |
| TOBACCO SETTLEMENT, restricted for education, health and welfare | -- | -- | -- | 123,828 |
| INSURANCE PREMIUM TAXES | 888,386 | 528,999 | 454,795 | 428,815 |
| ALCOHOL TAXES | 77,468 | 63,520 | 57,613 | 56,968 |
| OCCUPANCY TAXES | 60,613 | 58,085 | 59,150 | 56,682 |
| OTHER TAXES | 56,167 | 52,022 | 63,187 | 241,807 |
| UNCLAIMED PROPERTY | 59,637 | 50,033 | 32,614 | -- |
| GAMING | 864,754 | 858,492 | 892,336 | 846,045 |
| USE OF MONEY & PROPERTY | 536,130 | 669,883 | 560,646 | 17,429 |
| MISCELLANEOUS | -- | -- | -- | -- |
| OTHER | -- | -- | -- | 302 |
| ADDITIONS TO PERMANENT ENDOWMENTS | -- | -- | -- | 66,205 |
| EXTRAORDINARY ITEM | -- | 1,000,000 | -- | -- |
| TRANSFERS | <u>(124,701)</u> | <u>(153,459)</u> | <u>(148,466)</u> | <u>(122,171)</u> |
| TOTAL GOVERNMENTAL ACTIVITIES | <u>11,377,394</u> | <u>11,143,524</u> | <u>9,755,850</u> | <u>9,464,409</u> |
| BUSINESS-TYPE ACTIVITIES: | | | | |
| USE OF MONEY & PROPERTY | 595 | 949 | 1,188 | -- |
| OTHER | -- | -- | -- | 118,928 |
| TRANSFERS | <u>124,701</u> | <u>153,459</u> | <u>148,466</u> | <u>122,171</u> |
| TOTAL BUSINESS-TYPE ACTIVITIES | <u>125,296</u> | <u>154,408</u> | <u>149,654</u> | <u>241,099</u> |
| TOTAL PRIMARY GOVERNMENT | <u>\$ 11,502,690</u> | <u>\$ 11,297,932</u> | <u>\$ 9,905,504</u> | <u>\$ 9,705,508</u> |
| CHANGE IN NET POSITION * | | | | |
| GOVERNMENTAL ACTIVITIES | \$ 212,978 | \$ 7,162 | \$ (1,673,591) | \$ (1,046,721) |
| BUSINESS-TYPE ACTIVITIES | <u>(6,068)</u> | <u>44,532</u> | <u>128,209</u> | <u>42,340</u> |
| TOTAL PRIMARY GOVERNMENT | <u>\$ 206,910</u> | <u>\$ 51,694</u> | <u>\$ (1,545,382)</u> | <u>\$ (1,004,381)</u> |

* GASB 63 replaced Net Assets with Net Position.

(Concluded)

State of Louisiana

| 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 107,259 | -- | -- | -- | -- | -- |
| 16,770 | 16,714 | 18,086 | 14,553 | 14,478 | 17,759 |
| -- | -- | -- | 372,694 | 378,512 | 373,930 |
| 8,206 | 8,101 | 10,692 | 11,564 | 10,834 | 11,752 |
| 29,186 | 27,872 | 27,203 | 25,620 | 32,802 | 27,524 |
| 43,467 | 42,329 | 229,344 | 224,291 | 38,396 | 37,404 |
| 284,229 | 266,907 | 281,951 | 245,023 | 227,260 | 237,406 |
| 162,789 | 212,490 | 376,724 | 412,463 | 99,339 | 2,695 |
| 82,395 | 49,127 | 107,519 | 68,045 | 86,934 | 41,003 |
| <u>734,301</u> | <u>623,540</u> | <u>1,051,519</u> | <u>1,374,253</u> | <u>888,555</u> | <u>749,473</u> |
| \$ <u>15,829,655</u> | \$ <u>16,559,699</u> | \$ <u>18,356,164</u> | \$ <u>18,455,118</u> | \$ <u>18,750,930</u> | \$ <u>19,019,527</u> |
| \$ (9,995,555) | \$ (9,653,521) | \$ (8,891,480) | \$ (9,390,356) | \$ (9,953,945) | \$ (9,577,531) |
| <u>(211,350)</u> | <u>(21,180)</u> | <u>40,108</u> | <u>(116,703)</u> | <u>97,479</u> | <u>226,577</u> |
| \$ <u>(10,206,905)</u> | \$ <u>(9,674,701)</u> | \$ <u>(8,851,372)</u> | \$ <u>(9,507,059)</u> | \$ <u>(9,856,466)</u> | \$ <u>(9,350,954)</u> |
| \$ 276,031 | \$ 402,538 | \$ 232,010 | \$ 196,241 | \$ 663,627 | \$ 740,618 |
| 2,626,994 | 2,473,473 | 2,433,794 | 2,294,903 | 2,966,920 | 3,129,216 |
| 2,858,889 | 2,860,313 | 2,821,598 | 2,560,775 | 3,016,254 | 3,147,604 |
| 840,966 | 850,685 | 748,355 | 776,464 | 876,579 | 1,095,244 |
| 123,497 | 133,194 | 142,064 | 135,927 | 105,469 | 96,314 |
| 83,904 | 83,595 | 65,577 | 138,124 | 212,703 | 233,789 |
| 619,379 | 596,052 | 639,452 | 624,554 | 599,192 | 604,683 |
| 226,328 | 146,620 | 140,978 | 142,279 | 71,966 | 64,294 |
| 406,530 | 346,217 | 356,089 | 340,922 | 305,667 | 329,308 |
| 56,878 | 56,811 | 56,001 | 55,320 | 56,881 | 54,132 |
| 51,985 | 48,342 | 47,093 | 43,380 | 42,584 | 41,155 |
| 210,486 | 191,109 | 121,230 | 80,216 | 144,525 | 147,829 |
| -- | -- | -- | -- | -- | -- |
| 835,470 | 828,010 | 823,418 | 668,235 | 715,443 | 742,518 |
| (23,149) | (80,613) | (4,208) | (9,301) | (12,169) | (3,601) |
| 3,303 | 3,548 | 3,123 | 338 | 330 | 310 |
| 10,838 | 7,032 | 7,950 | 6,873 | 134,502 | 141,410 |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | (2,406) | -- |
| <u>(115,210)</u> | <u>77,050</u> | <u>1,609</u> | <u>141,615</u> | <u>142,066</u> | <u>132,219</u> |
| <u>9,093,119</u> | <u>9,023,976</u> | <u>8,636,133</u> | <u>8,196,865</u> | <u>10,040,133</u> | <u>10,697,042</u> |
| -- | -- | -- | -- | -- | -- |
| 153,590 | 3,739 | 14,483 | 21,732 | 7,450 | 12,784 |
| <u>115,210</u> | <u>(77,050)</u> | <u>(1,609)</u> | <u>(141,615)</u> | <u>(142,066)</u> | <u>(132,219)</u> |
| <u>268,800</u> | <u>(73,311)</u> | <u>12,874</u> | <u>(119,883)</u> | <u>(134,616)</u> | <u>(119,435)</u> |
| \$ <u>9,361,919</u> | \$ <u>8,950,665</u> | \$ <u>8,649,007</u> | \$ <u>8,076,982</u> | \$ <u>9,905,517</u> | \$ <u>10,577,607</u> |
| \$ (902,436) | \$ (629,545) | \$ (255,347) | \$ (1,193,491) | \$ 86,188 | \$ 1,119,511 |
| <u>57,450</u> | <u>(94,491)</u> | <u>52,982</u> | <u>(236,586)</u> | <u>(37,137)</u> | <u>107,142</u> |
| \$ <u>(844,986)</u> | \$ <u>(724,036)</u> | \$ <u>(202,365)</u> | \$ <u>(1,430,077)</u> | \$ <u>49,051</u> | \$ <u>1,226,653</u> |

State of Louisiana

FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| GENERAL FUND (per GASB 54) * | | | | |
| NONSPENDABLE | \$ 97,936 | \$ 92,904 | \$ 100,429 | \$ 111,497 |
| RESTRICTED | 995,329 | 1,228,992 | 1,448,205 | 1,479,562 |
| COMMITTED | 966,361 | 965,705 | 924,421 | 1,320,903 |
| ASSIGNED | - | - | 282,248 | 190,400 |
| UNASSIGNED | (565,349) | (1,002,223) | (658,759) | 62,574 |
| GENERAL FUND (prior GASB 54) ** | | | | |
| RESERVED | -- | -- | -- | -- |
| UNRESERVED | -- | -- | -- | -- |
| TOTAL GENERAL FUND | \$ <u>1,494,277</u> | \$ <u>1,285,378</u> | \$ <u>2,096,544</u> | \$ <u>3,164,936</u> |
| | | | | |
| ALL OTHER GOVERNMENTAL FUNDS (per GASB 54) * | | | | |
| NONSPENDABLE | \$ 2,663,784 | \$ 2,634,282 | \$ 2,596,312 | \$ 2,577,930 |
| RESTRICTED | 811,329 | 743,429 | 765,601 | 820,023 |
| COMMITTED | 194,530 | 113,443 | 341,726 | 444,094 |
| UNASSIGNED | (4,508) | (2,750) | -- | -- |
| ALL OTHER GOVERNMENTAL FUNDS (prior GASB 54) ** | | | | |
| RESERVED | -- | -- | -- | -- |
| UNRESERVED, REPORTED IN: | | | | |
| SPECIAL REVENUE FUNDS | -- | -- | -- | -- |
| DEBT SERVICE FUNDS | -- | -- | -- | -- |
| CAPITAL PROJECTS FUNDS | -- | -- | -- | -- |
| PERMANENT FUNDS | -- | -- | -- | -- |
| TOTAL ALL OTHER GOVERNMENTAL FUNDS | \$ <u>3,665,135</u> | \$ <u>3,488,404</u> | \$ <u>3,703,639</u> | \$ <u>3,842,047</u> |

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

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

Source: Office of Statewide Reporting and Accounting Policy

State of Louisiana

| <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 73,780 | \$ 70,707 | \$ 76,273 | \$ -- | \$ -- | \$ -- |
| 1,270,682 | 1,405,987 | 1,439,257 | -- | -- | -- |
| 1,608,089 | 1,809,517 | 2,073,954 | -- | -- | -- |
| 224,672 | 223,490 | 234,052 | -- | -- | -- |
| 36,529 | 127,508 | 111,769 | -- | -- | -- |
| -- | -- | -- | 1,013,749 | 856,166 | 790,670 |
| -- | -- | -- | (49,333) | 802,611 | 840,256 |
| <u>\$ 3,213,752</u> | <u>\$ 3,637,209</u> | <u>\$ 3,935,305</u> | <u>\$ 964,416</u> | <u>\$ 1,658,777</u> | <u>\$ 1,630,926</u> |
| | | | | | |
| \$ 2,511,725 | \$ 2,466,207 | \$ 2,479,800 | \$ -- | \$ -- | \$ -- |
| 804,512 | 932,411 | 1,056,686 | -- | -- | -- |
| 342,924 | 508,847 | 697,635 | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | 3,048,357 | 3,136,568 | 3,948,806 |
| -- | -- | -- | 3,586,804 | 4,447,259 | 4,634,052 |
| -- | -- | -- | 614 | 1,534 | 8,645 |
| -- | -- | -- | 243 | 636 | 849 |
| -- | -- | -- | 1,431,269 | 1,369,402 | 1,309,646 |
| <u>\$ 3,659,161</u> | <u>\$ 3,907,465</u> | <u>\$ 4,234,121</u> | <u>\$ 8,067,287</u> | <u>\$ 8,955,399</u> | <u>\$ 9,901,998</u> |

State of Louisiana

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

| | 2017 | 2016 | 2015 | 2014 |
|--|-------------------|-----------------------|-----------------------|-------------------|
| REVENUES | | | | |
| INTERGOVERNMENTAL REVENUES | \$ 14,858,460 | \$ 11,043,313 | \$ 11,435,410 | \$ 11,553,209 |
| TAXES | 10,000,554 | 8,648,395 | 8,467,558 | 8,692,410 |
| TOBACCO SETTLEMENT | 141,267 | 137,487 | 139,124 | 140,296 |
| GAMING | 864,754 | 858,492 | 892,336 | 848,880 |
| USE OF MONEY AND PROPERTY | 520,222 | 655,115 | 593,682 | 915,701 |
| LICENSES, PERMITS, AND FEES | 1,299,999 | 1,275,285 | 1,055,348 | 897,489 |
| SALES OF COMMODITIES AND SERVICES | 961,480 | 1,008,850 | 996,066 | 863,538 |
| UNCLAIMED PROPERTY | 59,637 | 50,033 | 32,614 | -- |
| OTHER SETTLEMENTS | 5,323 | 19,128 | 245,674 | 44,785 |
| GIFTS, DONATIONS, AND CONTRIBUTIONS | 117,427 | 110,160 | 67,787 | -- |
| OTHER | 106,011 | 143,181 | 253,766 | 606,387 |
| TOTAL REVENUES | 28,935,134 | 23,949,439 | 24,179,365 | 24,562,695 |
| EXPENDITURES | | | | |
| GENERAL GOVERNMENT | 1,891,306 | 2,026,766 | 2,191,384 | 4,394,827 |
| CULTURE, RECREATION, AND TOURISM | 67,201 | 70,084 | 75,751 | 83,803 |
| TRANSPORTATION AND DEVELOPMENT | 433,428 | 422,252 | 432,151 | 461,917 |
| PUBLIC SAFETY | 898,418 | 879,925 | 832,434 | 312,080 |
| HEALTH AND WELFARE | 13,431,804 | 10,934,259 | 10,765,058 | 10,174,503 |
| CORRECTIONS | 627,210 | 628,518 | 643,885 | 597,220 |
| YOUTH DEVELOPMENT | 86,201 | 83,530 | 82,701 | 103,472 |
| CONSERVATION AND ENVIRONMENT | 266,212 | 289,977 | 274,273 | 240,356 |
| EDUCATION | 794,447 | 953,550 | 1,000,636 | 6,128,360 |
| AGRICULTURE & FORESTRY* | 42,802 | 49,323 | 53,338 | -- |
| ECONOMIC DEVELOPMENT* | 82,898 | 75,849 | 83,776 | -- |
| MILITARY & VETERANS AFFAIRS* | 132,166 | 126,860 | 120,152 | -- |
| WORKFORCE SUPPORT & TRAINING* | 191,460 | 192,828 | 193,700 | -- |
| OTHER | -- | -- | -- | 55 |
| INTERGOVERNMENTAL | 7,438,801 | 6,046,293 | 6,372,891 | 586,420 |
| CAPITAL OUTLAY | 1,741,572 | 1,985,318 | 2,092,773 | 1,596,212 |
| DEBT SERVICE: | | | | |
| PRINCIPAL | 381,991 | 531,969 | 283,013 | 1,188,276 |
| INTEREST | 314,769 | 306,394 | 311,514 | 324,349 |
| ISSUANCE COSTS & OTHER CHARGES | 5,487 | 5,916 | 21,325 | 41,271 |
| TOTAL EXPENDITURES | 28,828,173 | 25,609,611 | 25,830,755 | 26,233,121 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 106,961 | (1,660,172) | (1,651,390) | (1,670,426) |
| OTHER FINANCING SOURCES (USES) | | | | |
| TRANSFERS IN | 15,587,527 | 14,741,282 | 14,637,229 | 14,839,157 |
| TRANSFERS OUT | (15,712,228) | (14,894,793) | (14,784,679) | (14,929,078) |
| LONG-TERM DEBT ISSUED | 349,150 | 537,382 | 535,648 | 821,190 |
| PREMIUM ON LONG-TERM DEBT ISSUED | 41,722 | 8,245 | 69,868 | 72,385 |
| REFUNDING BONDS ISSUED | 415,080 | 368,585 | 1,082,590 | 841,145 |
| PREMIUM ON REFUNDING BONDS ISSUED | 39,776 | 63,865 | 141,275 | 45,135 |
| PAYMENTS TO REFUNDED BOND ESCROW AGENT | (454,625) | (431,712) | (1,223,400) | -- |
| SALES OF GENERAL CAPITAL ASSETS | 1,216 | 1,025 | 1,324 | -- |
| INSURANCE RECOVERIES | 12,348 | 8,999 | -- | 24,898 |
| OTHER | -- | -- | -- | -- |
| TOTAL OTHER FINANCING SOURCES | 279,966 | 402,878 | 459,855 | 1,714,832 |
| EXTRAORDINARY ITEM | -- | 200,000 | -- | -- |
| NET CHANGE IN FUND BALANCES | \$ 386,927 | \$ (1,057,294) | \$ (1,191,535) | \$ 44,406 |
| DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES | 2.6% | 3.6% | 2.6% | 2.5% |

* New functions for 2015 formerly General Government

Source: Office of Statewide Reporting and Accounting Policy

State of Louisiana

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|----|-------------------|-------------------|-------------------|--------------------|--------------------|-------------------|
| \$ | 11,543,881 | \$ 12,930,021 | \$ 13,823,449 | \$ 13,469,624 | \$ 14,053,062 | \$ 14,192,359 |
| | 8,152,282 | 7,927,305 | 7,668,449 | 7,462,892 | 8,936,444 | 9,575,194 |
| | 210,625 | 141,240 | 138,518 | 146,841 | 175,503 | 160,626 |
| | 838,500 | 831,227 | 810,424 | 671,527 | 719,530 | 746,993 |
| | 683,994 | 844,927 | 925,682 | 1,007,980 | 1,163,356 | 1,516,763 |
| | 886,465 | 911,723 | 775,640 | 633,600 | 637,350 | 629,226 |
| | 876,564 | 948,106 | 916,938 | 933,549 | 1,073,318 | 1,067,478 |
| | -- | -- | -- | -- | -- | -- |
| | 87,519 | 13,996 | 258,631 | -- | -- | -- |
| | -- | -- | -- | -- | -- | -- |
| | 688,113 | 265,458 | 308,458 | 706,121 | 547,335 | 542,653 |
| | <u>23,967,943</u> | <u>24,814,003</u> | <u>25,626,189</u> | <u>25,032,134</u> | <u>27,305,898</u> | <u>28,431,292</u> |
| | 4,065,713 | 4,827,035 | 5,764,484 | 4,911,766 | 6,435,832 | 8,172,304 |
| | 86,857 | 91,934 | 82,009 | 71,088 | 97,709 | 129,615 |
| | 438,779 | 455,333 | 428,301 | 424,007 | 438,634 | 433,359 |
| | 312,227 | 308,651 | 306,984 | 296,083 | 305,054 | 290,245 |
| | 10,006,567 | 9,884,320 | 9,671,602 | 9,497,394 | 9,372,783 | 8,330,132 |
| | 627,148 | 601,057 | 620,948 | 612,723 | 666,542 | 606,876 |
| | 98,823 | 110,992 | 125,651 | 138,506 | 154,821 | 155,475 |
| | 275,245 | 247,954 | 259,065 | 463,913 | 368,850 | 324,512 |
| | 6,334,414 | 6,312,152 | 6,293,778 | 6,319,886 | 6,713,924 | 6,587,432 |
| | -- | -- | -- | -- | -- | -- |
| | -- | -- | -- | -- | -- | -- |
| | -- | -- | -- | -- | -- | -- |
| | 20,884 | 15,840 | 70,541 | 273,669 | 263,915 | 296,703 |
| | 515,763 | 505,680 | 488,336 | 491,143 | 584,944 | 674,639 |
| | 1,843,811 | 2,000,974 | 2,502,456 | 2,384,130 | 2,941,236 | 2,254,867 |
| | 329,643 | 281,575 | 273,765 | 268,705 | 266,108 | 233,460 |
| | 315,377 | 317,271 | 304,065 | 299,609 | 305,184 | 297,543 |
| | -- | -- | -- | -- | -- | -- |
| | <u>25,271,251</u> | <u>25,960,768</u> | <u>27,191,985</u> | <u>26,452,622</u> | <u>28,915,536</u> | <u>28,787,162</u> |
| | (1,303,308) | (1,146,765) | (1,565,796) | (1,420,488) | (1,609,638) | (355,870) |
| | 14,021,497 | 13,395,676 | 13,135,572 | 17,218,705 | 18,247,948 | 20,460,820 |
| | (14,121,707) | (13,318,829) | (13,133,963) | (17,077,090) | (18,105,772) | (20,328,601) |
| | 385,400 | 1,814,570 | 1,169,445 | 399,019 | 424,026 | 74,129 |
| | 58,825 | 253,845 | 115,999 | -- | -- | -- |
| | 633,980 | -- | -- | -- | -- | -- |
| | -- | -- | -- | -- | -- | -- |
| | (645,040) | (1,596,172) | (528,128) | (125,997) | -- | (71,593) |
| | -- | -- | -- | -- | -- | -- |
| | 221,489 | -- | -- | -- | -- | -- |
| | -- | -- | -- | -- | 3,585 | 11,081 |
| | <u>554,444</u> | <u>549,090</u> | <u>758,925</u> | <u>414,637</u> | <u>569,787</u> | <u>145,836</u> |
| | -- | -- | -- | -- | -- | -- |
| \$ | <u>(748,864)</u> | <u>(597,675)</u> | <u>(806,871)</u> | <u>(1,005,851)</u> | <u>(1,039,851)</u> | <u>(210,034)</u> |
| | 2.8% | 2.5% | 2.4% | 2.5% | 2.3% | 2.1% |

State of Louisiana

INDIVIDUAL INCOME TAX

(by adjusted gross income bracket)

LAST TEN FISCAL YEARS

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

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

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

| ADJUSTED GROSS INCOME CLASS | FISCAL YEAR 2013 | | | |
|-----------------------------|-------------------|------------------|------------------|------------------|
| | NUMBER OF RETURNS | PERCENT OF TOTAL | TAX LIABILITY | PERCENT OF TOTAL |
| LESS THAN \$0 | 7,843 | 0.38% | \$ 496,698 | 0.02% |
| \$0 | 72,786 | 3.51% | 520,046 | 0.02% |
| \$1 - 25,000 | 762,108 | 36.71% | 109,414,235 | 4.19% |
| \$25,001 - 50,000 | 482,484 | 23.24% | 326,181,219 | 12.49% |
| \$50,001 - 75,000 | 272,110 | 13.11% | 340,680,470 | 13.05% |
| \$75,001 - 100,000 | 173,014 | 8.33% | 324,573,105 | 12.43% |
| \$100,001 - 200,000 | 223,791 | 10.78% | 690,480,649 | 26.45% |
| GREATER THAN \$200,000 | 81,757 | 3.94% | 818,468,588 | 31.35% |
| TOTALS | 2,075,893 | 100.00% | \$ 2,610,815,010 | 100.00% |

Source: Louisiana Department of Revenue and Taxation

State of Louisiana

FISCAL YEAR 2012

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

FISCAL YEAR 2011

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

FISCAL YEAR 2010

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

FISCAL YEAR 2009

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

State of Louisiana

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

| FISCAL YEAR 2007 | | | | |
|------------------------------------|--------------------------|-------------------------|-------------------------|-------------------------|
| <u>ADJUSTED GROSS INCOME CLASS</u> | <u>NUMBER OF RETURNS</u> | <u>PERCENT OF TOTAL</u> | <u>TAX LIABILITY</u> | <u>PERCENT OF TOTAL</u> |
| LESS THAN \$0 | 8,489 | 0.44% | \$ 156,734 | 0.01% |
| \$0 | 91,391 | 4.73% | 866,990 | 0.03% |
| \$1 - 25,000 | 785,245 | 40.67% | 110,039,043 | 4.16% |
| \$25,001 - 50,000 | 445,197 | 23.06% | 355,021,171 | 13.42% |
| \$50,001 - 75,000 | 247,248 | 12.80% | 394,310,036 | 14.90% |
| \$75,001 - 100,000 | 147,899 | 7.66% | 375,040,772 | 14.17% |
| GREATER THAN \$100,000 | 205,478 | 10.64% | 1,410,540,689 | 53.31% |
| TOTALS | <u>1,930,947</u> | <u>100.00%</u> | <u>\$ 2,645,975,435</u> | <u>100.00%</u> |

State of Louisiana

PERSONAL INCOME - EARNINGS BY MAJOR INDUSTRY LAST TEN CALENDAR YEARS

(EXPRESSED IN THOUSANDS)

| | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| PRIVATE EARNINGS: | | | | | |
| HEALTH CARE AND SOCIAL ASSISTANCE | \$ 16,862,968 | \$ 15,715,551 | \$ 15,050,009 | \$ 14,207,471 | \$ 13,837,762 |
| PROFESSIONAL, SCIENTIFIC, AND TECHNICAL | 10,053,953 | 10,139,344 | 9,859,591 | 9,378,961 | 8,925,518 |
| MINING | 9,215,144 | 8,071,426 | 8,234,447 | 7,757,339 | 7,882,683 |
| CONSTRUCTION | 12,785,829 | 13,290,199 | 13,237,980 | 11,833,726 | 10,995,566 |
| RETAIL TRADE | 9,268,112 | 9,055,372 | 8,814,700 | 8,576,112 | 8,244,257 |
| TRANSPORTATION AND WAREHOUSING | 6,251,606 | 7,473,896 | 7,349,838 | 6,912,864 | 6,359,258 |
| MANUFACTURING - DURABLE GOODS | 5,165,986 | 5,670,417 | 5,925,487 | 5,559,024 | 5,438,151 |
| MANUFACTURING - NONDURABLE GOODS | 7,993,534 | 8,058,119 | 7,678,061 | 7,351,905 | 7,528,374 |
| WHOLESALE TRADE | 6,045,026 | 6,026,901 | 6,069,106 | 5,849,153 | 5,666,896 |
| FARM | 763,631 | 929,160 | 1,373,639 | 1,673,965 | 1,575,546 |
| FINANCE AND INSURANCE | 5,425,402 | 5,259,144 | 5,319,813 | 5,093,069 | 4,714,445 |
| OTHER SERVICES | 28,203,521 | 29,650,736 | 28,402,242 | 27,287,269 | 25,601,221 |
| GOVERNMENT AND GOVERNMENT ENTERPRISES: | | | | | |
| FEDERAL, CIVILIAN | 3,085,766 | 3,031,110 | 2,878,289 | 2,869,756 | 2,912,019 |
| MILITARY | 2,149,151 | 2,129,276 | 2,275,155 | 2,356,097 | 2,426,059 |
| STATE AND LOCAL | 17,668,004 | 17,717,917 | 17,443,316 | 18,060,939 | 18,623,299 |
| TOTAL PERSONAL INCOME - EARNINGS BY MAJOR INDUSTRY | \$ 140,937,633 | \$ 142,218,568 | \$ 139,911,673 | \$ 134,767,650 | \$ 130,731,054 |

| | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| PRIVATE EARNINGS: | | | | | |
| HEALTH CARE AND SOCIAL ASSISTANCE | \$ 13,699,150 | \$ 13,029,493 | \$ 12,247,791 | \$ 11,635,605 | \$ 10,858,334 |
| PROFESSIONAL, SCIENTIFIC, AND TECHNICAL | 8,730,072 | 8,339,346 | 8,156,865 | 8,312,362 | 7,486,155 |
| MINING | 6,124,611 | 5,096,485 | 7,222,814 | 8,119,855 | 5,787,667 |
| CONSTRUCTION | 10,191,916 | 9,561,405 | 9,552,079 | 9,993,692 | 9,508,852 |
| RETAIL TRADE | 8,087,269 | 7,770,214 | 7,326,500 | 7,535,722 | 7,744,462 |
| TRANSPORTATION AND WAREHOUSING | 6,559,286 | 6,016,411 | 5,625,326 | 5,920,279 | 5,550,298 |
| MANUFACTURING - DURABLE GOODS | 5,257,344 | 4,825,233 | 4,996,495 | 5,468,365 | 5,408,224 |
| MANUFACTURING - NONDURABLE GOODS | 7,380,719 | 6,758,768 | 6,501,021 | 6,494,728 | 6,054,758 |
| WHOLESALE TRADE | 5,479,840 | 5,157,434 | 5,065,263 | 5,318,695 | 5,154,869 |
| FARM | 953,157 | 836,006 | 833,800 | 786,867 | 828,479 |
| FINANCE AND INSURANCE | 4,981,990 | 4,557,147 | 4,294,107 | 4,399,740 | 4,402,229 |
| OTHER SERVICES | 24,239,200 | 23,239,428 | 22,324,192 | 22,951,905 | 21,884,804 |
| GOVERNMENT AND GOVERNMENT ENTERPRISES: | | | | | |
| FEDERAL, CIVILIAN | 3,199,357 | 3,208,297 | 3,139,003 | 3,055,825 | 2,910,690 |
| MILITARY | 3,187,955 | 3,093,552 | 2,733,951 | 2,553,824 | 2,346,169 |
| STATE AND LOCAL | 17,587,770 | 18,095,539 | 17,656,744 | 17,068,069 | 15,547,958 |
| TOTAL PERSONAL INCOME - EARNINGS BY MAJOR INDUSTRY | \$ 125,659,636 | \$ 119,584,758 | \$ 117,675,951 | \$ 119,615,533 | \$ 111,473,948 |

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

State of Louisiana

TAX RATE BY MAJOR SOURCES OF REVENUE

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

State of Louisiana

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

State of Louisiana

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

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

GOVERNMENTAL ACTIVITIES

| FISCAL YEAR | GENERAL OBLIGATION BONDS (1) | TOTAL GENERAL OBLIGATION PER CAPITA ** | TIMED AND STATE HIGHWAY IMPROVEMENT BONDS | TOBACCO SETTLEMENT FINANCING CORPORATION | OTHER (2) |
|-------------|------------------------------|--|---|--|------------|
| 2017 | \$ 4,831,735 | \$ * | \$ 5,133,638 | \$ 823,011 | \$ 447,609 |
| 2016 | 4,610,809 | 985 | 5,274,066 | 928,140 | 512,040 |
| 2015 | 4,672,593 | 1,001 | 5,439,029 | 1,065,093 | 441,436 |
| 2014 | 4,223,157 | 908 | 5,736,939 | 1,101,290 | 487,092 |
| 2013 | 3,838,301 | 830 | 5,554,414 | 1,837,083 | 689,595 |
| 2012 | 3,689,767 | 802 | 5,634,181 | 2,049,027 | 719,959 |
| 2011 | 3,449,859 | 754 | 5,884,637 | 2,178,345 | 787,416 |
| 2010 | 3,667,101 | 807 | 5,138,234 | 1,173,903 | 863,655 |
| 2009 | 3,691,879 | 822 | 4,958,754 | 1,264,174 | 945,415 |
| 2008 | 3,563,209 | 808 | 4,060,540 | 1,373,742 | 567,074 |

BUSINESS-TYPE ACTIVITIES

| FISCAL YEAR | OTHER (3) | LOUISIANA TRANSPORTATION AUTHORITY | TOTAL PRIMARY GOVERNMENT | PERCENTAGE OF PERSONAL INCOME | TOTAL DEBT PER CAPITA** (4) |
|-------------|------------|------------------------------------|--------------------------|-------------------------------|-----------------------------|
| 2017 | \$ 621,930 | \$ 263,153 | \$ 12,121,076 | * \$ | * |
| 2016 | 670,412 | 269,278 | 12,264,745 | 8.70 % | 2,620 |
| 2015 | 710,051 | 275,234 | 12,603,436 | 8.86 | 2,699 |
| 2014 | 477,428 | 281,439 | 12,307,345 | 8.80 | 2,647 |
| 2013 | 509,462 | 325,344 | 12,754,199 | 9.46 | 2,758 |
| 2012 | -- | 328,604 | 12,421,538 | 9.50 | 2,699 |
| 2011 | -- | 330,758 | 12,631,015 | 10.05 | 2,761 |
| 2010 | -- | 335,609 | 11,178,502 | 9.35 | 2,460 |
| 2009 | -- | 251,041 | 11,111,263 | 9.44 | 2,474 |
| 2008 | -- | 257,665 | 9,822,230 | 8.21 | 2,227 |

(1) General Obligation Bonds less Reimbursable Contracts

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

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

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

* Information not yet available

** Expressed in whole dollars



State of Louisiana

LEGAL DEBT MARGIN AND DEBT LIMITATIONS LAST TEN FISCAL YEARS

(EXPRESSED IN THOUSANDS)

| | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|----------------------|----------------------|----------------------|
| LEGAL DEBT MARGIN | | | |
| BOND AUTHORIZATION LIMITATION | \$ 26,095,025 | \$ 25,523,769 | \$ 25,110,650 |
| TOTAL NET DEBT APPLICABLE TO LIMITATION | <u>3,326,290</u> | <u>3,225,275</u> | <u>3,129,840</u> |
| LEGAL DEBT MARGIN | <u>\$ 22,768,735</u> | <u>\$ 22,298,494</u> | <u>\$ 21,980,810</u> |
| TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT | 12.75% | 12.64% | 12.46% |
| LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2017 | | | |
| BSRF REVENUES (3 YEARS) | \$ 39,142,538 | | |
| DEBT LIMIT CALCULATION (Revenues divided by 3 times 2) | 26,095,025 | | |
| DEBT APPLICABLE TO LIMIT: | | | |
| GENERAL OBLIGATION BONDS | <u>3,326,290</u> | | |
| LEGAL DEBT MARGIN | <u>\$ 22,768,735</u> | | |
| TAX-SUPPORTED DEBT LIMITATION | | | |
| ESTIMATED GENERAL FUND AND DEDICATED FUND REVENUE PER REVENUE ESTIMATING | \$ 11,795,800 | \$ 11,265,700 | \$ 10,523,400 |
| PERCENTAGE ESTABLISHED PER LRS 39:1367 | <u>6.00%</u> | <u>6.00%</u> | <u>6.00%</u> |
| NET STATE TAX-SUPPORTED DEBT LIMIT | <u>707,748</u> | <u>675,942</u> | <u>631,404</u> |
| TOTAL NET STATE TAX-SUPPORTED DEBT PAID | <u>\$ 637,090</u> | <u>\$ 470,575</u> | <u>\$ 607,318</u> |
| PERCENTAGE OF ESTIMATED GENERAL FUND AND DEDICATED FUND REVENUES PER REVENUE ESTIMATING | 5.40% | 4.18% | 5.77% |
| GENERAL OBLIGATION DEBT LIMITATION | | | |
| THREE YEAR AVERAGE BOND SECURITY REVENUES | \$ 13,047,513 | \$ 12,761,884 | \$ 12,555,325 |
| PERCENTAGE DEBT LIMITATION | <u>10.00%</u> | <u>10.00%</u> | <u>10.00%</u> |
| GENERAL OBLIGATION DEBT LIMITATION | <u>1,304,751</u> | <u>1,276,188</u> | <u>1,255,533</u> |
| HIGHEST CURRENT OR FUTURE ANNUAL GENERAL OBLIGATION DEBT SERVICE REQUIREMENT | <u>\$ 356,113</u> | <u>\$ 583,994</u> | <u>\$ 360,575</u> |
| PERCENTAGE OF THE GENERAL OBLIGATION DEBT SERVICE REQUIREMENT | 27.29% | 45.76% | 28.72% |

State of Louisiana

| <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 24,492,802 | \$ 23,292,744 | \$ 22,551,477 | \$ 23,423,522 | \$ 25,194,775 | \$ 26,856,498 | \$ 26,233,962 |
| <u>2,817,410</u> | <u>2,524,325</u> | <u>2,543,225</u> | <u>2,205,655</u> | <u>2,099,285</u> | <u>2,076,570</u> | <u>2,233,980</u> |
| <u>\$ 21,675,392</u> | <u>\$ 20,768,419</u> | <u>\$ 20,008,252</u> | <u>\$ 21,217,867</u> | <u>\$ 23,095,490</u> | <u>\$ 24,779,928</u> | <u>\$ 23,999,982</u> |
| 11.50% | 10.80% | 11.28% | 9.42% | 8.33% | 7.73% | 8.52% |
| | | | | | | |
| \$ 10,314,000 | \$ 9,852,700 | \$ 9,926,000 | \$ 9,486,200 | \$ 9,868,300 | \$ 11,144,900 | \$ 10,470,000 |
| <u>6.00%</u> | <u>6.00%</u> | <u>6.00%</u> | <u>6.00%</u> | <u>6.00%</u> | <u>6.00%</u> | <u>6.00%</u> |
| <u>618,840</u> | <u>591,162</u> | <u>595,560</u> | <u>569,172</u> | <u>592,098</u> | <u>668,694</u> | <u>628,200</u> |
| <u>\$ 594,468</u> | <u>\$ 566,762</u> | <u>\$ 518,024</u> | <u>\$ 509,161</u> | <u>\$ 483,010</u> | <u>\$ 421,408</u> | <u>\$ 425,828</u> |
| 5.76% | 5.75% | 5.22% | 5.37% | 4.89% | 3.78% | 4.07% |
| | | | | | | |
| \$ 12,246,401 | \$ 11,646,372 | \$ 11,275,738 | \$ 11,711,761 | \$ 12,597,387 | \$ 13,428,249 | \$ 13,116,981 |
| <u>10.00%</u> | <u>10.00%</u> | <u>10.00%</u> | <u>10.00%</u> | <u>10.00%</u> | <u>10.00%</u> | <u>10.00%</u> |
| <u>1,224,640</u> | <u>1,164,637</u> | <u>1,127,574</u> | <u>1,171,176</u> | <u>1,259,739</u> | <u>1,342,825</u> | <u>1,311,698</u> |
| <u>\$ 332,153</u> | <u>\$ 316,019</u> | <u>\$ 298,833</u> | <u>\$ 281,732</u> | <u>\$ 322,987</u> | <u>\$ 265,315</u> | <u>\$ 265,766</u> |
| 27.12% | 27.10% | 26.50% | 24.06% | 25.64% | 19.76% | 20.26% |

State of Louisiana

PLEGGED REVENUE BOND COVERAGE LAST TEN FISCAL YEARS

(EXPRESSED IN THOUSANDS EXCEPT COVERAGE RATIO)

| | FISCAL YEAR ENDED JUNE 30 | GROSS REVENUE | DIRECT OPERATING EXPENSES | AVAILABLE FOR DEBT SERVICE | PRINCIPAL | INTEREST | ANNUAL DEBT SERVICE | COVERAGE RATIO |
|--|------------------------------------|------------------|---------------------------------|----------------------------------|-----------|------------|---------------------------|-------------------|
| Louisiana Agricultural Finance Authority * | 2017 | \$ 4,035 | \$ 3,024 | \$ 1,011 | \$ 13,805 | \$ 784 | \$ 14,589 | 0.07 |
| | 2016 | 13,985 | 3,442 | 10,543 | 8,285 | 1,216 | 9,501 | 1.11 |
| | 2015 | 13,745 | 4,159 | 9,586 | 8,105 | 1,626 | 9,731 | 0.99 |
| | 2014 | 13,904 | 4,616 | 9,288 | 7,785 | 1,927 | 9,712 | 0.96 |
| | 2013 | 21,402 | 4,889 | 16,513 | 13,577 | 3,712 | 17,289 | (4.58) |
| | 2012 | 15,437 | 69,006 | (53,569) | 9,197 | 2,507 | 11,704 | 0.92 |
| | 2011 | 16,282 | 5,186 | 11,096 | 9,082 | 3,034 | 12,116 | 1.30 |
| | 2010 | 12,284 | 5,106 | 7,178 | 2,222 | 3,300 | 5,522 | 0.28 |
| | 2009 | 14,764 | 6,980 | 7,784 | 17,222 | 10,976 | 28,198 | 0.61 |
| | 2008 | 10,563 | 7,529 | 3,034 | 300 | 4,684 | 4,984 | (2.40) |
| Louisiana Transportation Authority | 2017 | \$ 4,327 | \$ 23 | \$ 4,304 | \$ 735 | \$ 5,391 | \$ 6,126 | 0.70 |
| | 2016 | 5,281 | 22 | 5,259 | 545 | 5,411 | 5,956 | 0.88 |
| | 2015 | 6,135 | 22 | 6,113 | 170 | 6,035 | 6,205 | 0.99 |
| | 2014 | 5,816 | 2 | 5,814 | -- | 14,815 | 14,815 | 0.39 |
| | 2013 | 3,637 | 2 | 3,635 | -- | 5,530 | 5,530 | 0.66 |
| | 2012 | 3,803 | 12 | 3,791 | -- | 3,708 | 3,708 | 1.02 |
| | 2011 | 4,562 | 13 | 4,549 | 645 | 6,315 | 6,960 | 0.65 |
| | 2010 | 2,853 | 23 | 2,830 | -- | 13,632 | 13,632 | 0.21 |
| | 2009 | -- | 12 | (12) | -- | 6,624 | 6,624 | 0.00 |
| | 2008 | 3,181 | 21 | 3,160 | -- | 3,382 | 3,382 | 0.93 |
| Tobacco Settlement Financing Corporation | 2017 | \$ 85,123 | \$ 119 | \$ 85,004 | \$ 56,455 | \$ 30,268 | \$ 86,723 | 0.98 |
| | 2016 | 82,738 | 108 | 82,630 | 75,870 | 33,851 | 109,721 | 0.75 |
| | 2015 | 83,603 | 140 | 83,463 | -- | 32,796 | 32,796 | 2.54 |
| | 2014 | 85,008 | 3,256 | 81,752 | -- | 36,416 | 36,416 | 2.24 |
| | 2013 | 129,785 | 172 | 129,613 | 84,800 | 47,856 | 132,656 | 0.98 |
| | 2012 | 89,598 | 89 | 89,509 | 39,835 | 50,047 | 89,882 | 1.00 |
| | 2011 | 87,258 | 100 | 87,158 | 36,110 | 52,033 | 88,143 | 0.99 |
| | 2010 | 92,281 | 111 | 92,170 | 38,960 | 51,311 | 90,271 | 1.02 |
| | 2009 | 109,983 | 127 | 109,856 | 53,675 | 57,746 | 111,421 | 0.99 |
| | 2008 | 101,936 | 235 | 101,701 | 43,540 | 58,837 | 102,377 | 0.99 |
| State Highway Improvement Bonds | 2017 | \$ 58,255 | \$ -- | \$ 58,255 | \$ 9,755 | \$ 13,240 | \$ 22,995 | 2.53 |
| | 2016 | 58,412 | -- | 58,412 | 9,320 | 13,676 | 22,996 | 2.54 |
| | 2015 | 53,070 | -- | 53,070 | 6,225 | 16,771 | 22,996 | 2.31 |
| | 2014 | 52,645 | -- | 52,645 | 1,950 | 4,932 | 6,882 | 7.65 |
| | 2013 | -- | -- | -- | -- | -- | -- | -- |
| | 2012 | -- | -- | -- | -- | -- | -- | -- |
| | 2011 | -- | -- | -- | -- | -- | -- | -- |
| | 2010 | -- | -- | -- | -- | -- | -- | -- |
| | 2009 | -- | -- | -- | -- | -- | -- | -- |
| | 2008 | -- | -- | -- | -- | -- | -- | -- |
| Transportation Infrastructure Model for Economic Development | 2017 | \$ 634,884 | \$ 224 | \$ 634,660 | \$ 23,705 | \$ 116,239 | \$ 139,944 | 4.54 |
| | 2016 | 622,234 | 300 | 621,934 | 21,450 | 123,580 | 145,030 | 4.29 |
| | 2015 | 606,410 | 11,845 | 594,565 | 18,875 | 123,401 | 142,276 | 4.18 |
| | 2014 | 588,830 | 15,970 | 572,860 | 17,375 | 112,246 | 129,621 | 4.42 |
| | 2013 | 582,760 | 473 | 582,287 | 14,430 | 140,054 | 154,484 | 3.77 |
| | 2012 | 530,700 | 4,160 | 526,540 | 8,270 | 118,569 | 126,839 | 4.15 |
| | 2011 | 488,520 | 15 | 488,505 | 6,090 | 113,266 | 119,356 | 4.09 |
| | 2010 | 489,235 | 20 | 489,215 | 5,880 | 100,788 | 106,668 | 4.59 |
| | 2009 | 498,625 | 20 | 498,605 | 5,685 | 92,634 | 98,319 | 5.07 |
| | 2008 | 484,560 | 278 | 484,282 | 5,415 | 92,137 | 97,552 | 4.96 |

State of Louisiana

| | FISCAL YEAR ENDED JUNE 30 | GROSS REVENUE | DIRECT OPERATING EXPENSES | AVAILABLE FOR DEBT SERVICE | PRINCIPAL | INTEREST | ANNUAL DEBT SERVICE | COVERAGE RATIO |
|--|------------------------------------|------------------|---------------------------------|----------------------------------|-----------|----------|---------------------------|-------------------|
| LPFA-Department of Public Safety | 2017 | \$ 17,238 | \$ -- | \$ 17,238 | \$ 5,440 | \$ 1,314 | \$ 6,754 | 2.55 |
| | 2016 | 17,134 | -- | 17,134 | 5,185 | 1,579 | 6,764 | 2.53 |
| | 2015 | 15,099 | -- | 15,099 | 4,930 | 1,832 | 6,762 | 2.23 |
| | 2014 | 14,931 | -- | 14,931 | 4,705 | 1,073 | 5,778 | 2.58 |
| | 2013 | 18,973 | -- | 18,973 | 4,480 | 2,303 | 6,783 | 2.80 |
| | 2012 | 16,589 | -- | 16,589 | 4,265 | 2,521 | 6,786 | 2.44 |
| | 2011 | 13,410 | -- | 13,410 | 4,065 | 2,730 | 6,795 | 1.97 |
| | 2010 | 13,555 | -- | 13,555 | 3,870 | 2,928 | 6,798 | 1.99 |
| | 2009 | 13,205 | -- | 13,205 | 2,400 | 3,085 | 5,485 | 2.41 |
| | 2008 | 13,680 | -- | 13,680 | -- | 1,040 | 1,040 | 13.15 |
| Unclaimed Property Special Revenue Bonds | 2017 | \$ 40,991 | \$ -- | \$ 40,991 | \$ 6,150 | \$ 8,729 | \$ 14,879 | 2.75 |
| | 2016 | 43,021 | -- | 43,021 | 3,825 | 7,085 | 10,910 | 3.94 |
| | 2015 | 15,000 | -- | 15,000 | -- | 5,358 | 5,358 | 2.80 |
| | 2014 | 15,000 | -- | 15,000 | -- | 3,691 | 3,691 | 4.06 |
| | 2013 | -- | -- | -- | -- | -- | -- | -- |
| | 2012 | -- | -- | -- | -- | -- | -- | -- |
| | 2011 | -- | -- | -- | -- | -- | -- | -- |
| | 2010 | -- | -- | -- | -- | -- | -- | -- |
| | 2009 | -- | -- | -- | -- | -- | -- | -- |
| | 2008 | -- | -- | -- | -- | -- | -- | -- |

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

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

Source: Office of Statewide Reporting and Accounting Policy

State of Louisiana

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

| YEAR | POPULATION | PERSONAL INCOME | PER CAPITA PERSONAL INCOME | MEDIAN AGE |
|------|------------|-----------------|----------------------------|------------|
| | (A)(B)(1) | (A)(1) | (C)(1) | (2) |
| 2016 | 4,682 | \$ 198,025,102 | \$ 42,298 | 37.9 |
| 2015 | 4,670 | 200,594,438 | 42,947 | 36.4 |
| 2014 | 4,650 | 195,426,167 | 42,030 | 36.3 |
| 2013 | 4,625 | 190,589,832 | 41,204 | 36.1 |
| 2012 | 4,602 | 184,340,179 | 40,057 | 35.9 |
| 2011 | 4,575 | 176,356,255 | 38,549 | 35.9 |
| 2010 | 4,544 | 168,230,509 | 37,021 | 35.8 |
| 2009 | 4,492 | 168,544,450 | 37,520 | 35.4 |
| 2008 | 4,411 | 160,658,930 | 36,424 | 35.6 |
| 2007 | 4,293 | 153,569,577 | 35,770 | 35.6 |

| YEAR | CIVILIAN LABOR FORCE | LOUISIANA UNEMPLOYMENT RATE | U.S. UNEMPLOYMENT RATE |
|------|----------------------|-----------------------------|------------------------|
| | (A)(3) | (3) | (3) |
| 2016 | 2,120 | 6.1% | 4.9% |
| 2015 | 2,159 | 6.3 | 5.3 |
| 2014 | 2,154 | 6.4 | 6.2 |
| 2013 | 2,099 | 6.2 | 7.4 |
| 2012 | 2,084 | 6.4 | 8.1 |
| 2011 | 2,060 | 7.3 | 8.9 |
| 2010 | 2,082 | 7.5 | 9.6 |
| 2009 | 2,068 | 6.8 | 9.3 |
| 2008 | 2,079 | 4.6 | 5.8 |
| 2007 | 1,998 | 3.8 | 4.6 |

(A) Expressed in thousands

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

(C) Expressed in dollars

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

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

| 2017 EMPLOYERS | RANGE |
|--|---------------|
| STATE OF LOUISIANA (1) | 40,000+ |
| OCHSNER HEALTH SYSTEM | 19,000+ |
| LOUISIANA STATE UNIVERSITY SYSTEM (2) | 15,000+ |
| UNIVERSITY OF LOUISIANA SYSTEM (2) | 8,000+ |
| OUR LADY OF THE LAKE MEDICAL CENTER | 5,000 - 9,999 |
| INGALLS SHIPBUILDING | 5,000 - 9,999 |
| HILTON-NEW ORLEANS RIVERSIDE | 5,000 - 9,999 |
| LAFAYETTE GENERAL HEALTH | 5,000 - 9,999 |
| TULANE UNIVERSITY | 5,000 - 9,999 |
| WILLIS KNIGHTON MEDICAL CENTER | 5,000 - 9,999 |
| LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM (1) | 5,000 - 9,999 |
| SOUTHERN UNIVERSITY SYSTEM (2) | 1,000 - 4,999 |
| U.S. POST OFFICE | 1,000 - 4,999 |
| PARISH OF JEFFERSON | 1,000 - 4,999 |
| ACADIAN AMBULANCE | 1,000 - 4,999 |

2008 EMPLOYERS *

| | |
|--|-------------|
| STATE OF LOUISIANA (1) | 50,000+ |
| LOUISIANA STATE UNIVERSITY SYSTEM (2) | 25,000+ |
| BARKSDALE AIR FORCE BASE | 10,000+ |
| UNIVERSITY OF LOUISIANA SYSTEM (2) | 5,000-9,999 |
| NORTHROP GRUMMAN SHIP SYSTEMS | 5,000-9,999 |
| OCHSNER HEALTH SYSTEM | 5,000-9,999 |
| TULANE UNIVERSITY | 5,000-9,999 |
| HARRAH'S ENTERTAINMENT | 5,000-9,999 |
| LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM (2) | 5,000-9,999 |
| WILLIS KNIGHTON HEALTH SYSTEM | 1,000-4,999 |
| U.S. POST OFFICE | 1,000-4,999 |
| JCC HOLDING COMPANY II LLC | 1,000-4,999 |
| ACADIANA SHARPENING SERVICE | 1,000-4,999 |
| SOUTHERN UNIVERSITY SYSTEM (2) | 1,000-4,999 |
| EAST JEFFERSON HOSPITAL | 1,000-4,999 |

* 2008 employer list is from Louisiana's Comprehensive Annual Financial Report for the year ended June 30, 2008

(1) Government - Primary

(2) Government - Component Unit

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

State of Louisiana

LOUISIANA STATE EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|----------------------------------|---------------|---------------|---------------|---------------|
| GENERAL GOVERNMENT | | | | |
| CLASSIFIED | 3,850 | 4,122 | 3,954 | 6,525 |
| UNCLASSIFIED | 1,521 | 1,529 | 1,587 | 3,283 |
| CULTURE, RECREATION, AND TOURISM | | | | |
| CLASSIFIED | 705 | 675 | 670 | 852 |
| UNCLASSIFIED | 428 | 432 | 412 | 443 |
| TRANSPORTATION AND DEVELOPMENT | | | | |
| CLASSIFIED | 4,258 | 4,237 | 4,220 | 4,235 |
| UNCLASSIFIED | 127 | 115 | 117 | 134 |
| PUBLIC SAFETY | | | | |
| CLASSIFIED | 2,568 | 2,525 | 2,522 | 2,446 |
| UNCLASSIFIED | 458 | 463 | 499 | 141 |
| HEALTH AND WELFARE | | | | |
| CLASSIFIED | 10,508 | 10,194 | 10,551 | 10,465 |
| UNCLASSIFIED | 902 | 786 | 843 | 912 |
| CORRECTIONS | | | | |
| CLASSIFIED | 4,795 | 4,833 | 4,915 | 4,827 |
| UNCLASSIFIED | 114 | 106 | 104 | 77 |
| YOUTH DEVELOPMENT | | | | |
| CLASSIFIED | 737 | 735 | 739 | 800 |
| UNCLASSIFIED | 77 | 86 | 79 | 80 |
| CONSERVATION AND ENVIRONMENT | | | | |
| CLASSIFIED | 1,946 | 1,891 | 1,951 | 1,818 |
| UNCLASSIFIED | 147 | 145 | 124 | 124 |
| EDUCATION | | | | |
| CLASSIFIED | 797 | 763 | 781 | 759 |
| UNCLASSIFIED | 666 | 648 | 815 | 1,041 |
| AGRICULTURE* | | | | |
| CLASSIFIED | 528 | 500 | 479 | -- |
| UNCLASSIFIED | 60 | 65 | 78 | -- |
| WORKFORCE DEVELOPMENT* | | | | |
| CLASSIFIED | 894 | 943 | 1,023 | -- |
| UNCLASSIFIED | 58 | 68 | 84 | -- |
| ECONOMIC DEVELOPMENT* | | | | |
| CLASSIFIED | 61 | 59 | 57 | -- |
| UNCLASSIFIED | 50 | 55 | 58 | -- |
| MILITARY AND VETERANS AFFAIRS* | | | | |
| CLASSIFIED | 888 | 820 | 793 | -- |
| UNCLASSIFIED | 783 | 826 | 855 | -- |
| COLLEGES AND UNIVERSITIES | | | | |
| CLASSIFIED | 5,625 | 5,810 | 6,135 | 6,533 |
| UNCLASSIFIED | 25,001 | 23,088 | 22,279 | 22,074 |
| OTHER | | | | |
| CLASSIFIED | 1,540 | 1,577 | 1,564 | 1,558 |
| UNCLASSIFIED | 861 | 863 | 862 | 900 |
| TOTAL | <u>70,953</u> | <u>68,959</u> | <u>69,150</u> | <u>70,027</u> |

* New Functions for 2015 formerly within General Government

Source: Louisiana Department of State Civil Service

State of Louisiana

| <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|---------------|---------------|---------------|---------------|----------------|----------------|
| 6,011 | 6,315 | 6,422 | 6,691 | 6,410 | 6,456 |
| 3,661 | 3,772 | 3,814 | 3,850 | 4,056 | 4,036 |
| 603 | 595 | 604 | 659 | 667 | 690 |
| 641 | 579 | 532 | 525 | 567 | 562 |
| 4,336 | 4,441 | 4,466 | 4,479 | 4,668 | 4,536 |
| 96 | 101 | 91 | 98 | 144 | 171 |
| 2,536 | 2,548 | 2,645 | 2,811 | 2,836 | 2,827 |
| 213 | 239 | 173 | 156 | 111 | 88 |
| 10,002 | 12,200 | 13,346 | 15,084 | 16,965 | 16,875 |
| 1,168 | 1,238 | 1,142 | 1,368 | 1,455 | 1,509 |
| 4,758 | 5,075 | 5,179 | 5,684 | 6,145 | 6,136 |
| 175 | 186 | 142 | 140 | 147 | 331 |
| 843 | 918 | 916 | 971 | 1,012 | 1,039 |
| 106 | 110 | 110 | 93 | 155 | 203 |
| 1,850 | 1,928 | 1,971 | 2,006 | 2,166 | 2,152 |
| 152 | 145 | 138 | 160 | 183 | 177 |
| 779 | 922 | 1,011 | 1,004 | 1,140 | 1,158 |
| 1,871 | 2,058 | 2,302 | 2,446 | 2,923 | 3,017 |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- | -- |
| 10,059 | 15,563 | 16,603 | 17,478 | 18,209 | 17,931 |
| 22,978 | 24,428 | 24,717 | 26,899 | 27,807 | 27,813 |
| 1,525 | 1,526 | 1,567 | 1,545 | 1,794 | 1,793 |
| 963 | 976 | 983 | 953 | 926 | 973 |
| <u>75,326</u> | <u>85,863</u> | <u>88,874</u> | <u>95,100</u> | <u>100,486</u> | <u>100,473</u> |

State of Louisiana

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN YEARS

| | 2017 | 2016 | 2015 | 2014 |
|---|-----------|-------------|-------------|-------------|
| GENERAL GOVERNMENT | | | | |
| AGRICULTURE - CROPS (in thousands) - [1] | * | \$1,780,005 | \$2,024,038 | \$2,649,907 |
| AGRICULTURE - LIVESTOCK (in thousands) - [1] | * | \$1,029,661 | \$1,273,555 | \$1,342,101 |
| AGRICULTURE - TIMBER (in thousands) - [1] | * | \$415,123 | \$463,747 | \$386,975 |
| ELECTIONS - REGISTERED VOTERS (in thousands) - [1] | * | 2,976 | 2,910 | 2,948 |
| REVENUE - TAX RETURNS FILED (in thousands) - [2] | 3,871 | 3,808 | 2,858 | 3,517 |
| REVENUE - TAX RETURNS FILED ELECTRONICALLY - [2] | 80% | 80% | 80% | 77% |
| CULTURE, RECREATION, AND TOURISM | | | | |
| STATE PARKS VISITORS (in thousands) - [2] | 1,772 | 1,994 | 1,899 | 1,747 |
| TRANSPORTATION AND DEVELOPMENT | | | | |
| NUMBER OF BRIDGES - [1] | 12,741 | 12,748 | 12,907 | 12,982 |
| PUBLIC SAFETY | | | | |
| STATE POLICE ROAD PATROL MILEAGE (in thousands) - [2] | 9,855 | 13,425 | 12,788 | 8,555 |
| HEALTH AND WELFARE | | | | |
| LDH - MEDICAID CLAIMS PROCESSED (in thousands) - [2] | 77,196 | 61,836 | 57,690 | 53,814 |
| LDH - CHILDREN IMMUNIZED - [3] | * | 95% | 96% | 94% |
| CORRECTIONS | | | | |
| AVERAGE DAILY COST PER INMATE BED - [2] | \$55.39 | \$53.74 | \$53.79 | \$50.21 |
| CONSERVATION AND ENVIRONMENT | | | | |
| WLF - FISH AND SHELLFISH (in thousands) - [1] | * | \$384,260 | \$384,519 | \$413,854 |
| WLF - ALLIGATOR AND GAME (in thousands) - [1, 6] | * | \$83,393 | \$84,381 | \$97,431 |
| WLF - HUNTER DAYS ANNUALLY (in millions) - [1] | * | 5.9 | 6.0 | 7.0 |
| WLF - LICENSED COMMERCIAL FISHERMEN - [1] | * | 13,430 | 13,929 | 13,651 |
| EDUCATION | | | | |
| GRADES K-12 (number of students) - [3] | * | 688,319 | 690,267 | 717,896 |
| AVERAGE ACT SCORE - [4] | 19.6 | 19.5 | 19.2 | 19.1 |
| START PRINCIPAL DEPOSITS (in thousands, cumulative) - [1] | * | \$75,152 | \$72,618 | \$71,619 |
| TOPS TUITION AWARDS (in thousands) - [2] | \$201,627 | \$262,489 | \$249,995 | \$244,627 |
| TOPS AWARDS RECIPIENTS (number of students) - [2] | 50,858 | 51,106 | 48,790 | 48,224 |
| COLLEGES & UNIVERSITIES (number of students) - [5] | * | 211,248 | 215,200 | 216,123 |

* Information for this year is not yet available

Sources: [1] based on calendar years

[2] based on fiscal years

[3] based on school year reported on October 1

[4] based on graduating class

[5] based on preliminary amounts reported on September 1

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

State of Louisiana

| 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$2,766,125 | \$2,962,500 | \$2,402,228 | \$1,935,528 | \$1,761,590 | \$1,984,873 |
| \$1,159,661 | \$1,165,382 | \$1,058,342 | \$977,025 | \$777,568 | \$1,049,816 |
| \$425,046 | \$337,288 | \$446,905 | \$417,493 | \$408,112 | \$471,227 |
| 2,918 | 2,920 | 2,861 | 2,941 | 2,916 | 2,945 |
| 3,577 | 3,952 | 4,332 | 4,538 | 4,663 | 4,686 |
| 74% | 61% | 48% | 53% | 48% | 45% |
| 1,967 | 2,151 | 2,242 | 2,069 | 2,079 | 1,784 |
| 12,955 | 13,095 | 13,016 | 13,166 | 13,154 | 13,157 |
| 8,958 | 11,305 | 13,055 | 13,615 | 14,373 | 10,699 |
| 56,395 | 60,498 | 64,703 | 62,618 | 57,261 | 51,089 |
| 94% | 93% | 95% | 95% | 99% | 93.3% |
| \$53.43 | \$54.82 | \$55.77 | \$55.54 | \$61.49 | \$56.25 |
| \$317,515 | \$265,092 | \$238,481 | \$188,355 | \$241,611 | \$235,494 |
| \$39,106 | \$84,738 | \$66,418 | \$38,523 | \$51,234 | \$58,882 |
| 7.0 | 5.4 | 5.8 | 5.0 | 4.9 | 4.9 |
| 13,272 | 13,629 | 14,301 | 14,396 | 12,266 | 11,207 |
| 713,110 | 707,464 | 673,968 | 666,901 | 656,696 | 629,264 |
| 20.3 | 20.3 | 20.2 | 20.1 | 20.1 | 20.3 |
| \$64,111 | \$62,913 | \$52,720 | \$50,852 | \$45,575 | \$182,970 |
| \$192,085 | \$166,886 | \$144,450 | \$129,868 | \$123,032 | \$117,146 |
| 46,263 | 44,433 | 43,782 | 42,375 | 43,203 | 42,031 |
| 216,613 | 221,831 | 225,835 | 225,198 | 220,381 | 207,760 |

State of Louisiana

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

| | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|--------|--------|--------|--------|--------|
| CULTURE, RECREATION, AND TOURISM | | | | | |
| STATE PARKS | 25 | 25 | 25 | 25 | 25 |
| STATE PARKS (ACREAGE) | 32,047 | 32,047 | 32,047 | 32,047 | 32,271 |
| STATE HISTORIC SITES | 21 | 21 | 21 | 21 | 21 |
| STATE HISTORIC SITES (ACREAGE) | 2,850 | 2,850 | 2,850 | 2,567 | 2,573 |
| TRANSPORTATION AND DEVELOPMENT | | | | | |
| STATE HIGHWAYS (MILES) | 16,679 | 16,698 | 16,699 | 16,634 | 16,606 |
| PARISH ROADS (MILES) | 32,729 | 32,729 | 32,729 | 32,735 | 32,729 |
| CITY STREETS (MILES) | 11,297 | 11,297 | 11,297 | 11,936 | 11,311 |
| BRIDGES ON STATE HIGHWAYS | 7,828 | 7,932 | 8,002 | 7,887 | 7,906 |
| BRIDGES OFF STATE HIGHWAYS | 4,761 | 4,829 | 4,905 | 4,934 | 4,999 |
| PUBLIC SAFETY | | | | | |
| TROOPS | 9 | 9 | 9 | 9 | 9 |

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|--------|--------|--------|--------|--------|
| CULTURE, RECREATION, AND TOURISM | | | | | |
| STATE PARKS | 26 | 26 | 26 | 25 | 25 |
| STATE PARKS (ACREAGE) | 34,215 | 34,639 | 34,215 | 32,428 | 32,181 |
| STATE HISTORIC SITES | 22 | 22 | 22 | 20 | 20 |
| STATE HISTORIC SITES (ACREAGE) | 2,676 | 2,676 | 2,676 | 2,557 | 2,557 |
| TRANSPORTATION AND DEVELOPMENT | | | | | |
| STATE HIGHWAYS (MILES) | 16,655 | 16,667 | 16,678 | 16,682 | 16,685 |
| PARISH ROADS (MILES) | 32,589 | 33,375 | 33,580 | 31,560 | 33,366 |
| CITY STREETS (MILES) | 11,335 | 11,559 | 11,056 | 12,836 | 11,010 |
| BRIDGES ON STATE HIGHWAYS | 8,013 | 7,983 | 7,984 | 7,934 | 7,931 |
| BRIDGES OFF STATE HIGHWAYS | 5,030 | 5,033 | 5,182 | 5,220 | 5,226 |
| PUBLIC SAFETY | | | | | |
| TROOPS | 9 | 9 | 9 | 9 | 9 |

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

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