



LOUISIANA
Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2016

This public document was published at a total cost of \$1,955.60. One-hundred and fifty (150) copies of this public document were published in the first printing at a cost of \$1,955.60. The total cost of all printings of this document, including reprints was \$1,955.60. This document was published for the Division of Administration, Office of Statewide Reporting and Accounting Policy, P.O. Box 94095, Baton Rouge, LA. 70804-9095 by the Division of Administration, Office of State Printing to report the financial condition of the State for the fiscal year ended June 30, 2016 under authority of LRS 39:92. This material was printed in accordance with the standards for printing by state agencies established pursuant to LRS 43:31.

**State of Louisiana
Comprehensive Annual Financial Report
for the Year Ended June 30, 2016**

JOHN BEL EDWARDS
Governor



Prepared By
DIVISION OF ADMINISTRATION
JAY DARDENNE
Commissioner

On the Cover

Photograph is from Black Bayou Lake National Wildlife Refuge. One of more than 550 wildlife refuges across the United States, Black Bayou Lake National Wildlife Refuge is a semi-urban refuge established in 1997 in cooperation with the City of Monroe, Louisiana. It is located just north of the city and includes a 1,700-acre lake surrounded by more than 3,000 acres of wetlands, bottomland hardwood forest, and reclaimed former agricultural land. Attractions include a Visitor Center (a renovated century-old planter's home), a Conservation Learning Center with live animal exhibits, a boardwalk and nature trails, observation piers, a boat-launch area, an observation deck with spotting scope, a photo/bird watching blind, an amphitheater, and a wildflower and prairie area. Fishing and hunting (in season) is permitted on the refuge.

Photo was taken by **Jolene Ardoin**, employee of State of Louisiana, Division of Administration, Office of Technology Services.



John Bel Edwards

Governor

State of Louisiana

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I. INTRODUCTORY SECTION

Office of the Commissioner
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

December 30, 2016

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, 2016. 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 a qualified opinion has been issued on the financial statements for the year ended June 30, 2016. 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 4,670,000. 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 either of the others.

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 58 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 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. The continued decline in oil through much of 2015 and 2016 has resulted in a weaker short-term economic outlook compared to recent years. However, forecasted growth in other sectors offset the economic effects of low oil prices. These sectors include construction, healthcare, technology, and manufacturing. In total, the State is projected to lose 700 jobs in 2017 (down 0.1%) and add 13,700 jobs in 2018 (up .7%).

The following factors will drive the economy in the near future:

- Slowed rapid increases in regulations and higher tax rates will help the U.S economy continue its pace of expansion with real gross domestic product (RGDP) averaging 2.1% growth annually.

- A rebound in oil prices to \$55 in 2017 and \$60 in 2018 is projected, though enormous uncertainty requires a \$30 to \$90 a barrel range around those forecasts.
- An increase in industrial demand combined with a vast supply should keep natural gas prices near \$2.50 per mmbtu in 2017, rising to \$2.90 in 2018.
- About half of the \$134.8 billion in announced projects are under construction and about half are at the front end engineering and design stage (FEED) and permitting stage. Viability of the FEED group is threatened by (1) denigration of price competitiveness due to lower oil prices, (2) increases in taxes levied on business during three fiscal sessions in the past year, and (3) changes to the 10-year industrial tax exemption rules.

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 show growth of 0.5% (+2,900 jobs) in 2017 and 1% (+5,700 jobs) in 2018. Despite layoffs in the MSA's oil sector and declining spending by the Army Corps, growth is expected due to (1) the opening of the new VA hospital; (2) \$3.5 billion in industrial expansions underway; and (3) expansion of the airport. New Orleans' record could be much better in both years if some \$19 billion in projects at the FEED and permitting level actually go "vertical".
- Lacking a significant oil-related base to hold it back, the nine-parish Baton Rouge region is poised to enjoy two good years of growth, adding 4,500 jobs (+1.1%) over each of the next two years, 2017 and 2018. Growth in the region's high-tech sector continues unabated (especially at the new IBM site), and the Port is expecting 100-150 more ship calls due to its wood pellet business. Impacts of the Great Flood of 2016 are still being evaluated, but enormous sums of insurance, FEMA and SBA monies will be injected into the region to rebuild 116,000+ structures impacted.
- Weakness in the exploration and gaming markets drove employment even further down in the Shreveport-Bossier MSA in 2016. Exploration will continue to impact the area negatively through 2017, leading to a flat year of employment for the region. Projected are 600 (+.6%) new jobs for 2018, led by gains at Barksdale AFB (now run by a 4-star general), manufacturing, and high-tech.
- A new round of layoffs in the energy sector pushed employment lower in the Lafayette MSA for a second straight year in 2016 (-8,900 jobs) - the poorest record in the state. Layoffs are projected to hound the Lafayette MSA into 2017, leading to the loss of another 5,000 jobs (-2.4%). Oil prices in the \$60s, plus gains at the Port of Iberia and the high-tech sector should stabilize employment in 2018.
- The Houma MSA is being pounded by the energy sector and energy-related firms. Edison Chouest has laid off 1,600 from its shipyards, and Gulf Island Fabricators has cut 1,100 jobs - all leading to a loss of 5,600 jobs in 2016 (-5.8%). Unfortunately, the energy drag is expected to continue into

2017 (-4,000 jobs or -4.3%) before employment stabilization in 2018 as oil prices rebound and stabilize.

- The Lake Charles MSA has a remarkable \$45.4 billion in industrial projects under construction and an equally remarkable \$51.0 billion at the FEED and permitting stage. The huge boom in industrial construction workers will drive this region's employment up by 3,800 jobs (+3.6%) in 2017, before slowing to a still-respectable +2,200 jobs in 2018. In percentage terms, this will make Lake Charles the fastest growing region of the state by a wide margin. This MSA's growth rate could become much larger if the projects at the FEED stage move to construction.
- After 9 years of declines, the Monroe MSA has now enjoyed five straight years of modest growth. Expansions at IBM and Vantage Health Plan should generate enough growth (400 jobs a year over 2017-18) for this MSA to get back to its previous peak employment reached back in 2002.
- After three years of modest growth, the Alexandria MSA is expected to experience a loss of 200 jobs (-0.3%) in 2017 due to layoffs at Union Tank Car and GE Oil & Gas. The decline would be worse had it not been for the building of Sundrop's \$40 million pilot plant at Cowboy Town. That should be followed by 200 new jobs in 2018 (+0.3%). This projection could turn out to be radically conservative if Revolution Aluminum (formerly, American Specialty Alloys) follows through with their proposed new \$2.4 billion, 1,400-person plant.
- Louisiana's smallest MSA is Hammond. Hammond's employment has been essentially flat for nine years---driven by lower enrollments at SLU and stable employment at North Oaks Medical Center. Neither of these entities is expecting major changes in their activities over 2017-18, so forecasts are for 100 new jobs a year over the next two years. The region's construction sector will enjoy growth into 2017 due to the rebuild associated with the Great Flood of 2016.

The information for the economic discussion is from The Louisiana Economic Outlook: 2017 and 2018, by Loren C. Scott and Judy S. Collins, published in September, 2016.

Major Fiscal Initiatives

The administration worked diligently during the 2016 Regular Session, as well as two special sessions, to pass an honest, transparent budget with more savings and efficiencies while adequately funding Louisiana's most critical priorities, including health care and education. We refused to use one-time funds to pay for recurring expenses. In the first special session of 2016, we cut spending by more than \$230 million and implemented efficiencies across state government. For next fiscal year, we brought a \$2 billion deficit down to less than \$600 million.

We will continue to operate state government in a cost-effective, efficient and transparent manner in an effort to best serve taxpayers, attract new businesses and investors and ensure a high quality of life for the people of Louisiana.

Here are some of the measures we took during FY 2016 that had a major impact:

- Contract review
- Medicaid expansion
- The administration cancelled a contract implemented prior to assuming office that outsourced the implementation and administration of the FMLA for state agencies. The contract initially applied to only nine state agencies at an approximate annual cost to the state of \$500,000; however, the contract was set to eventually expand to all state agencies at a tremendously increased cost to the state.
- OTS renegotiated enterprise software licensing agreements across 16 customer agencies for Microsoft and McAfee software. Twenty-one enterprise software agreements were consolidated into two with a resulting saving of \$1.5 million for Microsoft. For McAfee security software, a single enterprise agreement was negotiated for \$2.3 million.
- The administration initiated efforts to establish a more balanced and fair tax system that produces sufficient revenue to fund government and end mid-year budget deficits. The Task Force on Structural Changes in Budget and Tax Policy met over the course of several months to recommend a set of specific changes that should be made in order to accomplish more sound fiscal policies. In addition, the administration committed to end the chronic use of one-time funds for recurring expenses and intentionally underestimating costs of programs and services, which both contributed to 13 budget deficits since FY 2009.
- The state continued prison reform efforts in order to reduce costs and recidivism rates. The administration passed “Raise the Age” legislation aimed at moving juveniles out of the adult prison system.

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 non-recurring 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 \$359 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.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Louisiana for its CAFR for the fiscal year ended June 30, 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

JD:AA



CERTIFICATE OF ACHIEVEMENT



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

State of Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

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 Neely Kennedy
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

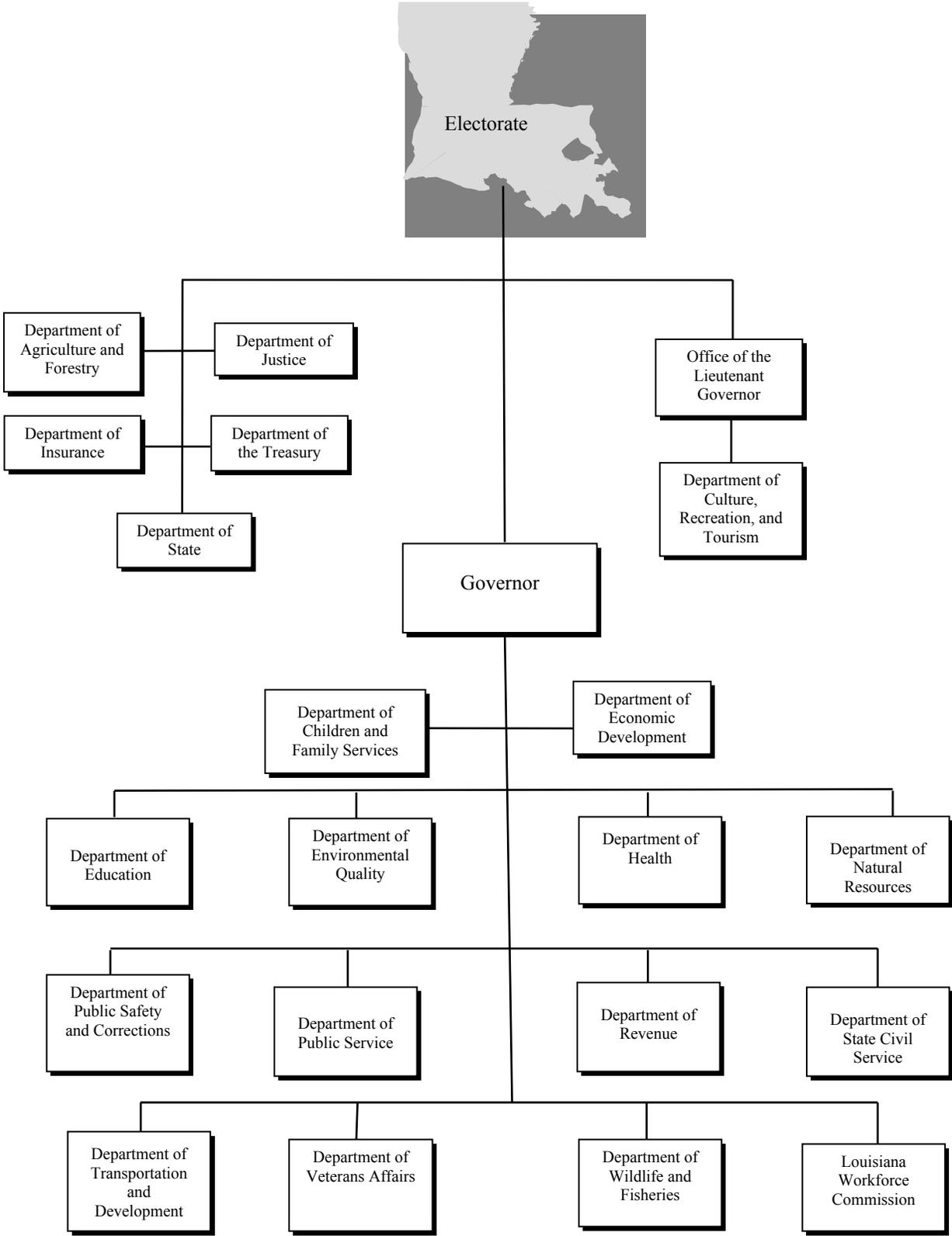
Judicial (Elected)

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 Michael D. Edmonson
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
Charlie Melancon
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 30, 2016

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, 2016, 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	0.06%	0.04%	0.08%
Business-Type Activities	13.37%	3.70%	5.07%
Aggregate Discretely Presented Component Units	33.12%	15.44%	17.09%
Aggregate Remaining Funds (includes pension trust funds)	78.65%	52.58%	39.12%

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); 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); and the 2011A Taxable Student Loan Backed Bond Program, a component unit of the Louisiana Public Facilities Authority (non-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	Qualified
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 total project costs and CPRA's cost share obligation. As of June 30, 2016, the USACE's total project costs are approximately \$3.4 billion, and CPRA's cost share obligation is \$1.4 billion, which includes accrued interest during construction of \$350 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.

In addition, many of the State's discretely presented component unit levee districts are responsible for the operation and maintenance of the projects completed by 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 Opinions on Business-Type Activities and the Unemployment Trust Fund

A new information system was implemented 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. As a result, we are unable to rely on the system to provide sufficient appropriate audit evidence to support amounts presented in the financial statements. Amounts reported in the accompanying Unemployment Trust Fund's financial statements derived from the system, which we were unable to confirm or verify by alternate means, include assets and liabilities at June 30, 2016, totaling \$23,960,000 and \$10,297,000, respectively, and revenues and expenses for the year then ended totaling \$7,421,000 and \$251,175,000, respectively. The Unemployment Trust Fund's expenses represent 30% of the total expenses of the business-type activities of the State of Louisiana. 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 Opinions on Business-Type Activities and 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, business-type activities, aggregate discretely presented component units, and the Unemployment Trust Fund of the State of Louisiana, as of June 30, 2016, 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 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, 2016, 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 Matter

As disclosed in note 6 to the financial statements, the total net pension liability for governmental and business-type activities was approximately \$6.1 billion at June 30, 2016, 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, 2016, could be under or overstated. Our opinions are not modified with respect to this matter.

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 27 and 113 through 119, 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 11), the Budgetary Comparison Schedule - Budget to Actual - Bond Security and Redemption Fund (page 121), the Combining and Individual Fund Statements - Nonmajor Funds (pages 124 through 157), and the Statistical Section (pages 159 through 189) 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 Budgetary Comparison Schedule - Budget to Actual - Bond Security and Redemption Fund and 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 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.

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,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

BF:BQD:EFS:aa

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, 2016. 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 30.

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 \$6.1 billion, an increase of 4.0% from the prior fiscal year.
- The increase in net position was attributable to the State's governmental activities, which experienced a \$199.3 million increase in net position, and its business-type activities experienced a \$34.4 million increase in net position.
- Actual budgetary basis expenditures of General Fund taxes, licenses and fees exceeded actual revenues by \$312.7 million. This shortfall is required to be resolved before the end of fiscal year 2017.
- The State's outstanding bonds decreased by \$41.2 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 30 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 general government; culture, recreation, and tourism; transportation and development; public safety; health and welfare; corrections; youth services; conservation and environment; and education.

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), and the Clean Water State Revolving Fund, among 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 47) 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 33 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 47 – 111 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, which can be found on page 113 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 124 – 157), the budgetary comparison schedule for the Bond Security and Redemption Fund (page 121), 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	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 10,894,308	\$ 11,630,258	\$ 2,507,540	\$ 2,547,198	\$ 13,401,848	\$ 14,177,456
Capital Assets	15,385,659	15,089,973	936,479	877,594	16,322,138	15,967,567
Total Assets	26,279,967	26,720,231	3,444,019	3,424,792	29,723,986	30,145,023
Total Deferred Outflows of Resources	1,361,463	1,207,764	75,164	69,358	1,436,627	1,277,122
Other Liabilities	4,389,185	4,955,665	79,969	87,367	4,469,154	5,043,032
Long-term debt outstanding	18,965,771	18,315,580	1,328,243	1,289,044	20,294,014	19,604,624
Total Liabilities	23,354,956	23,271,245	1,408,212	1,376,411	24,763,168	24,647,656
Total Deferred Inflows of Resources	308,429	878,050	29,841	71,048	338,270	949,098
Net Investment in Capital Assets	11,664,584	11,401,308	429,685	389,158	12,094,269	11,790,466
Restricted	4,656,885	4,820,821	1,109,109	1,122,120	5,765,994	5,942,941
Unrestricted	(12,343,424)	(12,443,429)	542,336	535,413	(11,801,088)	(11,908,016)
Total Net Position	\$ 3,978,045	\$ 3,778,700	\$ 2,081,130	\$ 2,046,691	\$ 6,059,175	\$ 5,825,391

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 \$6.1 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 provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. An additional \$5.8 billion of Louisiana's net position is subject to external restrictions. These restricted amounts are only available for spending as provided for by law and/or contract and grant agreements.

The remaining portion of net position is considered to be unrestricted. Any positive amounts reported for unrestricted net position could be used to meet Louisiana's ongoing obligations to its citizens and creditors. This year, however, Louisiana's net investment in capital assets and restricted assets and deferred outflows of resources less its restricted liabilities and deferred inflows of resources exceeded the State's total net position resulting in the State reporting unrestricted net position of negative \$11.8 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 \$5.4 billion.
- The effect of continued issuance of long-term debt to fund annual expenses for capital grants to other entities of approximately \$3.2 billion.
- A liability for post-employment benefits other than pensions of \$2.9 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 \$2.2 billion.

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Condensed Statement of Activities

(in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 2,451,399	\$ 2,402,078	\$ 483,146	\$ 487,874	\$ 2,934,545	\$ 2,889,952
Operating Grants & Contributions	10,614,966	11,323,586	183,245	216,051	10,798,211	11,539,637
Capital Grants & Contributions	686,918	572,203	67,147	78,919	754,065	651,122
General Revenues:						
Income Taxes	3,330,491	3,082,630	--	--	3,330,491	3,082,630
Sales & Use Taxes	3,294,191	3,129,686	--	--	3,294,191	3,129,686
Other Taxes	2,093,893	2,206,404	--	--	2,093,893	2,206,404
Other	1,578,408	1,485,596	949	1,188	1,579,357	1,486,784
Total Revenues	<u>24,050,266</u>	<u>24,202,183</u>	<u>734,487</u>	<u>784,032</u>	<u>24,784,753</u>	<u>24,986,215</u>
Expenses						
Governmental Activities:						
General Government	2,625,646	2,832,201	--	--	2,625,646	2,832,201
Culture, Recreation & Tourism	112,186	117,876	--	--	112,186	117,876
Transportation & Development	1,446,159	1,415,006	--	--	1,446,159	1,415,006
Public Safety	886,259	1,636,934	--	--	886,259	1,636,934
Health & Welfare	11,287,812	11,065,490	--	--	11,287,812	11,065,490
Corrections	670,100	697,116	--	--	670,100	697,116
Youth Development	78,435	85,475	--	--	78,435	85,475
Conservation & Environment	571,969	541,139	--	--	571,969	541,139
Education	6,184,322	6,246,331	--	--	6,184,322	6,246,331
Agriculture & Forestry	83,850	70,710	--	--	83,850	70,710
Economic Development	256,067	311,360	--	--	256,067	311,360
Military & Veterans Affairs	171,718	161,366	--	--	171,718	161,366
Workforce Support & Training	257,060	240,505	--	--	257,060	240,505
Interest on Long-term Debt	258,062	305,799	--	--	258,062	305,799
Business-Type Activities:						
Higher Education	--	--	478,874	484,420	478,874	484,420
Lending & Financing Activities	--	--	29,311	34,838	29,311	34,838
Property Assistance	--	--	7,866	6,998	7,866	6,998
Prison Enterprises	--	--	30,489	31,307	30,489	31,307
Regulation & Oversight	--	--	45,699	42,643	45,699	42,643
Unemployment Insurance	--	--	251,175	204,083	251,175	204,083
Total Expenses	<u>24,889,645</u>	<u>25,727,308</u>	<u>843,414</u>	<u>804,289</u>	<u>25,733,059</u>	<u>26,531,597</u>
Net Increase (Decrease) before Extraordinary Item & Transfers	(839,379)	(1,525,125)	(108,927)	(20,257)	(948,306)	(1,545,382)
Extraordinary Item	1,000,000	--	--	--	1,000,000	--
Transfers In (Out)	(153,459)	(148,466)	153,459	148,466	--	--
Net Increase (Decrease)	<u>7,162</u>	<u>(1,673,591)</u>	<u>44,532</u>	<u>128,209</u>	<u>51,694</u>	<u>(1,545,382)</u>
Net Position - Beginning, as Restated	<u>3,970,883</u>	<u>5,452,291</u>	<u>2,036,598</u>	<u>1,918,482</u>	<u>6,007,481</u>	<u>7,370,773</u>
Net Position - Ending	<u>\$ 3,978,045</u>	<u>\$ 3,778,700</u>	<u>\$ 2,081,130</u>	<u>\$ 2,046,691</u>	<u>\$ 6,059,175</u>	<u>\$ 5,825,391</u>

Louisiana's overall net position increased by \$51.7 million from the prior fiscal year. This change was mainly attributable to the following:

- *The issuance of debt to finance capital grants to other entities resulting in a decrease in net position during the year.* Generally, the issuance of debt to finance capital projects results in the capitalization of a large portion of costs financed through the issuance of bonds as buildings, infrastructure, and other assets of the reporting government. These assets are expensed over their useful lives which in many cases may approximate or even exceed the term over which resources are collected to repay the related bonds. This scenario has relatively little impact on the issuing government's net position.

However, the State issues debt to finance capital projects of other entities including colleges, universities, local governments, and some private sector companies. Because the related assets do not belong to the State, the State cannot capitalize and depreciate these costs. Rather, the bond proceeds are expensed as capital grants and consequently reduce net position. Only when revenues are recognized over the term of the bonds (which has

a positive effect on net position) will the negative effects be reversed. Because the spending of bond proceeds occurs within one to three years of issuance and bonds commonly have maturities of 30 or more years, the State carries the resulting deflated net position for years after the expenses have been incurred.

- *Increased expenditures for the Medicaid program of \$455 million due to the increased utilization and enrollment into the program.* Medicaid is an entitlement program, as the expenditures in the program increases, so does the associated federal revenues.
- *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 is a direct reduction to the State's net position. During fiscal year 2016 the State's annual OPEB cost was \$360.2 million and the net OPEB obligation increased by \$153.8 million.
- *The \$1 billion settlement of the British Petroleum (BP) Deepwater Horizon Oil Spill economic damages lawsuit.* The State entered into a settlement agreement with BP in relation to the economic damages from the *Deepwater Horizon* Incident. As a result of this settlement, the State of Louisiana is entitled to receive \$1 billion for economic damages. \$200 million was received by the State in the current fiscal year, and the remaining \$800 million will be received through fiscal year ending June 30, 2033. This \$1 billion settlement is being recorded in the current year's financial statements as an extraordinary item.

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 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. This was due to the use of prior year cash balances that were accounted for as expenditures and expenses at the governmental fund and government-wide level, respectively.

The General Fund experienced a decrease in fund balance of \$842.1 million due to the following:

- Sluggish collection of the increased taxes for sales and tobacco projects.
- Lower mineral revenue collection due to the continued fall in the price of crude oil.
- Increasing costs for the state match for the Medicaid program.
- The expenditure of \$199.2 million for debt service payments.
- The expenditure of \$116.8 million in State Highway Improvement bond proceeds issued in prior years for the construction and improvement of state roads that are not part of the federal highway system.
- Spend down of approximately \$193.4 million in fund balance to fund coastal protection and restoration projects.

Fund balance in the Capital Outlay Escrow Fund decreased by \$230.5 million as expenditures for highway and road construction and maintenance exceeded transfers from the General Fund and the Transportation Trust Fund and proceeds from general obligation bonds issued during the year. Fund balance for nonmajor governmental funds decreased by \$15.1 million. The decrease was driven largely by activity in two funds. Debt service payments resumed for

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the Tobacco Settlement Bonds resulting in a decrease in fund balance of \$23.8 million. In addition, fund balance in the Transportation Trust Fund decreased by \$18.7 million due to transfers made in response to a projected deficit in the General Fund.

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 \$43.5 million due mainly to an increase in capital assets of \$68.7 million offset partially by increases in pension and other post-employment benefits payable.
- Net position for the Unemployment Insurance Trust Fund decreased by \$13.4 million due mainly to an increase in unemployment claims.
- Net position for aggregate remaining nonmajor enterprise funds increased by \$14.5 million due to increases in federal capital contributions to the Clean Water and Drinking Water State Revolving Loan Funds offset with decreases to net position in the Louisiana Gulf Opportunity Loan Fund from the transfer of loan proceeds to the Bond Security and Redemption Fund and interest and depreciation expenses that exceeded revenues for the Louisiana Transportation Authority.

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.

Despite several factors the final budget for the General Fund was \$446.6 million greater than the budgeted expenditures originally appropriated by the Legislature. Because taxes, licenses and fees forecasted by the REC declined by \$699.5 million due mainly to declines in severance taxes and mineral royalties driven by falling oil prices, Executive Orders BJ 15-11 and JBE 16-3 implemented expenditure reductions. Also, Executive Orders BJ 2015-11 and JBE 2016-3 implemented a hiring and expenditure freeze to limit non-essential spending. These factors caused budgeted expenditures funded with forecasted taxes, licenses and fees to be reduced; however, expenditures funded with other General Fund revenue sources such as federal, other fees and self-generated, interagency transfers and transfers from statutorily dedicated funds increased by a greater amount. The major drivers of these budgeted expenditure increases by function are as follows:

- **Health & Welfare** budget authority increased by \$246.1 million mainly related to the Medicaid and drug rebate programs.
- **Conservation and Environment** and **Public Safety** budget authorities increased by a total of \$57.0 million, \$35.2 million of which was related to oil spill expenditures during the year.
- **Education** budget authority increased from original budget by approximately \$42.4 million mainly due to the authorization of the Recovery School District to receive transfers of FEMA Public Assistance dollars to capital projects at various schools and an increase in expenditures funded from taxes, licenses and fees necessary to fully fund public school support provided through the Minimum Foundation Program in accordance with the constitutionally established formula.
- **Economic Development** budget authority increased by \$38.6 million, of which \$13.4 million was related to the increase of expenditures funded with federal receipts and transfers from statutorily dedicated funds to allow for additional grant expenditures to Louisiana businesses under the State's economic development programs and the federal State Small Business Credit Initiatives Program.

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- **Military & Veterans Affairs** budgeted expenditures funded with federal receipts increased by approximately \$9.2 million mainly to provide authority to receive and expend federal funds for the disposal of explosive materials located at Camp Minden.

Actual budgetary basis General Fund expenditures were \$1.7 billion lower than final budgeted amounts. This variance is mainly because forecasts for budgeted expenditures of federal receipts 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. In other instances, funds were received in accordance with the budget; however, delays in expenditures occurred due to various factors. In these cases, the cash and budget authority in the amount of \$116.5 million was carried forward to fiscal year 2017.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year, the State had \$16.3 billion invested in a broad range of capital assets. This amount represents a net increase of \$354.6 million, or 2.2%, from the prior year.

Capital Assets

(net of depreciation and amortization in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Land	\$ 2,231,607	\$ 2,202,547	\$ 51,427	\$ 45,904	\$ 2,283,034	\$ 2,248,451
Building & Improvements (Net)	1,611,328	1,521,620	415,728	422,766	2,027,056	1,944,386
Machinery & Equipment (Net)	120,591	145,538	40,536	27,290	161,127	172,828
Infrastructure (Net)	9,944,401	9,604,367	318,467	327,637	10,262,868	9,932,004
Intangible Assets (Net)	37,747	46,970	11,142	12,542	48,889	59,512
Construction in Progress	1,439,985	1,568,931	99,179	41,455	1,539,164	1,610,386
Total	\$ 15,385,659	\$ 15,089,973	\$ 936,479	\$ 877,594	\$ 16,322,138	\$ 15,967,567

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. At June 30, 2016 outstanding lines of credit were \$1.2 billion.

Infrastructure for governmental activities increased by approximately \$340 million. The net change in infrastructure for the Louisiana Department of Transportation and Development (DOTD) is \$332 million for roads and bridges. 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. It includes converting approximately 160 miles of the current U.S. 90 corridor to Interstate 49 South. The Geaux South program will support economic growth, improve access, reduce traffic congestion, and improve connectivity throughout the state's transportation system.

Refer to Note 5 – "Capital Assets" on page 81 for more details of the changes in capital assets.

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Debt Administration

The State's bonded debt decreased by \$41.2 million, or -0.5%, from the prior year. Presented below is a table comparing outstanding bonds for the current and prior year.

Outstanding Debt General Obligation and Revenue Bonds (in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 3,510,155	\$ 3,432,550	\$ --	\$ --	\$ 3,510,155	\$ 3,432,550
Revenue bonds and notes	3,860,817	3,924,084	611,000	633,585	4,471,817	4,557,669
Unamortized discounts & premiums	618,638	651,098	25,193	25,704	643,831	676,802
Total	<u>\$ 7,989,610</u>	<u>\$ 8,007,732</u>	<u>\$ 636,193</u>	<u>\$ 659,289</u>	<u>\$ 8,625,803</u>	<u>\$ 8,667,021</u>

The State's bonded debt for its governmental activities was driven largely by the issuance of \$254.6 million in Bond Anticipation Notes to provide financing for capital outlay projects. In addition the state issued Series 2015 Unclaimed Property Special Revenue Bonds for \$73.8 million with is being used for the construction of Interstate 49. Principal repayments during the year for general obligation bonds totaled \$185.6 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 Moody's Investors Service in February 2016 from Aa2 to Aa3 with a negative outlook and by Fitch Ratings in April 2016 from AA to AA- with a stable outlook. Standard & Poor's Ratings Services affirmed the State's credit rating of AA, however revised the outlook from stable to negative. Additional details on long-term debt, including a discussion of debt authorization and limitations are included in Note 8, Long-term Obligations (page 96).

A LOOK FORWARD

On February 10, 2016 the Revenue Estimating Conference met and adopted a forecast reducing anticipated State General Fund revenues by \$744 million for fiscal year 2017. The largest of the forecast reductions occurred in corporate income taxes, severance taxes, personal income taxes, and sales and general taxes. The forecasted revenue reduction came amidst an already recognized \$943.5 million fiscal year 2016 budget deficit.

During the First and Second Extraordinary Legislative Sessions and the Regular Legislative session of 2016, the legislature passed a series of instruments that resulted in a \$1.63 billion increase in the State General Fund appropriation. Some of the measures enacted during the first and second extraordinary sessions included the following:

- The largest of the revenue-raising measures was the passage of Acts 25 and 26 of the First Extraordinary Legislative Session of 2016, which increased the state sales tax rate by 1% and applied various tax rates to previously exempt transactions. Both measures became effective for transactions beginning April 1, 2016 and resulted in complex changes to the state's sales tax rate and base structure through fiscal year 2018 for most transactions and fiscal year 2019 for business utility purchases.
- A group of five legislative health care measures, including increased participation in the federal Affordable Care Act, is projected to expand the State's Medicaid premium base and result in additional state match revenues. Tax increases on premiums collected by health maintenance organizations and fee increases on health care providers are expected to increase State General Fund revenues by offsetting the total amount of General Fund resources needed to support the program.
- The state tax credit for local and ad valorem taxes paid on inventory was reduced and the corporate franchise tax was extended to other business organizations, with the exception of traditional C-corporations. Also, the excise tax on cigarettes increased another \$.22 cents a pack effective April 1, 2016.

- The refundable income tax credit for the assessment charged to homeowners on their property insurance for the State sponsored Citizens Insurance company was reduced from 72% to 25% of the amount paid.

While the State General Fund appropriation increased for fiscal year 2017, there are other initiatives that are either not fully funded or substantially reduced in comparison to fiscal year 2016. Some of these initiatives along with other currently known factors that will affect the State's net position for fiscal year 2017 include:

- In mid-August 2016 prolonged heavy rainfall in southern Louisiana caused severe flooding that impacted thousands of residential, commercial, and governmental properties. With damages in excess of \$8 billion, the August 2016 flood event qualified as a federally declared disaster. As of November 10, 2016 State flood related expenditures exceeded \$386 million. The State will be responsible for approximately \$38.6 million of these expenditures.
- Based on actuarial valuations dated June 30, 2016, the State's net position will decrease during fiscal year 2017 due to an increase in the net pension liability relative to the State's participation in the State's Pension Systems.
- The State continues to fund other post-employment benefits on a pay-as-you-go basis. The State's net position will decrease to the extent that fiscal year 2017 other post-employment benefit payments fall short of the actuarially required contributions.
- As of August 2016 all available bond proceeds in the Capital Outlay Escrow Fund had been spent. However, expenditures are continuing to be made as if bond proceeds are available under cash lines of credit which will necessitate another bond issuance later in fiscal year 2017. Net position will decrease during fiscal year 2017 to the extent that the grant expenses fund from newly issued bonds exceed retirement of bond principal.

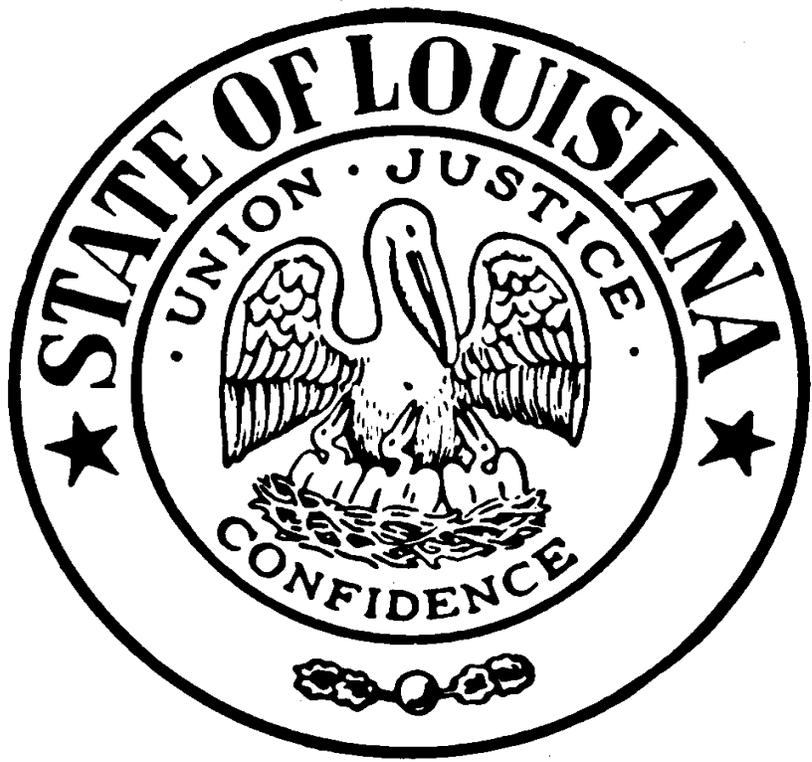
Requests for Information

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, 2016

(EXPRESSED IN THOUSANDS)

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL PRIMARY GOVERNMENT	
ASSETS				
CASH & CASH EQUIVALENTS	\$ 1,391,951	\$ 1,596,246	\$ 2,988,197	\$ 1,338,106
INVESTMENTS	3,757,660	147,438	3,905,098	2,470,490
RECEIVABLES (NET)	3,244,275	95,390	3,339,665	4,019,390
AMOUNTS DUE FROM PRIMARY GOVERNMENT	--	--	--	79,702
AMOUNTS DUE FROM COMPONENT UNITS	53,928	--	53,928	--
DUE FROM FEDERAL GOVERNMENT	1,965,679	13,842	1,979,521	51,092
INVENTORIES	69,601	7,655	77,256	17,437
PREPAYMENTS	412,336	1,099	413,435	29,491
INTERNAL BALANCES	(1,493)	1,493	--	--
NOTES RECEIVABLES	--	640,043	640,043	197,993
OTHER ASSETS	371	4,334	4,705	311,302
CAPITAL ASSETS (NOTE 5)				
LAND	2,231,607	51,427	2,283,034	331,590
BUILDING & IMPROVEMENTS (NET)	1,611,328	415,728	2,027,056	3,667,475
MACHINERY & EQUIPMENT (NET)	120,591	40,536	161,127	353,489
INFRASTRUCTURE (NET)	9,944,401	318,467	10,262,868	401,707
INTANGIBLE ASSETS (NET)	37,747	11,142	48,889	38,289
CONSTRUCTION IN PROGRESS	1,439,985	99,179	1,539,164	409,452
TOTAL ASSETS	26,279,967	3,444,019	29,723,986	13,717,005
DEFERRED OUTFLOWS OF RESOURCES				
ACCRUED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVES	76,430	--	76,430	--
DEFERRED AMOUNTS ON DEBT REFUNDING	281,815	--	281,815	49,472
GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS	2,696	--	2,696	--
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	1,000,522	75,164	1,075,686	496,348
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,361,463	75,164	1,436,627	545,820
LIABILITIES				
ACCOUNTS PAYABLE	1,827,382	43,857	1,871,239	237,940
ACCRUED INTEREST	63,938	2,020	65,958	80
DERIVATIVE INSTRUMENTS	76,430	--	76,430	--
AMOUNTS DUE TO PRIMARY GOVERNMENT	--	--	--	53,928
AMOUNTS DUE TO COMPONENT UNITS	79,702	--	79,702	--
DUE TO FEDERAL GOVERNMENT	597,823	9,123	606,946	7,444
DUE TO LOCAL GOVERNMENTS	732,120	--	732,120	--
UNEARNED REVENUES	484,922	14,835	499,757	2,957,179
TAX REFUNDS PAYABLE	313,354	--	313,354	--
UNCLAIMED PROPERTY LIABILITY	188,264	--	188,264	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	25,250	1,688	26,938	45,032
OTHER LIABILITIES	--	8,446	8,446	54,163
CURRENT PORTION OF LONG-TERM LIABILITIES (NOTE 8):				
CONTRACTS PAYABLE	2,498	--	2,498	3,922
COMPENSATED ABSENCES PAYABLE	16,866	1,870	18,736	19,089
CAPITAL LEASE OBLIGATIONS	--	88	88	5,653
NOTES PAYABLE	1,926	--	1,926	14,117
BONDS PAYABLE	641,936	25,184	667,120	318,593
POLLUTION REMEDIATION OBLIGATIONS	10,845	--	10,845	--
ESTIMATED LIABILITY FOR CLAIMS	235,086	--	235,086	73,144
OTHER LONG-TERM LIABILITIES	4,007	5,072	9,079	73,655
NONCURRENT PORTION OF LONG-TERM LIABILITIES (NOTE 8):				
COMPENSATED ABSENCES PAYABLE	174,278	18,964	193,242	136,256
CAPITAL LEASE OBLIGATIONS	--	2,835	2,835	31,346
NOTES PAYABLE	4,678	--	4,678	118,297
BONDS PAYABLE	7,347,674	611,009	7,958,683	3,408,947
NET OPEB OBLIGATION	2,741,119	185,619	2,926,738	1,751,840
NET PENSION LIABILITY	5,666,140	477,602	6,143,742	3,374,761
POLLUTION REMEDIATION OBLIGATIONS	14,423	--	14,423	5
ESTIMATED LIABILITY FOR CLAIMS	1,991,573	--	1,991,573	2,200
OTHER LONG-TERM LIABILITIES	112,722	--	112,722	87,207
TOTAL LIABILITIES	23,354,956	1,408,212	24,763,168	12,774,798

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	--	6,870	6,870	797
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	--	5,712	5,712	--
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	308,429	17,259	325,688	383,140
TOTAL DEFERRED INFLOWS OF RESOURCES	308,429	29,841	338,270	383,937
NET POSITION				
NET INVESTMENT IN CAPITAL ASSETS	11,664,584	429,685	12,094,269	3,489,317
RESTRICTED FOR:				
EXPENDABLE:				
ADMINISTRATION & REGULATORY OVERSIGHT	57,993	--	57,993	--
AGRICULTURE & FORESTRY PROGRAMS	4,867	--	4,867	--
BUDGET STABILIZATION	358,983	--	358,983	--
CAPITAL PROJECTS	339,254	--	339,254	24,779
CONSERVATION & ENVIRONMENT PROGRAMS:				
ARTIFICIAL REEF DEVELOPMENT	17,362	--	17,362	--
COASTAL PROTECTION & RESTORATION	278,698	--	278,698	--
OILFIELD SITE RESTORATION	17,902	--	17,902	--
WILDLIFE & FISHERIES CONSERVATION	181,794	--	181,794	--
OTHER CONSERVATION & ENVIRONMENT PROGRAMS	5,568	--	5,568	--
CORRECTIONS PROGRAMS	3,130	--	3,130	--
CULTURE, RECREATION, & TOURISM PROGRAMS	3,355	--	3,355	--
DEBT SERVICE	248,326	1,172	249,498	234,940
ECONOMIC DEVELOPMENT PROGRAMS	5,716	--	5,716	--
EDUCATION PROGRAMS:				
MINIMUM FOUNDATION PROGRAM	100,828	--	100,828	--
OTHER EDUCATION PROGRAMS	282,930	--	282,930	--
ENDOWMENTS - EXPENDABLE	--	1,902	1,902	1,024,976
HEALTH & WELFARE PROGRAMS:				
STATE MEDICAID MATCH	41,419	--	41,419	--
OTHER HEALTH & WELFARE PROGRAMS	40,875	--	40,875	--
MILITARY & VETERANS AFFAIRS PROGRAMS	27,850	--	27,850	--
OTHER PURPOSES	--	112,284	112,284	244,599
TRANSPORTATION & DEVELOPMENT PROGRAMS	1,819	--	1,819	--
UNEMPLOYMENT COMPENSATION	--	987,881	987,881	--
WORKFORCE SUPPORT & TRAINING PROGRAMS	3,080	--	3,080	--
YOUTH PROGRAMS	853	--	853	--
NONEXPENDABLE:				
CULTURE, RECREATION, & TOURISM PROGRAMS	100	--	100	--
EDUCATION PROGRAMS	2,168,273	--	2,168,273	--
ENDOWMENTS	--	5,870	5,870	834,710
HEALTH & WELFARE PROGRAMS	465,910	--	465,910	--
UNRESTRICTED	(12,343,424)	542,336	(11,801,088)	(4,749,231)
TOTAL NET POSITION	\$ 3,978,045	\$ 2,081,130	\$ 6,059,175	\$ 1,104,090

State of Louisiana

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016

(EXPRESSED IN THOUSANDS)

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION							
	EXPENSES	PROGRAM REVENUES			PRIMARY GOVERNMENT			COMPONENT UNITS
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
PRIMARY GOVERNMENT:								
GOVERNMENTAL ACTIVITIES:								
GENERAL GOVERNMENT	\$ 2,625,646	\$ 1,399,925	\$ 378,675	\$ --	\$ (847,046)		\$ (847,046)	
CULTURE, RECREATION & TOURISM	112,186	14,602	13,537	--	(84,047)		(84,047)	
TRANSPORTATION & DEVELOPMENT	1,446,159	189,311	215,811	683,123	(357,914)		(357,914)	
PUBLIC SAFETY	886,259	351,318	155,225	--	(379,716)		(379,716)	
HEALTH & WELFARE	11,287,812	171,475	8,059,310	--	(3,057,027)		(3,057,027)	
CORRECTIONS	670,100	30,491	23,902	--	(615,707)		(615,707)	
YOUTH DEVELOPMENT	78,435	1,612	482	--	(76,341)		(76,341)	
CONSERVATION & ENVIRONMENT	571,969	159,403	291,074	--	(121,492)		(121,492)	
EDUCATION	6,184,322	11,175	1,179,754	--	(4,993,393)		(4,993,393)	
AGRICULTURE & FORESTRY	83,850	19,750	48,082	--	(16,018)		(16,018)	
ECONOMIC DEVELOPMENT	256,067	17,425	26,361	--	(212,281)		(212,281)	
MILITARY & VETERANS AFFAIRS	171,718	16,189	84,992	3,795	(66,742)		(66,742)	
WORKFORCE SUPPORT & TRAINING	257,060	68,723	137,761	--	(50,576)		(50,576)	
INTEREST ON LONG-TERM DEBT	258,062	--	--	--	(258,062)		(258,062)	
TOTAL GOVERNMENTAL ACTIVITIES	24,889,645	2,451,399	10,614,966	686,918	(11,136,362)		(11,136,362)	
BUSINESS-TYPE ACTIVITIES:								
HIGHER EDUCATION	478,874	144,913	180,769	30,028		\$ (123,164)	(123,164)	
LENDING & FINANCING ACTIVITIES	29,311	17,169	815	37,119		25,792	25,792	
PROPERTY ASSISTANCE	7,866	7,579	--	--		(287)	(287)	
PRISON ENTERPRISES	30,489	28,766	--	--		(1,723)	(1,723)	
REGULATION & OVERSIGHT	45,699	48,580	23	--		2,904	2,904	
UNEMPLOYMENT INSURANCE	251,175	236,139	1,638	--		(13,398)	(13,398)	
TOTAL BUSINESS-TYPE ACTIVITIES	843,414	483,146	183,245	67,147		(109,876)	(109,876)	
TOTAL PRIMARY GOVERNMENT	\$ 25,733,059	\$ 2,934,545	\$ 10,798,211	\$ 754,065	(11,136,362)	(109,876)	(11,246,238)	
TOTAL DISCRETELY PRESENTED COMPONENT UNITS								
	\$ 5,106,776	\$ 2,813,657	\$ 983,286	\$ 255,643				\$ (1,054,190)
GENERAL REVENUES:								
CORPORATE INCOME TAXES					309,499		309,499	
INDIVIDUAL INCOME TAXES					3,020,992		3,020,992	
SALES & USE TAXES					3,294,191		3,294,191	
SEVERANCE TAXES					434,449		434,449	
TOBACCO TAXES					253,015		253,015	
FRANCHISE TAXES					77,185		77,185	
GAS & FUELS TAXES, restricted for transportation					626,618		626,618	
INSURANCE PREMIUM TAXES					528,999		528,999	
ALCOHOL TAXES					63,520		63,520	
OCCUPANCY TAXES					58,085		58,085	
OTHER TAXES					52,022		52,022	
UNCLAIMED PROPERTY					50,033		50,033	
GAMING					858,492		858,492	
USE OF MONEY & PROPERTY					669,883	949	670,832	
UNRESTRICTED PAYMENTS FROM PRIMARY GOVERNMENT					--	--	--	999,408
OTHER GENERAL REVENUES					--	--	--	715,676
ADDITIONS TO PERMANENT ENDOWMENTS					--	--	--	28,686
EXTRAORDINARY ITEM					1,000,000	--	1,000,000	--
TRANSFERS					(153,459)	153,459	--	--
TOTAL GENERAL REVENUES, ADDITIONS TO PERMANENT ENDOWMENTS, EXTRAORDINARY ITEMS, AND TRANSFERS					11,143,524	154,408	11,297,932	1,743,770
CHANGE IN NET POSITION					7,162	44,532	51,694	689,580
NET POSITION - BEGINNING AS RESTATED					3,970,883	2,036,598	6,007,481	414,510
NET POSITION - ENDING					\$ 3,978,045	\$ 2,081,130	\$ 6,059,175	\$ 1,104,090

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, 2016

(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	\$ 520,947	\$ 247,541	\$ 272,916	\$ --	\$ 339,109	\$ 1,380,513
INVESTMENTS	630,285	--	11,834	1,362,893	1,715,488	3,720,500
RECEIVABLES (NET)	342,586	1,743,358	2,034	17	12,818	2,100,813
DUE FROM OTHER FUNDS	1,411,351	243,353	202,572	588	96,041	1,953,905
AMOUNTS DUE FROM COMPONENT UNITS	40,885	13,043	--	--	--	53,928
DUE FROM FEDERAL GOVERNMENT	1,729,814	2	1,995	--	75,086	1,806,897
INVENTORIES	68,610	--	--	--	--	68,610
PREPAYMENTS	408,840	--	--	--	--	408,840
OTHER ASSETS	--	--	--	--	285	285
TOTAL ASSETS	5,153,318	2,247,297	491,351	1,363,498	2,238,827	11,494,291
DEFERRED OUTFLOWS OF RESOURCES:						
GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS	2,696	--	--	--	--	2,696
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,696	--	--	--	--	2,696
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 5,156,014	\$ 2,247,297	\$ 491,351	\$ 1,363,498	\$ 2,238,827	\$ 11,496,987
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES:						
ACCOUNTS PAYABLE	\$ 1,370,573	\$ 155	\$ 228,315	\$ 5,000	\$ 5,144	\$ 1,609,187
TAX REFUNDS PAYABLE	--	313,353	--	--	--	313,353
UNCLAIMED PROPERTY LIABILITY	188,264	--	--	--	--	188,264
DUE TO OTHER FUNDS	375,294	1,224,252	152,622	8,953	169,327	1,930,448
AMOUNTS DUE TO COMPONENT UNITS	77,202	--	--	2,500	--	79,702
DUE TO FEDERAL GOVERNMENT	593,821	--	--	--	--	593,821
DUE TO LOCAL GOVERNMENTS	724,055	--	1,093	--	6,972	732,120
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	25,196	--	55	25,251
UNEARNED REVENUES	471,897	12,919	--	--	--	484,816
ESTIMATED LIABILITY FOR CLAIMS	61,356	--	--	--	--	61,356
OTHER LIABILITIES	8,174	--	--	--	--	8,174
TOTAL LIABILITIES	3,870,636	1,550,679	407,226	16,453	181,498	6,026,492
DEFERRED INFLOWS OF RESOURCES:						
UNAVAILABLE REVENUE	--	696,618	--	--	95	696,713
TOTAL DEFERRED INFLOWS OF RESOURCES	--	696,618	--	--	95	696,713
FUND BALANCES:						
NONSPENDABLE	92,904	--	--	1,239,819	1,394,463	2,727,186
RESTRICTED	1,228,992	--	7,456	107,226	628,747	1,972,421
COMMITTED	965,705	--	76,669	--	36,774	1,079,148
UNASSIGNED	(1,002,223)	--	--	--	(2,750)	(1,004,973)
TOTAL FUND BALANCES	1,285,378	--	84,125	1,347,045	2,057,234	4,773,782
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 5,156,014	\$ 2,247,297	\$ 491,351	\$ 1,363,498	\$ 2,238,827	\$ 11,496,987

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 \$ 4,773,782

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	\$ 2,231,304	
Buildings and Improvements	2,550,993	
Machinery and Equipment	826,570	
Infrastructure	26,583,816	
Intangible Assets	105,066	
Construction in Progress	1,439,985	
Accumulated Depreciation and Amortization	<u>(18,358,027)</u>	15,379,707

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. (66,553)

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. 281,815

The other postemployment benefits (OPEB) annual required contributions have been under-funded, creating a year-end liability, which is not reported in the funds. (2,722,876)

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	(182,335)	
Bonds Payable	(7,989,610)	
Net Pension Liability	(4,921,892)	
Pollution Remediation Obligations	(25,268)	
Estimated Liabilities for Claims	(2,165,304)	
Accrued Interest Payable	(63,938)	
Accounts Payable	(156,275)	
Due to Federal Government	(4,002)	
Other Liabilities	<u>(108,440)</u>	(15,617,064)

Some of the State's revenues are not available to pay for the current period's expenditures and are not reported in the funds. 1,949,234

Net Position of Governmental Activities \$ 3,978,045

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, 2016

(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	\$ 9,922,224	\$ 200,620	\$ 83,593	\$ --	\$ 836,876	\$ 11,043,313
TAXES	--	8,477,779	--	--	170,616	8,648,395
TOBACCO SETTLEMENT	--	54,994	--	--	82,493	137,487
GAMING	--	858,492	--	--	--	858,492
USE OF MONEY & PROPERTY	26,623	624,954	1,149	--	2,389	655,115
LICENSES, PERMITS & FEES	13,196	1,175,138	6,899	--	80,052	1,275,285
SALES OF COMMODITIES & SERVICES	2,415	1,006,061	352	--	22	1,008,850
UNCLAIMED PROPERTY	43,021	7,012	--	--	--	50,033
OTHER SETTLEMENTS	3	19,125	--	--	--	19,128
GIFTS, DONATIONS, AND CONTRIBUTIONS	82	107,078	3,000	--	--	110,160
OTHER	72,890	43,986	25,525	716	64	143,181
TOTAL REVENUES	10,080,454	12,575,239	120,518	716	1,172,512	23,949,439
EXPENDITURES:						
CURRENT:						
GENERAL GOVERNMENT	2,025,083	183	--	--	1,500	2,026,766
CULTURE, RECREATION & TOURISM	68,598	--	--	--	1,486	70,084
TRANSPORTATION & DEVELOPMENT	422,252	--	--	--	--	422,252
PUBLIC SAFETY	879,925	--	--	--	--	879,925
HEALTH & WELFARE	10,934,259	--	--	--	--	10,934,259
CORRECTIONS	628,518	--	--	--	--	628,518
YOUTH DEVELOPMENT	83,530	--	--	--	--	83,530
CONSERVATION & ENVIRONMENT	289,977	--	--	--	--	289,977
EDUCATION	953,475	--	--	--	75	953,550
AGRICULTURE & FORESTRY	49,279	--	--	--	44	49,323
ECONOMIC DEVELOPMENT	75,849	--	--	--	--	75,849
MILITARY & VETERANS AFFAIRS	126,860	--	--	--	--	126,860
WORKFORCE SUPPORT & TRAINING	192,828	--	--	--	--	192,828
INTERGOVERNMENTAL:						
GENERAL GOVERNMENT	254,735	7	--	--	62,036	316,778
CULTURE, RECREATION & TOURISM	15,086	--	--	--	--	15,086
TRANSPORTATION & DEVELOPMENT	65,399	--	--	--	6,538	71,937
HEALTH & WELFARE	464,985	--	--	--	--	464,985
CORRECTIONS	36,793	--	--	--	--	36,793
YOUTH DEVELOPMENT	1,942	--	--	--	--	1,942
CONSERVATION & ENVIRONMENT	306	--	--	--	--	306
EDUCATION	4,910,966	--	--	23,663	--	4,934,629
AGRICULTURE & FORESTRY	34,584	--	--	--	--	34,584
ECONOMIC DEVELOPMENT	134,651	--	--	--	--	134,651
WORKFORCE SUPPORT & TRAINING	34,602	--	--	--	--	34,602
CAPITAL OUTLAY	224,769	--	1,760,549	--	--	1,985,318
DEBT SERVICE:						
PRINCIPAL	165,149	269,500	--	--	97,320	531,969
INTEREST	34,091	114,873	--	--	157,430	306,394
ISSUANCE COSTS & OTHER CHARGES	4,654	854	--	--	408	5,916
TOTAL EXPENDITURES	23,113,145	385,417	1,760,549	23,663	326,837	25,609,611
EXCESS(DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(13,032,691)	12,189,822	(1,640,031)	(22,947)	845,675	(1,660,172)
OTHER FINANCING SOURCES(USES)						
TRANSFERS IN	12,675,804	33,426	1,178,216	79,380	774,456	14,741,282
TRANSFERS OUT	(571,155)	(12,639,028)	(23,330)	(26,093)	(1,635,187)	(14,894,793)
LONG-TERM DEBT ISSUED	76,952	205,805	254,625	--	--	537,382
PREMIUM ON LONG-TERM DEBT ISSUED	8,245	--	--	--	--	8,245
REFUNDING BONDS ISSUED	6,645	361,940	--	--	--	368,585
PREMIUM ON REFUNDING BONDS ISSUED	--	63,865	--	--	--	63,865
PAYMENTS TO REFUNDED BOND ESCROW AGENT	(6,489)	(425,223)	--	--	--	(431,712)
SALES OF GENERAL CAPITAL ASSETS	46	978	--	--	1	1,025
INSURANCE RECOVERIES	584	8,415	--	--	--	8,999
TOTAL OTHER FINANCING SOURCES(USES)	12,190,632	(12,389,822)	1,409,511	53,287	(860,730)	402,878
EXTRAORDINARY ITEM	--	200,000	--	--	--	200,000
NET CHANGE IN FUND BALANCES	(842,059)	--	(230,520)	30,340	(15,055)	(1,057,294)
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	2,127,437	--	314,645	1,316,705	2,072,289	5,831,076
FUND BALANCES AT END OF YEAR	\$ 1,285,378	\$ --	\$ 84,125	\$ 1,347,045	\$ 2,057,234	\$ 4,773,782

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 \$ (1,057,294)

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	\$ 730,922	
Depreciation/Amortization Expense		<u>(600,871)</u>	130,051

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		59,406
--	--	--------

An extraordinary item was recorded in fiscal year 2016 at the government-wide level to record the State's settlement amount with British Petroleum (BP) over the Deepwater Horizon oil spill. The first payment was received in the current fiscal year and was recorded at the fund level. The following amount represents the remaining settlement amount which will be received in annual payments through fiscal year 2033.		800,000
---	--	---------

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	(978,077)	
	Repayment of Bond Principal	531,969	
Payment to Refunded Bond Escrow Agent		431,712	
Amortization of Bond Premiums		57,367	
Amortization of Deferred Refunding Costs		<u>(23,947)</u>	19,024

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.		(81,654)
---	--	----------

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	4,374	
	Capital Lease Obligations	78	
	Accrued Interest	10,991	
Estimated Liabilities for Claims		(27,302)	
OPEB Obligation		(135,856)	
Net Pension Liability		190,946	
Pollution Remediation Obligations		735	
Other Liabilities		3,922	
Other Payables		<u>89,741</u>	<u>137,629</u>

Change in Net Position of Governmental Activities \$ 7,162

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, 2016

(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	\$ 944,048	\$ 111,939	\$ 472,040	\$ 1,528,027	\$ 11,438
INVESTMENTS	--	--	10,087	10,087	9,360
RESTRICTED INVESTMENTS	--	--	--	--	25,393
RECEIVABLES (NET)	59,252	20,774	6,526	86,552	49,722
LEASES RECEIVABLE (NET)	--	--	39	39	--
DUE FROM OTHER FUNDS	--	4,005	248	4,253	2
DUE FROM FEDERAL GOVERNMENT	19	13,822	1	13,842	--
INVENTORIES	--	7	7,648	7,655	991
PREPAYMENTS	--	1,000	99	1,099	3,496
NOTES RECEIVABLE	--	--	40,660	40,660	--
OTHER CURRENT ASSETS	--	115	82	197	--
TOTAL CURRENT ASSETS	1,003,319	151,662	537,430	1,692,411	100,402
NON-CURRENT ASSETS:					
RESTRICTED ASSETS					
CASH	--	62,016	6,203	68,219	--
INVESTMENTS	--	131,289	4,766	136,055	2,406
RECEIVABLES	--	4,853	442	5,295	--
OTHER ASSETS	--	54	--	54	--
INVESTMENTS	--	47	1,249	1,296	--
RECEIVABLES (NET)	1,859	--	--	1,859	--
NOTES RECEIVABLE	--	--	599,383	599,383	--
LEASES RECEIVABLE	--	--	1,645	1,645	--
CAPITAL ASSETS (NOTE 5)	--	--	--	--	--
LAND	--	41,340	10,087	51,427	301
BUILDING & IMPROVEMENTS (NET)	--	374,045	41,683	415,728	--
MACHINERY & EQUIPMENT (NET)	--	32,239	8,297	40,536	5,651
INFRASTRUCTURE (NET)	--	--	318,467	318,467	--
INTANGIBLE ASSETS (NET)	--	10,926	216	11,142	--
CONSTRUCTION IN PROGRESS	--	98,341	838	99,179	--
OTHER NONCURRENT ASSETS	--	3,822	261	4,083	86
TOTAL NON-CURRENT ASSETS	1,859	758,972	993,537	1,754,368	8,444
TOTAL ASSETS	1,005,178	910,634	1,530,967	3,446,779	108,846
DEFERRED OUTFLOWS OF RESOURCES					
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	--	65,094	10,070	75,164	147,967
TOTAL DEFERRED OUTFLOWS OF RESOURCES	--	65,094	10,070	75,164	147,967
LIABILITIES					
CURRENT LIABILITIES:					
ACCOUNTS PAYABLE	--	36,790	7,067	43,857	61,919
ACCRUED INTEREST	--	--	2,020	2,020	--
DUE TO OTHER FUNDS	21	395	2,344	2,760	24,952
DUE TO FEDERAL GOVERNMENT	9,110	13	--	9,123	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	176	1,476	36	1,688	--
UNEARNED REVENUES	--	12,395	2,440	14,835	105
OTHER CURRENT LIABILITIES	7,990	98	358	8,446	--
CURRENT PORTION OF LONG-TERM LIABILITIES:					
CONTRACTS PAYABLE	--	--	--	--	2,498
COMPENSATED ABSENCES PAYABLE	--	1,513	357	1,870	471
CAPITAL LEASE OBLIGATIONS	--	88	--	88	--
NOTES PAYABLE	--	--	--	--	1,926
BONDS PAYABLE	--	15,748	9,436	25,184	--
OTHER LONG-TERM LIABILITIES	--	5,072	--	5,072	29
TOTAL CURRENT LIABILITIES	17,297	73,588	24,058	114,943	91,900
NONCURRENT LIABILITIES					
NONCURRENT PORTION OF LONG-TERM LIABILITIES:					
COMPENSATED ABSENCES PAYABLE	--	17,433	1,531	18,964	8,338
CAPITAL LEASE OBLIGATIONS	--	2,835	--	2,835	--
NOTES PAYABLE	--	--	--	--	4,678
BONDS PAYABLE	--	423,996	187,013	611,009	--
NET OPEB OBLIGATION	--	163,175	22,444	185,619	18,243
NET PENSION LIABILITY	--	417,454	60,148	477,602	185,526
OTHER LONG-TERM LIABILITIES	--	--	--	--	86
TOTAL NON-CURRENT LIABILITIES	--	1,024,893	271,136	1,296,029	216,871
TOTAL LIABILITIES	17,297	1,098,481	295,194	1,410,972	308,771
DEFERRED INFLOWS OF RESOURCES					
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	6,870	6,870	--
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	--	--	5,712	5,712	--
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	--	14,692	2,567	17,259	14,595
TOTAL DEFERRED INFLOWS OF RESOURCES	--	14,692	15,149	29,841	14,595
NET POSITION					
NET INVESTMENT IN CAPITAL ASSETS	--	244,811	184,874	429,685	594
RESTRICTED FOR UNEMPLOYMENT COMPENSATION	987,881	--	--	987,881	--
RESTRICTED FOR ENDOWMENTS - EXPENDABLE	--	1,902	--	1,902	--
RESTRICTED FOR ENDOWMENTS - NONEXPENDABLE	--	5,870	--	5,870	--
RESTRICTED FOR DEBT SERVICE	--	--	1,172	1,172	27,799
RESTRICTED FOR OTHER PURPOSES	--	109,160	3,124	112,284	--
UNRESTRICTED	--	(499,188)	1,041,524	542,336	(94,946)
TOTAL NET POSITION	\$ 987,881	\$ (137,445)	\$ 1,230,694	\$ 2,081,130	\$ (66,553)

State of Louisiana

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

(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	\$ --	\$ 124,734	\$ 37,729	\$ 162,463	\$ 280,629
ASSESSMENTS	215,378	--	7,080	222,458	--
USE OF MONEY & PROPERTY	20,761	--	10,454	31,215	29,405
LICENSES, PERMITS & FEES	--	--	39,581	39,581	--
FEDERAL GRANTS & CONTRACTS	1,638	44,544	822	47,004	--
OTHER	--	17,177	4,272	21,449	--
TOTAL OPERATING REVENUES	<u>237,777</u>	<u>186,455</u>	<u>99,938</u>	<u>524,170</u>	<u>310,034</u>
OPERATING EXPENSES:					
COST OF SALES & SERVICES	--	319,680	45,303	364,983	37,431
ADMINISTRATIVE	--	117,550	45,140	162,690	354,197
DEPRECIATION	--	22,516	13,059	35,575	1,965
AMORTIZATION	--	1,975	11	1,986	--
UNEMPLOYMENT INSURANCE BENEFITS	251,175	--	--	251,175	--
TOTAL OPERATING EXPENSES	<u>251,175</u>	<u>461,721</u>	<u>103,513</u>	<u>816,409</u>	<u>393,593</u>
OPERATING LOSS	<u>(13,398)</u>	<u>(275,266)</u>	<u>(3,575)</u>	<u>(292,239)</u>	<u>(83,559)</u>
NONOPERATING REVENUES (EXPENSES):					
INTERGOVERNMENTAL REVENUES	--	--	16	16	--
INTERGOVERNMENTAL EXPENSES	--	--	(1,229)	(1,229)	--
GAIN ON SALE OF CAPITAL ASSETS	--	--	468	468	--
LOSS ON SALE OF CAPITAL ASSETS	--	--	(785)	(785)	(21)
FEDERAL GRANTS	--	136,225	--	136,225	--
INTEREST EXPENSE	--	(16,971)	(4,901)	(21,872)	(74)
OTHER REVENUES	--	3,002	3,459	6,461	1,995
OTHER EXPENSES	--	(182)	(2,937)	(3,119)	(47)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>--</u>	<u>122,074</u>	<u>(5,909)</u>	<u>116,165</u>	<u>1,853</u>
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	(13,398)	(153,192)	(9,484)	(176,074)	(81,706)
CAPITAL CONTRIBUTIONS	--	30,028	37,119	67,147	--
TRANSFERS IN	--	167,593	16,474	184,067	196
TRANSFERS OUT	--	(961)	(29,647)	(30,608)	(144)
CHANGE IN NET POSITION	(13,398)	43,468	14,462	44,532	(81,654)
TOTAL NET POSITION - BEGINNING AS RESTATED	<u>1,001,279</u>	<u>(180,913)</u>	<u>1,216,232</u>	<u>2,036,598</u>	<u>15,101</u>
TOTAL NET POSITION - ENDING	\$ <u>987,881</u>	\$ <u>(137,445)</u>	\$ <u>1,230,694</u>	\$ <u>2,081,130</u>	\$ <u>(66,553)</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, 2016

(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	\$ 220,056	\$ 129,454	\$ 107,921	\$ 457,431	\$ 28,052
RECEIPTS FROM INTERFUND SERVICES PROVIDED	--	--	23	23	272,745
RECEIPTS OF PRINCIPAL/INTEREST FROM LOAN PROGRAMS	--	--	36,825	36,825	--
OTHER OPERATING RECEIPTS	20,762	59,358	3,763	83,883	91
PAYMENTS TO SUPPLIERS & SERVICE PROVIDERS	(257,487)	(101,844)	(46,928)	(406,259)	(173,557)
PAYMENTS FOR LOANS MADE UNDER LOAN PROGRAMS	--	--	(96,382)	(96,382)	--
PAYMENTS TO EMPLOYEES FOR SERVICES	--	(269,947)	(30,910)	(300,857)	(116,599)
PAYMENTS FOR INTERFUND SERVICES USED	--	--	(18,490)	(18,490)	--
PAYMENTS FOR SCHOLARSHIPS AND FELLOWSHIPS	--	(60,430)	--	(60,430)	--
OTHER OPERATING PAYMENTS	--	--	(2,089)	(2,089)	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(16,669)</u>	<u>(243,409)</u>	<u>(46,267)</u>	<u>(306,345)</u>	<u>10,732</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
PROCEEDS FROM THE ISSUANCE OF NON-CAPITAL DEBT	--	--	9,427	9,427	--
RECEIPTS FROM OPERATING GRANTS	--	129,586	3,351	132,937	--
RECEIPTS FROM OTHER FUNDS	--	269,451	22,197	291,648	5,176
PAYMENTS FOR PRINCIPAL ON NON-CAPITAL DEBT	--	--	(9,500)	(9,500)	--
PAYMENTS FOR INTEREST ON NON-CAPITAL DEBT	--	--	(1)	(1)	--
PAYMENTS FOR GRANTS AND SUBSIDIES	--	--	(6)	(6)	--
PAYMENTS TO OTHER FUNDS	--	(133,410)	(19,269)	(152,679)	(16,391)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>--</u>	<u>265,627</u>	<u>6,199</u>	<u>271,826</u>	<u>(11,215)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
RECEIPTS FROM CAPITAL GRANTS	--	58,110	36,920	95,030	--
PROCEEDS FROM THE SALE OF CAPITAL ASSETS	--	473	621	1,094	4
PAYMENTS TO ACQUIRE, CONSTRUCT & IMPROVE CAPITAL ASSETS	--	(70,383)	(3,700)	(74,083)	(191)
PAYMENTS FOR PRINCIPAL ON CAPITAL DEBT	--	(13,925)	(9,428)	(23,353)	(1,724)
PAYMENTS FOR INTEREST ON CAPITAL DEBT	--	(20,811)	(5,426)	(26,237)	(68)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>--</u>	<u>(46,536)</u>	<u>18,987</u>	<u>(27,549)</u>	<u>(1,979)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
PURCHASES OF INVESTMENTS	--	(107,963)	(21,020)	(128,983)	(8,636)
PROCEEDS FROM THE SALE OF INVESTMENTS	--	--	23,267	23,267	8,306
INTEREST AND DIVIDENDS	--	1,506	118	1,624	178
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>--</u>	<u>(106,457)</u>	<u>2,365</u>	<u>(104,092)</u>	<u>(152)</u>
NET DECREASE IN CASH & CASH EQUIVALENTS	(16,669)	(130,775)	(18,716)	(166,160)	(2,614)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR AS RESTATED	960,717	304,730	496,959	1,762,406	14,052
CASH & CASH EQUIVALENTS AT END OF YEAR	<u>\$ 944,048</u>	<u>\$ 173,955</u>	<u>\$ 478,243</u>	<u>\$ 1,596,246</u>	<u>\$ 11,438</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
OPERATING LOSS	\$ (13,398)	\$ (275,266)	\$ (3,575)	\$ (292,239)	\$ (83,559)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
DEPRECIATION/AMORTIZATION	--	24,491	13,070	37,561	1,965
PENSION EXPENSE	--	35,551	4,662	40,213	66,637
SUBSEQUENT PENSION CONTRIBUTIONS	--	(45,773)	(5,303)	(51,076)	(26,763)
OTHER	--	--	(931)	(931)	(13)
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	8,969	8,452	96	17,517	(9,298)
(INCREASE)/DECREASE IN DUE FROM OTHER FUNDS	(5)	(2,205)	28	(2,182)	(2)
(INCREASE)/DECREASE IN PREPAYMENTS	--	321	(47)	274	(2,646)
(INCREASE)/DECREASE IN INVENTORIES	--	3	727	730	(516)
(INCREASE)/DECREASE IN OTHER ASSETS	--	554	(57,741)	(57,187)	77
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS	--	(1,112)	114	(998)	48,083
INCREASE/(DECREASE) IN COMPENSATED ABSENCES	--	2	107	109	2,008
INCREASE/(DECREASE) IN DUE TO OTHER FUNDS	(1,472)	472	3	(997)	(12)
INCREASE/(DECREASE) IN UNEARNED REVENUES	--	336	117	453	95
INCREASE/(DECREASE) IN NET OPEB OBLIGATION	--	12,466	1,578	14,044	13,609
INCREASE/(DECREASE) IN OTHER LIABILITIES	(10,763)	(1,701)	828	(11,636)	1,067
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (16,669)</u>	<u>\$ (243,409)</u>	<u>\$ (46,267)</u>	<u>\$ (306,345)</u>	<u>\$ 10,732</u>

(Continued)

State of Louisiana

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

(EXPRESSED IN THOUSANDS)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

	2016
LOUISIANA AGRICULTURAL FINANCE AUTHORITY	
LOSS ON DISPOSAL OF CAPITAL ASSETS	(5)
LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM	
LOSS ON DISPOSAL OF CAPITAL ASSETS	(1,407)
CONTRIBUTIONS OF CAPITAL ASSETS	5,168
CAPITAL APPROPRIATION FOR PURCHASE OF CAPITAL ASSETS	24,971
INCREASE IN CAPITAL ACCOUNTS AND RETAINAGE PAYABLE	3,793
DECREASE IN PREPAID CAPITAL CONSTRUCTION COSTS	(267)
LOUISIANA TRANSPORTATION AUTHORITY	
CONTRIBUTIONS OF CAPITAL ASSETS	199
PRISON ENTERPRISES	
GAIN ON DISPOSAL OF CAPITAL ASSETS	468
LOSS ON DISPOSAL OF CAPITAL ASSETS	(780)

(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, 2016

(EXPRESSED IN THOUSANDS)

	PENSION TRUST FUNDS	INVESTMENT TRUST FUNDS	PRIVATE-PURPOSE TRUST FUNDS *	AGENCY FUNDS
ASSETS				
CASH & CASH EQUIVALENTS	\$ 106,031	\$ 33,339	\$ 27,683	\$ 299,317
RECEIVABLES:				
EMPLOYER CONTRIBUTIONS	242,053	--	--	--
MEMBER CONTRIBUTIONS	71,034	--	--	--
INVESTMENT PROCEEDS	1,455,914	--	--	--
INTEREST & DIVIDENDS	72,144	94	644	--
OTHER	19,831	75	--	173,708
TOTAL RECEIVABLES	1,860,976	169	644	173,708
INVESTMENTS (AT FAIR VALUE):				
SHORT-TERM INVESTMENTS	1,724,547	545,540	--	--
U.S. GOVERNMENT AND AGENCY OBLIGATIONS	1,359,065	382,535	124,644	--
BONDS - DOMESTIC	1,867,192	--	59,770	--
BONDS - INTERNATIONAL	1,838,194	--	--	--
EQUITIES - DOMESTIC	8,243,444	6,146	395,308	--
EQUITIES - INTERNATIONAL	6,927,035	--	18,733	--
ALTERNATIVE INVESTMENTS	8,014,827	--	--	--
COLLATERAL HELD UNDER SECURITIES LENDING PROGRAM	3,789,428	--	--	--
REPURCHASE AGREEMENTS	--	238,063	--	--
OTHER INVESTMENTS	2,101	10,740	--	247,995
INVESTMENTS (AT CONTRACT VALUE):				
SYNTHETIC GUARANTEED INVESTMENT CONTRACT	481,031	--	--	--
TOTAL INVESTMENTS	34,246,864	1,183,024	598,455	247,995
OTHER ASSETS	36	17	--	837
PROPERTY PLANT AND EQUIPMENT (NET)	12,815	22	--	--
TOTAL ASSETS	36,226,722	1,216,571	626,782	721,857
DEFERRED OUTFLOWS OF RESOURCES				
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	2,625	--	--	--
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,625	--	--	--
LIABILITIES				
ACCOUNTS PAYABLE	27,703	118	1,036	--
RETIREMENT BENEFITS PAYABLE	6,972	--	--	--
INVESTMENT COMMITMENTS PAYABLE	1,653,356	--	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	506,001
OBLIGATIONS UNDER SECURITIES LENDING PROGRAM	3,790,070	--	--	--
NET OPEB OBLIGATION	26,172	--	--	--
NET PENSION LIABILITY	16,970	--	--	--
REFUNDS PAYABLE	5,805	--	--	--
OTHER LIABILITIES	2,170	56	--	215,856
TOTAL LIABILITIES	5,529,218	174	1,036	721,857
DEFERRED INFLOWS OF RESOURCES				
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	230	--	--	--
TOTAL DEFERRED INFLOWS OF RESOURCES	230	--	--	--
NET POSITION				
RESTRICTED FOR PENSIONS	30,699,899	--	--	--
HELD IN TRUST FOR INVESTMENT POOL PARTICIPANTS	--	1,216,397	--	--
HELD IN TRUST FOR INDIVIDUALS, PRIVATE ORGANIZATIONS, AND OTHER GOVERNMENTS	--	--	625,746	--
TOTAL NET POSITION	\$ 30,699,899	\$ 1,216,397	\$ 625,746	\$ --

* For the period ending December 31, 2015.

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, 2016

(EXPRESSED IN THOUSANDS)

	PENSION TRUST FUNDS	INVESTMENT TRUST FUNDS	PRIVATE-PURPOSE TRUST FUNDS *
<u>ADDITIONS</u>			
CONTRIBUTIONS:			
EMPLOYER	\$ 2,033,179	\$ --	\$ --
MEMBER	511,881	--	--
POOL PARTICIPANTS (DEPOSITS)	--	1,772,646	72,618
NON-EMPLOYER	38,193	--	--
TOTAL CONTRIBUTIONS	<u>2,583,253</u>	<u>1,772,646</u>	<u>72,618</u>
INVESTMENT INCOME:			
NET INCREASE (DECREASE) IN FAIR VALUE OF INVESTMENTS	(637,632)	749	(12,491)
INTEREST & DIVIDENDS	537,195	1,394	14,088
ALTERNATIVE INVESTMENT INCOME	113,625	--	--
LESS ALTERNATIVE INVESTMENT EXPENSES	(97,142)	--	--
GAIN ON SALE OF INVESTMENTS	--	31	--
SECURITIES LENDING INCOME	21,651	--	--
LESS SECURITIES LENDING EXPENSES	(4,167)	--	--
OTHER INVESTMENT INCOME	2,718	1,497	--
LESS INVESTMENT EXPENSES OTHER THAN ALTERNATIVE INVESTMENTS AND SECURITIES LENDING	(76,684)	--	--
NET INVESTMENT INCOME (LOSS)	<u>(140,436)</u>	<u>3,671</u>	<u>1,597</u>
OTHER INCOME	<u>20,928</u>	<u>--</u>	<u>7</u>
TOTAL ADDITIONS	<u>2,463,745</u>	<u>1,776,317</u>	<u>74,222</u>
<u>DEDUCTIONS</u>			
RETIREMENT BENEFITS	3,455,645	--	--
REFUNDS OF CONTRIBUTIONS	90,085	--	--
ADMINISTRATIVE EXPENSES	38,212	1,763	--
DEPRECIATION & AMORTIZATION EXPENSES	1,091	--	--
DISTRIBUTIONS TO POOL PARTICIPANTS	--	1,931,686	36,277
OTHER	116	--	--
TOTAL DEDUCTIONS	<u>3,585,149</u>	<u>1,933,449</u>	<u>36,277</u>
CHANGE IN NET POSITION:			
RESTRICTED FOR PENSIONS	(1,121,404)	--	--
HELD IN TRUST FOR INVESTMENT POOL PARTICIPANTS	--	(157,132)	--
HELD IN TRUST FOR INDIVIDUALS, PRIVATE ORGANIZATIONS, AND OTHER GOVERNMENTS	--	--	37,945
NET POSITION - BEGINNING OF YEAR	<u>31,821,303</u>	<u>1,373,529</u>	<u>587,801</u>
NET POSITION - END OF YEAR	<u>\$ 30,699,899</u>	<u>\$ 1,216,397</u>	<u>\$ 625,746</u>

* For the period ending December 31, 2015.

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, 2016

(EXPRESSED IN THOUSANDS)

	LOUISIANA STATE UNIVERSITY SYSTEM	UNIVERSITY OF LOUISIANA SYSTEM	SOUTHERN UNIVERSITY SYSTEM
ASSETS			
CURRENT ASSETS:			
CASH & CASH EQUIVALENTS	\$ 210,965	\$ 250,156	\$ 15,433
RESTRICTED CASH & CASH EQUIVALENTS	--	--	--
INVESTMENTS	438,971	17,276	523
RESTRICTED INVESTMENTS	--	--	--
RECEIVABLES (NET)	290,614	68,919	10,890
PLEDGES RECEIVABLE (NET)	33,015	1,968	501
LEASES RECEIVABLE (NET)	3,880	--	--
AMOUNTS DUE FROM PRIMARY GOVERNMENT	38,445	11,241	5,273
DUE FROM FEDERAL GOVERNMENT	22,735	11,861	13,021
INVENTORIES	9,301	5,866	302
PREPAYMENTS	9,105	9,590	2,357
NOTES RECEIVABLE	3,041	3,892	332
OTHER CURRENT ASSETS	25,559	1,366	1,386
TOTAL CURRENT ASSETS	<u>1,085,631</u>	<u>382,135</u>	<u>50,018</u>
NON-CURRENT ASSETS:			
RESTRICTED ASSETS	1,351,794	527,703	25,243
INVESTMENTS	27,280	36	--
RECEIVABLES (NET)	--	--	--
NOTES RECEIVABLE (NET)	--	--	--
PLEDGES RECEIVABLE (NET)	13,341	5,561	--
LEASES RECEIVABLE (NET)	3,140,717	--	--
CAPITAL ASSETS			
LAND	80,670	146,248	14,605
BUILDING & IMPROVEMENTS (NET)	1,490,609	1,283,342	239,096
MACHINERY & EQUIPMENT (NET)	232,414	69,476	8,663
INFRASTRUCTURE (NET)	23,702	20,916	7,592
INTANGIBLE ASSETS (NET)	26,970	3,225	1,151
CONSTRUCTION IN PROGRESS	197,853	86,123	26,525
OTHER NONCURRENT ASSETS	52,708	18,443	9,645
TOTAL NON-CURRENT ASSETS	<u>6,638,058</u>	<u>2,161,073</u>	<u>332,520</u>
TOTAL ASSETS	<u>7,723,689</u>	<u>2,543,208</u>	<u>382,538</u>
DEFERRED OUTFLOWS OF RESOURCES			
DEFERRED AMOUNTS ON DEBT REFUNDING	6,769	--	--
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	266,178	145,007	29,774
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>272,947</u>	<u>145,007</u>	<u>29,774</u>
LIABILITIES			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE	86,310	60,008	13,431
ACCRUED INTEREST	--	--	--
AMOUNTS DUE TO PRIMARY GOVERNMENT	36,205	932	--
DUE TO FEDERAL GOVERNMENT	5,238	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	35,288	8,299	1,445
UNEARNED REVENUES	202,003	45,530	10,359
OTHER CURRENT LIABILITIES	1,915	4,785	2,445
CURRENT PORTION OF LONG-TERM LIABILITIES:			
CONTRACTS PAYABLE	--	403	--
COMPENSATED ABSENCES PAYABLE	8,420	3,919	814
CAPITAL LEASE OBLIGATIONS	3,298	1,618	--
NOTES PAYABLE	3,055	952	1,460
BONDS PAYABLE	25,418	21,617	1,556
ESTIMATED LIABILITY FOR CLAIMS	--	1	144
OTHER LONG-TERM LIABILITIES	64,606	8,298	--
TOTAL CURRENT LIABILITIES	<u>471,756</u>	<u>156,362</u>	<u>31,654</u>
NONCURRENT LIABILITIES:			
NONCURRENT PORTION OF LONG-TERM LIABILITIES:			
COMPENSATED ABSENCES PAYABLE	73,838	42,960	11,197
CAPITAL LEASE OBLIGATIONS	20,391	4,331	--
NOTES PAYABLE	34,326	7,086	35,570
BONDS PAYABLE	611,536	674,116	64,853
POLLUTION REMEDIATION OBLIGATIONS	--	--	--
ESTIMATED LIABILITY FOR CLAIMS	--	--	304
NET OPEB OBLIGATION	957,242	561,778	113,036
NET PENSION LIABILITY	1,715,196	1,082,993	214,559
OTHER LONG-TERM LIABILITIES	55,515	379	626
UNEARNED REVENUE	2,593,375	3,829	--
TOTAL NON-CURRENT LIABILITIES	<u>6,061,419</u>	<u>2,377,472</u>	<u>440,145</u>
TOTAL LIABILITIES	<u>6,533,175</u>	<u>2,533,834</u>	<u>471,799</u>
DEFERRED INFLOWS OF RESOURCES			
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	303,742	55,566	9,236
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>303,742</u>	<u>55,566</u>	<u>9,236</u>
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	1,404,621	973,687	201,930
RESTRICTED FOR:			
CAPITAL PROJECTS	--	--	--
DEBT SERVICE	--	--	--
NONEXPENDABLE	554,983	264,398	15,329
EXPENDABLE	716,300	279,200	27,247
OTHER PURPOSES	--	--	--
UNRESTRICTED	(1,516,185)	(1,418,470)	(313,229)
TOTAL NET POSITION	<u>\$ 1,159,719</u>	<u>\$ 98,815</u>	<u>\$ (68,723)</u>

State of Louisiana

BOARD OF REGENTS	LOUISIANA LOTTERY CORPORATION	LOUISIANA STADIUM & EXPOSITION DISTRICT	NONMAJOR DISCRETE COMPONENT UNITS	TOTAL COMPONENT UNITS
\$	\$	\$	\$	\$
1,070	20,402	71,132	270,683	839,841
--	--	--	129,608	129,608
--	2,348	--	339,778	798,896
--	--	--	19,533	19,533
--	10,996	2,034	95,243	478,696
--	--	--	--	35,484
--	--	--	--	3,880
4,476	--	11,767	8,500	79,702
881	--	--	2,594	51,092
--	--	126	1,842	17,437
--	144	335	7,960	29,491
--	--	--	4,496	11,761
--	14	140	15,781	44,246
<u>6,427</u>	<u>33,904</u>	<u>85,534</u>	<u>896,018</u>	<u>2,539,667</u>
--	--	14,649	645,943	2,565,332
--	29,060	--	80,398	136,774
--	--	--	35	35
--	--	--	6,464	6,464
--	--	--	--	18,902
--	--	--	--	3,140,717
--	1,542	13,944	74,581	331,590
--	2,500	330,943	320,985	3,667,475
6,668	376	8,752	27,140	353,489
--	--	--	349,497	401,707
--	--	--	6,943	38,289
--	--	34,254	64,697	409,452
--	5,582	11,715	9,019	107,112
<u>6,668</u>	<u>39,060</u>	<u>414,257</u>	<u>1,585,702</u>	<u>11,177,338</u>
<u>13,095</u>	<u>72,964</u>	<u>499,791</u>	<u>2,481,720</u>	<u>13,717,005</u>
--	--	32,806	9,897	49,472
2,399	--	--	52,990	496,348
<u>2,399</u>	<u>--</u>	<u>32,806</u>	<u>62,887</u>	<u>545,820</u>
5,274	3,010	16,438	53,469	237,940
--	--	--	80	80
--	13,023	--	3,768	53,928
--	--	--	2,206	7,444
--	--	--	--	45,032
--	--	19,019	83,064	359,975
--	28,909	286	15,823	54,163
--	--	--	3,519	3,922
61	388	445	5,042	19,089
--	--	584	153	5,653
--	--	--	8,650	14,117
--	--	12,165	257,837	318,593
--	--	--	72,999	73,144
--	--	--	751	73,655
<u>5,335</u>	<u>45,330</u>	<u>48,937</u>	<u>507,361</u>	<u>1,266,735</u>
782	--	--	7,479	136,256
--	--	6,560	64	31,346
--	--	14,800	26,515	118,297
--	--	360,763	1,697,679	3,408,947
--	--	--	5	5
4,507	--	--	1,896	2,200
11,322	--	--	115,277	1,751,840
--	14,717	3,428	350,691	3,374,761
--	--	--	12,542	87,207
<u>16,611</u>	<u>14,717</u>	<u>385,551</u>	<u>2,212,148</u>	<u>11,508,063</u>
<u>21,946</u>	<u>60,047</u>	<u>434,488</u>	<u>2,719,509</u>	<u>12,774,798</u>
--	--	--	797	797
997	--	--	13,599	383,140
<u>997</u>	<u>--</u>	<u>--</u>	<u>14,396</u>	<u>383,937</u>
6,668	4,418	116,705	781,288	3,489,317
--	--	9,558	15,221	24,779
--	--	43,123	191,817	234,940
--	--	--	--	834,710
2,229	--	--	--	1,024,976
--	--	660	243,939	244,599
<u>(16,346)</u>	<u>8,499</u>	<u>(71,937)</u>	<u>(1,421,563)</u>	<u>(4,749,231)</u>
<u>\$ (7,449)</u>	<u>\$ 12,917</u>	<u>\$ 98,109</u>	<u>\$ (189,298)</u>	<u>\$ 1,104,090</u>

State of Louisiana

COMBINING STATEMENT OF ACTIVITIES

COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2016

(EXPRESSED IN THOUSAND)

	PROGRAM REVENUES				NET (EXPENSE) REVENUE
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	
COMPONENT UNITS:					
LOUISIANA STATE UNIVERSITY SYSTEM	\$ 2,207,677	\$ 1,021,444	\$ 610,091	\$ 137,523	\$ (438,619)
UNIVERSITY OF LOUISIANA SYSTEM	1,277,809	687,901	128,815	55,747	(405,346)
SOUTHERN UNIVERSITY SYSTEM	232,968	77,063	42,040	9,314	(104,551)
BOARD OF REGENTS	50,073	2,909	9,599	--	(37,565)
LOUISIANA LOTTERY CORPORATION	507,356	507,027	--	--	(329)
LOUISIANA STADIUM & EXPOSITION DISTRICT	132,882	49,329	6	26,143	(57,404)
NONMAJOR COMPONENT UNITS	698,011	467,984	192,735	26,916	(10,376)
TOTAL COMPONENT UNITS	\$ 5,106,776	\$ 2,813,657	\$ 983,286	\$ 255,643	\$ (1,054,190)

	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	\$ 460,251	\$ 234,833	\$ 24,671	\$ 281,136	\$ 878,583	\$ 1,159,719
UNIVERSITY OF LOUISIANA SYSTEM	234,119	179,740	3,870	12,383	86,432	98,815
SOUTHERN UNIVERSITY SYSTEM	48,983	56,513	145	1,090	(69,813)	(68,723)
BOARD OF REGENTS	38,073	--	--	508	(7,957)	(7,449)
LOUISIANA LOTTERY CORPORATION	--	1,341	--	1,012	11,905	12,917
LOUISIANA STADIUM & EXPOSITION DISTRICT	65,314	326	--	8,236	89,873	98,109
NONMAJOR COMPONENT UNITS	152,668	242,923	--	385,215	(574,513)	(189,298)
TOTAL COMPONENT UNITS	\$ 999,408	\$ 715,676	\$ 28,686	\$ 689,580	\$ 414,510	\$ 1,104,090

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 6B	Employee Benefits – Termination Benefits
Note 7	Leases
Note 8	Long-Term Obligations
Note 9	Contingencies and Commitments
Note 10	Fund Balance/Net Position Disclosures
Note 11	Other Disclosures
Note 12	Subsequent Events

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2016

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.

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.
- 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.

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- 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. LCTCS has 51 campuses.
- 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.
- 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
- 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

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- Southern University Agricultural Research and Extension Center at Baton Rouge

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

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

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

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

- Louisiana 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 the hurricanes 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
 - 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, P.O. Box 8235, Alexandria, LA 71306-1235
 - 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

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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, 12497 Airline Highway, Baton Rouge, LA 70817, 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 44296, Baton Rouge, LA 70804.

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, P.O. Box 1951, Baton Rouge, LA 70821, 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 benefit burden on the primary government because the primary government is required by Article X, Section 29(B) of the Louisiana Constitution of 1974 to guarantee benefits payable to retirees of these entities:

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

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

- 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.

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- 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, 2051 Silverside Dr., Suite 190, 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.
- 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.

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- 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, 1010 Common Street, Suite 600, New Orleans, LA 70112, 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, 2924 Knight Street, Ste. 350, Shreveport LA 71105, 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, 2045 Lakeshore Drive, Suite 422, New Orleans, LA 70122, 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 2016 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 2016, the Sabine River Authority of Louisiana reported an increase in net position of \$3,583,563 from fiscal year 2015.

The Pest Control Compact Insurance Fund Governing Board, P.O. Box 3481, Baton Rouge, LA 70821-3481, participates equally in the multistate Pest Control Compact and through the Interstate Pest Control Compact, 845 Sutherland Drive, Saint Albans, WV 25177. The Insurance Fund must annually submit to the governor of each party state a report covering its activities for the preceding year. Louisiana's participation in the Compact was confirmed by the Louisiana Legislature to alleviate financial losses from the depredations of pests and to protect fully against those pests that present serious dangers. The governing board of the Insurance Fund is made up of one representative from each party state that shall be entitled to one vote on such board; if provisions are made, the United States may be represented on the board not to exceed three representatives with non-voting powers. The budget of each party state shall contain a specific recommendation of the amount or amounts to be appropriated by each party state, which is one-tenth of the total budget in equal shares and the remainder in proportion to the value of agriculture and forest crops and products. The party states may request expenditures from the Insurance Fund. The Pest Control Compact Insurance Fund was repealed effective June 2, 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 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.
- In prior years, donated capital assets were valued at estimated fair market value at the time of donation. With the implementation of GASB Statement No. 72, *Fair Value Measurement and Application*, this year, donated capital assets are valued at acquisition value at the time of donation. There is no significant change in the reported value of donated assets due to the implementation of GASB 72.

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.

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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.

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

Revenues and Expenses

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

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

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and 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.

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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 2016, 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.

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; or notes representing loans to students guaranteed by the Louisiana Student Financial Assistance Commission. Fair value, excluding interest, of such securities held by the depositing authority shall be equal to 100% of the amount on deposit to the credit of the depositing authority except that portion appropriately insured. Designated depositories may be granted a period not to exceed five days from the date of any deposit to post the necessary security.

The following chart presents bank deposit balances for the primary government and fiduciary funds as of June 30, 2016. 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)				
	Uninsured and Uncollateralized	Uninsured and Collateralized with Securities Held by Institution	Uninsured and Collateralized with Securities Held by Pledging Institution's Trust Dept. or Agent but not in State's Name	Total Bank Balances – All Deposits
Primary Gov't & Fiduciary:				
Cash	\$ 61,828	\$ 131,113	\$ 18,077	\$ 776,178
Certificates of Deposit	35	102	436	162,072
Other	587	9,001	-	23,395
Total Bank Balances	\$ 62,450	\$ 140,216	\$ 18,513	\$ 961,645

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.

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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, 2016 the par value of the securities within the Louisiana Education Excellence Trust Fund is \$26,872,850 and the fair market value is \$27,288,990.

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, 2016. As required by GASB 72, investments reported at fair value, exceptions noted below, are disclosed by fair value hierarchy level. Application of the new standard to the note disclosures for the fiscal year ending June 30, 2015 was not practical, therefore a comparative note is not presented.

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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	\$784	\$750	\$34
U.S. Government Securities	2,490,319	663,539	1,826,780
U.S. Agency Obligations	1,291,765		1,291,765
Short Term Investments	1,579,315	624,975	184,030
Mortgages (Mortgage Backed Securities & Collateralized Mortgage Obligations)	119,063		\$770,310
External Investment Pools	986	986	
Mutual Funds	1,485,391	1,485,391	
Municipal Bonds	696,836	499	696,337
Corporate Bonds	2,173,289	106,258	1,960,082
Other Bonds	2,225,736	91,832	2,122,469
Equity Securities (Common & Preferred Stock)	13,593,422	13,073,705	65,604
Real Estate	631,428		631,428
Private Equity	2,801,668	25,310	2,776,358
Alternative Investments	509,031	18	509,013
Collateral Held Under Securities Lending	1,235,843	190,916	1,044,927
Total Investments by Fair Value Level	\$30,834,876	\$16,264,179	\$9,311,091
Investments Measured at Net Asset Value			
Emerging Market Funds	\$1,308,016		
Private Equity Funds	1,469,103		
Absolute Return Funds	935,543		
Global Tactical Asset Allocation	739,741		
Real Estate	423,869		
Dimensional Funds	293,021		
Strategic Property Funds	412,622		
Core Property Funds	205,266		
Total Investments at Net Asset Value	\$5,787,181		
Investments Measured at Fair Value			
Commercial Paper	\$545,540		
U.S. Agency Obligations	366,765		
Corporate Bonds	106,403		
Other Bonds	21,827		
Equity Securities	384,203		
Repurchase Agreements	238,063		
Alternative Investments	97,192		
Short Term Investments	59,613		
Collateral Held Under Securities Lending	2,553,584		
Total Investments at Fair Value	\$4,373,190		
Derivatives by Fair Value Level			
Pay Fixed Interest Rate Swaps	(\$76,430)		(\$76,430)
Financial Futures	16,529	\$16,529	
Forward Foreign Exchange Contracts	(\$1,799)	413	(2,212)
Short Sales and Written Options	(208,135)	(159)	(207,976)
Short Sales	(2,782)	(1,138)	(1,644)
Total Derivatives by Fair Value Level	(\$272,617)	\$15,645	(\$288,262)
TOTAL INVESTMENTS AT FAIR VALUE	\$40,722,630	\$16,279,824	\$9,022,829
			\$5,259,606

State of Louisiana

All Investments (Expressed in Thousands)

	Quoted Prices in Active Markets for Identical Assets			Other Observable Inputs	Significant Unobservable Inputs
	<u>Total Value</u>	<u>(Level 1 Inputs)</u>	<u>(Level 2 Inputs)</u>	<u>(Level 3 Inputs)</u>	
Investments Measured at Amortized Cost					
Negotiable Certificates of Deposit	\$1,265				
U.S. Government Securities	21,579				
U.S. Agency Obligations	1,652				
Money Market Mutual Funds	406,018				
Short Term Investments	-				
Total Investments at Amortized Cost	<u>\$430,514</u>				
TOTAL ALL INVESTMENTS	<u>\$41,153,144</u>	<u>\$16,279,824</u>	<u>\$9,022,829</u>	<u>\$5,259,606</u>	

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, Bank of New York Mellon uses S&P as its source of pricing for Municipal Bonds.

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, 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, Mutual Funds, U.S. Government Securities & Agency Obligations, Municipal Bonds, Corporate Bonds, Negotiable Certificates of Deposit, 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, but has investments in Negotiable Certificates of Deposit, U.S. Government Securities & Agency Obligations, Money Market Mutual Funds, and other Short Term Investments measured as amortized cost. These investments are measured in accordance with the exception as provided in GASB 72.

Retirement Systems and Other Fiduciary Funds

Debt and equity securities classified in Level 1 of the fair value hierarchy include U.S. Government Securities & Agency Obligations, Corporate Bonds, Mutual Funds, Municipal Bonds, Other Bonds, Equity Securities, Private Equity, Cash Collateral, Alternative Investments, 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 Cash Collateral. 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://app.la.state.la.us/PublicReports.nsf/54416CDDEA9879A886258049007526FB/\\$FILE/00011430.pdf](https://app.la.state.la.us/PublicReports.nsf/54416CDDEA9879A886258049007526FB/$FILE/00011430.pdf)
- TRSL [https://app.la.state.la.us/PublicReports.nsf/FE3DC0FAECB510368625806C0076AE83/\\$FILE/000118A0.pdf](https://app.la.state.la.us/PublicReports.nsf/FE3DC0FAECB510368625806C0076AE83/$FILE/000118A0.pdf)
- LSERS [https://app.la.state.la.us/PublicReports.nsf/40AFCA287C1B4B3B8625804C0051F987/\\$FILE/0001150D.pdf](https://app.la.state.la.us/PublicReports.nsf/40AFCA287C1B4B3B8625804C0051F987/$FILE/0001150D.pdf)

Information sufficient to comply with GASB 72, fair value hierarchy, valuation techniques, and additional disclosures, were not provided for the Louisiana Asset Management Pool (LAMP) or the Louisiana State Police Retirement System (LSPRS). GASB 72 was only required for governments whose fiscal year began after June 15, 2015, and LAMP's fiscal year began January 1, 2015. LSPRS was unable to obtain this information from the custodial bank.

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, 2016.

State of Louisiana

Investments Exposed to Custodial Credit Risk (Expressed in Thousands)

	<u>Uninsured, Unregistered, and Held by Counterparty</u>	<u>Uninsured, Unregistered, and Held by Counterparty's Trust Dept. or Agent but not in the State's Name</u>
Primary Government:		
Negotiable Certificates of Deposit	\$165	
Repurchase Agreements		
U.S. Government Securities		
U.S. Agency Obligations		
Equity Securities	45	\$456
Municipal Bonds		
Corporate Bonds		1,612
Other Bonds		
Mortgages		
Mutual Funds		1,150
Alternative Investments		
Total Primary Government	\$210	\$3,218
Fiduciary Funds:		
Negotiable Certificates of Deposit		
Repurchase Agreements		
U.S. Government Securities		
U.S. Agency Obligations		
Equity Securities		
Municipal Bonds	\$386	
Corporate Bonds	401	
Other Bonds		
Mortgages		
Real Estate		
Mutual Funds	3,606	
Private Equity		
Alternative Investments		\$140,233
Total Fiduciary Funds	\$4,393	\$140,233
TOTAL INVESTMENTS	\$4,603	\$143,451

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' 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, 2016 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 \$718,334,806 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, 2016.

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	\$1,265,052	\$153,706	\$1,029,728	\$63,327	\$18,291
U.S. Agency Obligations	946,740	314,047	220,265	317,774	94,654
Negotiable Certificates of Deposit	784		784		
Corporate Bonds	697,951	65,209	234,393	244,298	154,051
Municipal Bonds	691,018	5,395	168,352	343,929	173,342
Other Bonds	23,000		23,000		
Mutual Funds	1,426,704	1,426,398	80	203	23
External Investment Pools	330		330		
Total	\$5,051,579	\$1,964,755	\$1,676,932	\$969,531	\$440,361

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 20% 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, 2016, the Louisiana School Employees' Retirement System (LSERS) held \$623,825,209 in total debt investments; the Louisiana State Employees' Retirement System (LASERS) held \$2,623,742,947 in total debt investments; the Teachers' Retirement System of Louisiana (TRSLA) held \$4,549,555,416 in total debt investments; and the Louisiana State Police Retirement System (LSPRS) held \$39,499,274 in total debt investments. LSPRS also held \$88,730,925 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, 2016.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Government Securities	\$1,137,228	\$34,055	\$319,488	\$230,930	\$552,755
U.S. Agency Obligations	623,354	459,909	76,851	698	85,896
Mortgage Backed Securities and Collateralized Mortgage Obligations	223,109	3,577	8,717	14,463	196,352
Corporate Bonds	1,526,039	83,320	487,606	745,153	209,960
Foreign Bonds	1,830,471	179,785	541,099	615,080	494,507
Short-term Investments	2,555,499	2,555,499	-	-	-
Repurchase Agreements	321,187	321,187	-	-	-
Municipal Bonds	5,712	-	5,712	-	-
Other Bonds	384,668	11,911	191,219	74,144	107,394
Commercial Paper	545,540	545,540	-	-	-
Mutual Funds	10,345	10,345	-	-	-
Alternative Investments	94,215	94,215	-	-	-
Total	\$9,257,367	\$4,299,343	\$1,630,692	\$1,680,468	\$1,646,864

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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, 4.78% are issues of the Federal National Mortgage Association (Fannie Mae), 9.03% are issues of the Federal Home Loan Bank, and 4.05% are issues of the Federal Farm Credit Bank.

The accompanying table illustrates the primary government's investments exposure to credit risk as of June 30, 2016 (expressed in thousands):

<u>Rating</u>	<u>Fair Value</u>
AAA	\$635,177
AA+	3,259
AA	823,008
AA-	3,502
A+	2,669
A	279,092
A-	542
BBB+	337
BBB	243,127
BB	46,776
Not Rated	1,477,965
Total	<u>\$3,515,454</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, 2016: (1) State Street Global Advisors Domestic Equity; (2) T. Rowe Price Large Cap Growth Fund; (3) Aronson, Johnson, Qrtiz Large Cap Growth Fund; (4) Loomis Sayles Fixed Income Fund; (5) Fisher Investments, Inc. Small Cap Value; (6) Templeton Investments Counsel, Inc. International Value; and (7) Waddell & Reed Asset Mgt. Group Small Cap Growth. 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, 2016 for each of the state's retirement systems and other fiduciary funds:

Fair Value (U.S. dollars) (in thousands)	
Rating	Fair Value
AAA	\$1,603,749
AA+	351,581
AA	175,267
AA-	128,242
A+	90,887
A	203,854
A-	332,616
A-1	634,993
A-1+	42,281
BBB+	176,433
BBB	281,924
BBB-	206,424
BB+	217,043
BB	227,761
BB-	143,945
B+	141,135
B	114,599
B-	124,189
CCC+	82,319
CCC	31,156
CCC-	9,128
CC	6,006
C	99
D	29,993
Not Rated	2,343,739
Total	\$7,699,363

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 15% of its portfolio to be invested in foreign marketable securities and 10% in global fixed income. However, at June 30, 2016, the current position is 4.5% and 2.9% respectively and totals \$85,864,220. The Louisiana State Employees' Retirement System (LASERS) held foreign marketable securities with a fair value of \$2,407,644,351 at June 30, 2016 and the Teachers' Retirement System of Louisiana (TRSLA) held \$3,421,807,701. The Louisiana State Police Retirement System (LSPRS) investment policy allows no more than 17.50% of their portfolio to be international equities, with a target of 12.50%; however at June 30, 2016 the system held no international equities. The following table illustrates the total exposure to foreign currency risk at June 30, 2016 of \$5,915,316,272 by currency denomination and investment type:

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Currency	Fair Value (U.S. dollars) (in thousands)	
	Bonds	Stocks & Other
Australian dollar	\$58,058	\$188,263
Brazilian real	115,601	29,559
British pound	125,826	624,752
Canadian dollar	22,072	219,450
Chilean peso	-	5,333
Columbian peso	27,700	1,867
Czech koruna	530	1,718
Danish krone	57,147	77,050
European euro	223,517	1,513,096
Chinese Yuan	-	520
Hong Kong dollar	-	242,121
Hungarian forint	36,888	6,160
Indonesian rupiah	46,673	28,484
Israeli shekel	-	13,195
Japanese yen	55,866	850,083
Malaysian ringgit	54,374	20,298
Mexican new peso	147,206	13,586
New Taiwan dollar	-	33,276
New Turkish lira	41,485	6,131
New Zealand dollar	24,949	19,514
Norwegian krone	440	32,807
Peruvian sol	4,568	2,640
Philippines peso	3,878	4,028
Polish zloty	50,438	3,481
Qatari Riyal	-	3,856
Romanian Leu	7,998	3,510
Russian ruble	27,501	(1,550)
Singapore dollar	-	90,628
South African rand	57,711	68,878
South Korean won	-	93,875
Swedish krona	2,050	138,765
Swiss franc	-	302,904
Thailand baht	21,320	24,731
UAE Dirham	-	2,164
Total	\$1,213,796	\$4,665,173

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.

Four separate funds were included in the securities lending agreement for the fiscal year ending June 30, 2016. At June 30, 2016, the collateral exceeded the value of the securities on loan by \$57,169,407 for the general fund, \$6,816,483 for the Louisiana Education Quality Trust Fund (LEQTF), \$7,111,289 for the Millennium Trust Fund (the Millennium Trust), and \$1,245,676 for other pooled state and non-state funds.

At June 30, 2016, the value of securities on loan was \$1,533,098,700 for the Treasurer's pooled general fund investments; \$279,568,800 for LEQTF; \$253,505,600 for the Millennium Trust Fund; and \$62,271,300 for other pooled investments.

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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 June 30, 2016, the fair market value of these securities was \$124,644,330 all of which was on loan. 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 \$2,744,534.

As of June 30, 2016, 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 \$72,342,855. The value of the securities on loan was \$2,128,444,400 and the total market value of the securities held as collateral was \$2,200,787,255. The value of the collateral securities was 103.40% 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 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 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 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 142% of the market value of the securities for LSERS and 105% for LASERS. In instances where 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, 2016, neither 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 three 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 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, 2016 totaled \$1,199,976,921 for LASERS, \$2,477,958,910 for TRSLA, and \$91,382,167 for LSERS.

The Louisiana State Police Retirement System is authorized by their board of trustees to operate a securities lending program, however at June 30, 2016 the system had terminated their agreement with the custodial bank and had no securities on loan.

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H. DERIVATIVES

Governmental Activities

As of June 30, 2016, 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, 2016, 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, 2016:

	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	(\$56,551)	Derivative Instrument Liability	\$76,430

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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 2013 Series B-1 and B-2 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/BBB+
Pay-Fixed, Receive Variable Interest Rate Swap	\$186,000	Hedge changes in cash flows on Gas and Fuels 2013 Series B-1 Bonds	05/01/09	05/01/43	Pay 3.692%; Receive 70% of USD-LIBOR	Baa2/BBB+
Pay-Fixed, Receive Variable Interest Rate Swap	\$93,000	Hedge changes in cash flows on Gas and Fuels 2014 Series A Bonds	04/01/12	05/01/43	Pay 3.9235%; Receive 70% of USD-LIBOR	Baa2/BBB+
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/BBB+

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.

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

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

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

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

Fiduciary Funds

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

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

TRSL and LASERS invest in collateralized mortgage obligations which are collateralized by mortgages, mortgage pass-through securities, or stripped mortgage-backed securities and can be highly sensitive to interest rate fluctuations. Additionally, TRSL, LSERS, and LASERS invest in forward foreign exchange contracts which are contractual agreements between two parties to pay or receive specific amounts of foreign currency at a future date in exchange for another currency for an agreed upon exchange rate. The systems also invests in futures contracts which are agreements for delayed delivery of securities, currency, commodities, or money market instruments in which the seller agrees to make delivery at a specified future date of a specified instrument, at a specific price or yield. TRSL and LASERS further invests in options on futures allowing the holder and writer of the option the right to exchange futures positions. LASERS also maintains a fully benefit-responsive synthetic guaranteed investment contract option for members of the Optional Retirement Plan and the Self-Directed Plan. The investment objective of the SGIC is to protect members from loss of their original investment and to provide a competitive interest rate. As of June 30, 2016, the fair value of LASERS Stable Value Fund was \$491.0 million. The fair value of this fund exceeded the value protected by the wrap contract by \$10.7 million. The counterparty rating for the wrap contract is AA.

The table below provides summary data for the State's outstanding derivative instruments within the fiduciary funds as of June 30, 2016.

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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	\$370,114	Net Appreciation/(Depreciation) in Fair Value of Investments	\$16,459	Equity Investments	\$16,884
Short Sales & Written Options	\$0	Net Appreciation/(Depreciation) in Fair Value of Investments	(\$61,868)	Alternative Investments	(\$208,135)
Fixed Income Futures	(\$9,971)	Net Appreciation/(Depreciation) in Fair Value of Investments	(\$381)	Alternative Investments	(\$381)
Forward Foreign Exchange Contracts	\$1,149,168	Net Appreciation/(Depreciation) in Fair Value of Investments	(\$2,022)	Investments	(\$1,800)
Commodity Futures	\$0	Net Appreciation/(Depreciation) in Fair Value of Investments	(\$1,391)	Alternative Investments	\$0
Financial Futures	\$2,211	Net Appreciation/(Depreciation) in Fair Value of Investments	\$27	Equity Investments	\$27
Options	\$0	Net Appreciation/(Depreciation) in Fair Value of Investments	(\$77)	Corporate Bonds	\$0
Short Sales	\$0	Net Appreciation/(Depreciation) in Fair Value of Investments	(\$2,782)	Other Bonds	(\$2,782)

Risk Disclosures

Credit Risk: As of June 30, 2016 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. Likewise, LSER's has no direct credit risk exposure from the equity futures or fixed income futures because the futures are settled daily by the exchange, which is the counterparty for all transactions.

Interest Rate Risk: At June 30, 2016 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, 2016 LSER's fixed income futures, which are denominated in Euros and had a fair value of (\$124,815), 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, 2016 of (\$34,052,736) by currency denomination:

State of Louisiana

Fair Value
(U.S Dollars)

<u>Currency</u>	<u>Value</u>
Australian Dollar	\$80,139
Brazilian Real	(5,913,117)
British Pound	(2,456,151)
Canadian Dollar	3,145,343
Chinese Yuan	520,243
Columbian Peso	308,490
Czech Koruna	878
Euro	(20,061,860)
Hungarian Forint	1,418,251
Indonesian Rupiah	(2,167,214)
Japanese Yen	(246,529)
Malaysian Ringgit	1,953,534
Mexican Peso	(1,006,519)
New Zealand Dollar	(7,254,054)
Peruvian Sol	2,639,678
Polish Zloty	(3,171,453)
Qatari Royal	88,709
Romanian Leu	3,508,684
Russian Ruble	(1,612,448)
Singapore Dollar	594,398
South African Rand	(4,026,815)
Swedish Krona	709,612
Thailand Baht	1,456,809
New Turkish Lira	(2,561,344)
Total	<u>(\$34,052,736)</u>

At June 30, 2016 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, 2016, 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	\$ 193,631	\$ --	\$ --	\$ --	\$ --	\$ 193,631
Corporate Income Tax	--	215,634	--	--	--	215,634
Individual Income Tax	--	416,462	--	--	--	416,462
Sales & Use Tax	--	441,988	--	--	2,127	444,115
Severance Tax	1,195	59,478	--	--	--	60,673
Tobacco Tax	--	18,348	--	--	24	18,372
Franchise Tax	--	10,262	--	--	--	10,262
Gas & Fuels Tax	--	41,624	--	--	95	41,719
Insurance Premium Tax	--	105,439	--	--	--	105,439
Alcohol Tax	--	6,213	--	--	--	6,213
Occupancy Tax	--	10,274	--	--	--	10,274
Other Taxes	--	4,908	--	--	3,483	8,391
Gaming	--	9,517	--	--	--	9,517
Mineral Settlements, Royalties, Bonuses & Rent	778	237,505	2	--	25	238,310
Interest & Dividends	5	7	--	--	6	18
Licenses, Permits & Fees	--	63,156	--	--	7,058	70,214
Sale of Commodities & Services	--	17,911	401	--	--	18,312
Gifts, Donations, & Contributions	2	8,796	290	--	--	9,088
Other	146,975	75,836	1,341	17	--	224,169
Receivables (Net)	\$ 342,586	\$ 1,743,358	\$ 2,034	\$ 17	\$ 12,818	\$ 2,100,813
Amounts not expected to be collected within one year	\$ --	\$ 586,003	\$ --	\$ --	\$ --	\$ 586,003

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)	\$ 60,328	\$ --	\$ --	\$ 60,328	\$ --
Tuition and Fees (Gross)	--	28,218	106	28,324	--
Other (Gross)	78,785	3,103	6,769	88,657	49,743
Total Receivables	139,113	31,321	6,875	177,309	49,743
Allowance for Uncollectibles	(79,861)	(10,547)	(349)	(90,757)	(21)
Receivables (Net)	59,252	20,774	6,526	86,552	49,722

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B. ACCOUNTS PAYABLE AND ACCRUALS

Accounts payable and accruals at June 30, 2016, 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
Salaries, Wages & Related Benefits	\$ 92,255	\$ --	\$ --	\$ --	\$ --	\$ 92,255
Travel & Training	1,241	--	--	--	--	1,241
Operating Services	30,223	--	2,013	--	11	32,247
Professional Services	72,896	92	29	--	28	73,045
Supplies	15,430	--	--	--	--	15,430
Grants & Public Assistance	88,355	--	--	--	--	88,355
Capital Outlay	32,986	--	226,194	--	--	259,180
Other Charges	1,037,187	63	79	5,000	5,105	1,047,434
Total Accounts Payable	\$ 1,370,573	\$ 155	\$ 228,315	\$ 5,000	\$ 5,144	\$ 1,609,187

	Proprietary Funds				Governmental Activities
	Business-Type Activities - Enterprise Funds				
	Unemployment Trust Fund	Louisiana Community & Technical Colleges System	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Salaries, Wages & Related Benefits	\$ --	\$ 19,201	\$ 1,054	\$ 20,255	\$ 3,784
Travel & Training	--	142	13	155	7
Operating Services	--	1,632	925	2,557	8,377
Professional Services	--	1,054	1,300	2,354	22,152
Supplies	--	724	3,178	3,902	21,750
Grants & Public Assistance	--	6,022	--	6,022	--
Capital Outlay	--	6,987	--	6,987	2,483
Other Charges	--	1,028	597	1,625	3,366
Total Accounts Payable	\$ --	\$ 36,790	\$ 7,067	\$ 43,857	\$ 61,919

NOTE 4: INTRA-ENTITY TRANSACTIONS

INTERFUND ACCOUNTS AND TRANSFERS

A. RECEIVABLES AND PAYABLES

A summary of interfund receivables and payables at June 30, 2016, is shown below (expressed in thousands):

	Primary Government	
	Due from Other Funds	Due to Other Funds
GOVERNMENTAL FUNDS:		
General Fund	\$ 1,411,351	\$ 375,294
Bond Security & Redemption Fund	243,353	1,224,252
Capital Outlay Escrow Fund	202,572	152,622
Louisiana Education Quality Trust Fund	588	8,953
Nonmajor Governmental Funds	96,041	169,327
Total Governmental Funds	<u>1,953,905</u>	<u>1,930,448</u>
PROPRIETARY FUNDS:		
Unemployment Trust Fund	--	21
Louisiana Community & Technical Colleges System	4,005	395
Nonmajor Enterprise Funds	248	2,344
Internal Service Funds	2	24,952
Total Proprietary Funds	<u>4,255</u>	<u>27,712</u>
GRAND TOTALS	\$ <u>1,958,160</u>	\$ <u>1,958,160</u>

B. TRANSFERS IN AND OUT

A summary of transfers in and out at June 30, 2016, is shown below (expressed in thousands):

	Primary Government	
	Transfers In	Transfers Out
GOVERNMENTAL FUNDS:		
General Fund	\$ 12,675,804	\$ 571,155
Bond Security & Redemption Fund	33,426	12,639,028
Capital Outlay Escrow Fund	1,178,216	23,330
Louisiana Education Quality Trust Fund	79,380	26,093
Nonmajor Governmental Funds	774,456	1,635,187
Total Governmental Funds	<u>14,741,282</u>	<u>14,894,793</u>
PROPRIETARY FUNDS:		
Louisiana Community & Technical Colleges System	167,593	961
Nonmajor Enterprise Funds	16,474	29,647
Internal Service Funds	196	144
Total Proprietary Funds	<u>184,263</u>	<u>30,752</u>
GRAND TOTALS	\$ <u>14,925,545</u>	\$ <u>14,925,545</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, 2016, 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	\$ 452,944	\$ 69,374	\$ 522,318
University of Louisiana System	234,119	30,958	265,077
Southern University System	48,983	6,427	55,410
Board of Regents	38,073	--	38,073
Louisiana Stadium & Exposition District	15,026	576	15,602
Total	\$ 789,145	\$ 107,335	\$ 896,480

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 2016, the State received \$177,934,550 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 2016, LSU deposited \$198,124,888 in hospital lease payments with the State Treasury.

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NOTE 5: CAPITAL ASSETS

(in thousands)

	Capital Assets			Capital Assets
	July 1, 2015	Additions	Deletions	June 30, 2016
Governmental Activities:				
Capital assets not being depreciated:				
Land *	\$ 2,203,603	\$ 28,394	\$ 390	\$ 2,231,607
Construction in progress *	1,565,470	668,717	794,202	1,439,985
Total capital assets not being depreciated *	<u>3,769,073</u>	<u>697,111</u>	<u>794,592</u>	<u>3,671,592</u>
Other capital assets historical cost:				
Buildings and improvements *	2,481,628	86,578	17,213	2,550,993
Machinery and equipment *	858,545	32,738	39,787	851,496
Infrastructure *	25,887,313	709,569	13,066	26,583,816
Intangible Assets	104,735	331	--	105,066
Total other capital assets historical cost	<u>29,332,221</u>	<u>829,216</u>	<u>70,066</u>	<u>30,091,371</u>
Less accumulated depreciation and amortization:				
Buildings and improvements *	888,962	67,916	17,213	939,665
Machinery and equipment *	714,152	56,516	39,763	730,905
Infrastructure *	16,183,630	468,851	13,066	16,639,415
Intangible Assets	57,765	9,554	--	67,319
Total accumulated depreciation & amortization *	<u>17,844,509</u>	<u>602,837</u>	<u>70,042</u>	<u>18,377,304</u>
Other capital assets, net of depreciation & amortization *	<u>11,487,712</u>	<u>226,379</u>	<u>24</u>	<u>11,714,067</u>
Governmental activities capital assets, net *	<u>\$ 15,256,785</u>	<u>\$ 923,490</u>	<u>\$ 794,616</u>	<u>\$ 15,385,659</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land *	\$ 46,994	\$ 4,628	\$ 195	\$ 51,427
Construction in progress *	44,018	56,693	1,532	99,179
Total capital assets not being depreciated *	<u>91,012</u>	<u>61,321</u>	<u>1,727</u>	<u>150,606</u>
Other capital assets historical cost:				
Buildings and improvements *	593,151	19,173	905	611,419
Machinery and equipment *	157,919	15,906	6,580	167,245
Infrastructure	374,324	199	--	374,523
Intangible Assets	19,852	605	--	20,457
Total other capital assets historical cost	<u>1,145,246</u>	<u>35,883</u>	<u>7,485</u>	<u>1,173,644</u>
Less accumulated depreciation and amortization:				
Buildings and improvements *	181,342	15,678	1,329	195,691
Machinery and equipment *	120,626	10,507	4,424	126,709
Infrastructure	46,687	9,369	--	56,056
Intangible Assets	7,310	2,005	--	9,315
Total accumulated depreciation & amortization *	<u>355,965</u>	<u>37,559</u>	<u>5,753</u>	<u>387,771</u>
Other capital assets, net of depreciation & amortization *	<u>789,281</u>	<u>(1,676)</u>	<u>1,732</u>	<u>785,873</u>
Business-type activities capital assets, net *	<u>\$ 880,293</u>	<u>\$ 59,645</u>	<u>\$ 3,459</u>	<u>\$ 936,479</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	\$	30,908
Agriculture & Forestry		1,555
Economic Development		269
Military & Veterans Affairs		25,963
Workforce Support & Training		648
Culture, Recreation & Tourism		6,040
Transportation & Development		478,498
Corrections		12,128
Public Safety		23,563
Youth Development		911
Health & Welfare		5,054
Conservation & Environment		11,721
Education		<u>5,579</u>
Total governmental activities depreciation and amortization expense	\$	<u>602,837</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 LRS 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, 2015, 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	1,224
Terminated vested members not yet receiving benefits	41
Current active employees (vested and non-vested)	<u>991</u>
	<u>2,256</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 25 years age 55 20 years any age ⁷ 5-10 years age 60 ³	30 years any age ¹⁰ 25 years age 55 20 years any age ⁷ 5 years age 60	30 years any age ¹⁰ 25 years age 55 20 years any age ⁷ 5 years age 60	25 years any age 20 years any age ⁷ 12 years age 55 ²	30 years any age 24 years age 55 ⁵ 10 years age 60 ⁵	12 years age 55 12 years age 60 ²	30 years any age ^{8,9} 20 years age 55 ^{8,9} 10 years age 60 ^{8,9}
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

¹ 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 years at age 62

¹⁰ For school food service workers, hired on or before 6-30-15, 30 years at 55

Cost of Living Adjustments

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

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Pursuant to LRS 11:242(B), the power of the Board of Trustees of the statewide systems (DARS, LCCRRF, and ROVERS) to grant a COLA is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting the COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. Subject to funded status and interest earnings (and the Consumer Price Index for All Urban Consumers must have increased more than 3% since the last increase for LCCRRF), the Board of Trustees of DARS, LCCRRF, and ROVERS is authorized to grant retired members and surviving beneficiaries of members who have been retired not less than one year for DARS and LCCRRF and at least two years for ROVERS a COLA of 3% (2.5% for LCCRRF) of their original benefit (not to exceed \$60 per month for DARS and \$40 per month for LCCRRF) in accordance with LRS 11:1638, 11:1549, and 11:2073, respectively. In addition to any other COLA, the Board of Trustees of all systems may provide a supplemental COLA to all retirees and beneficiaries who are sixty-five years of age or over of two percent of the benefit being received, in accordance with LRS 11:246(B). In accordance with LRS 11:241, in lieu of other cost of living increases, the Board may grant an increase to retirees in the form of "X times (A + B)" where "A" is equal to the number of years of service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 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, 2016 for the defined benefit pension plans in which the primary government is a participating employer were as follows (in thousands):

<u>Defined Benefit Pension Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Amount from Nonemployer Contributing Entities*</u>	<u>Amount of State Contributions</u>
LASERS	7.5% - 13.0%	37.0%	--	562,470
LSPRS	8.5% - 9.5%	60.8%	--	56,380
TRSL	5.0% - 9.1%	25.3% - 31.3%	38,193	50,162
LSERS	7.5% - 8.0%	28.7%	--	234
DARS	8.0%	3.5%	4,847	984
LCCRRF	8.25%	17.25%	10,490	1,494
ROVERS	7.0%	18.5%	2,792	2,292

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

Net Pension Liability

The State's net pension liability at June 30, 2016 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, 2015 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, 2015, the most recent measurement date, the State's proportion for each cost-sharing plan and the change in proportion from the prior measurement date were as follows (in thousands):

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	<u>LASERS</u>	<u>TRSL</u>	<u>LSERS</u>	<u>DARS</u>	<u>LCCRRF</u>	<u>ROVERS</u>
Proportion (amount) of net pension liability	\$5,403,807	\$452,274	\$1,659	\$2,526	\$12,806	\$18,141
Proportion (%) of net pension liability	79.45%	4.21%	0.26%	46.90%	8.54%	74.07%
Increase/(Decrease) from prior measurement date	.95%	(0.05%)	(0.01%)	(.96%)	0.27%	1.61%

Since the measurement date of the net pension liability was June 30, 2015, the net pension liability is based upon fiduciary net position for each of the plans as of June 30, 2015. 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 2015. These reports are available as follows:

- LASERS - [https://app.lla.state.la.us/PublicReports.nsf/1676C5A1400C463986257EE3004EC504/\\$FILE/0000AD5C.pdf](https://app.lla.state.la.us/PublicReports.nsf/1676C5A1400C463986257EE3004EC504/$FILE/0000AD5C.pdf)
- LSPRS - [https://app.lla.state.la.us/PublicReports.nsf/A61D4653CCCE99DA86257EE3004EC5B3/\\$FILE/0000AD5D.pdf](https://app.lla.state.la.us/PublicReports.nsf/A61D4653CCCE99DA86257EE3004EC5B3/$FILE/0000AD5D.pdf)
- TRSL - [https://app.lla.state.la.us/PublicReports.nsf/10EEF20665D4490086257EE3004EC6C4/\\$FILE/0000AD5E.pdf](https://app.lla.state.la.us/PublicReports.nsf/10EEF20665D4490086257EE3004EC6C4/$FILE/0000AD5E.pdf)
- LSERS - [https://app.lla.state.la.us/PublicReports.nsf/88E243BDF30D0A0886257EE3004EC408/\\$FILE/0000AD5A.pdf](https://app.lla.state.la.us/PublicReports.nsf/88E243BDF30D0A0886257EE3004EC408/$FILE/0000AD5A.pdf)
- DARS - [https://app.lla.state.la.us/PublicReports.nsf/3DE3323C7E8E8CF386257F3F00746F44/\\$FILE/0000C33F.pdf](https://app.lla.state.la.us/PublicReports.nsf/3DE3323C7E8E8CF386257F3F00746F44/$FILE/0000C33F.pdf)
- LCCRRF - [https://app.lla.state.la.us/PublicReports.nsf/8117AF36F7A8487D86257F3100739C85/\\$FILE/0000BFC4.pdf](https://app.lla.state.la.us/PublicReports.nsf/8117AF36F7A8487D86257F3100739C85/$FILE/0000BFC4.pdf)
- ROVERS - [https://app.lla.state.la.us/PublicReports.nsf/8785C25360A0CFBF86257F29006B6347/\\$FILE/0000BE78.pdf](https://app.lla.state.la.us/PublicReports.nsf/8785C25360A0CFBF86257F29006B6347/$FILE/0000BE78.pdf)

The following table presents the changes in the State's net pension liability for the year ended June 30, 2016 (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	\$ 165,970	\$ 17,523	\$ 19,334	\$ 127	\$ 5,408	\$ 1,273	\$ 2,022	\$ 211,657
Interest	1,075,569	56,560	89,893	456	12,395	4,045	5,372	1,244,290
Changes in State's proportionate share	59,222	--	(5,620)	(72)	(19)	360	373	54,244
Differences between expected and actual experience	10,836	42,198	(2,628)	(159)	(1,070)	(701)	(340)	48,136
Changes in assumptions	--	--	--	140	(2,986)	770	(1,314)	(3,390)
Benefit payments	(983,106)	(43,376)	(84,442)	(450)	(6,941)	(2,650)	(4,094)	(1,125,059)
Net change in total pension liability	328,491	72,905	16,537	42	6,787	3,097	2,019	429,878
Total pension liability - beginning	14,034,569	837,940	1,198,255	6,673	172,536	54,107	75,069	16,379,149
Total pension liability - ending	\$ 14,363,060	\$ 910,845	\$ 1,214,792	\$ 6,715	\$ 179,323	\$ 57,204	\$ 77,088	\$ 16,809,027
Plan fiduciary net position :								
Contributions - employer	\$ 577,347	\$ 53,799	\$ 51,211	\$ 242	\$ 1,927	\$ 1,468	\$ 2,449	\$ 688,443
Contributions - employee	121,782	5,446	13,667	54	2,252	589	625	144,415
Contributions - nonemployer contributing entities	--	--	1,574	--	3,900	876	2,016	8,366
Net investment income	121,407	18,930	18,635	142	4,250	1,209	(149)	164,424
Benefit payments	(983,106)	(43,376)	(84,442)	(450)	(6,941)	(2,650)	(4,094)	(1,125,059)
Other	(4,038)	724	(817)	(13)	(173)	(46)	(216)	(4,579)
Net change in fiduciary net position	(166,608)	35,523	(172)	(25)	5,215	1,446	631	(123,990)
Plan fiduciary net position - beginning	9,125,861	622,793	762,690	5,081	171,582	42,952	58,316	10,789,275
Plan fiduciary net position - ending	\$ 8,959,253	\$ 658,316	\$ 762,518	\$ 5,056	\$ 176,797	\$ 44,398	\$ 58,947	\$ 10,665,285
State's net pension liability	\$ 5,403,807	\$ 252,529	\$ 452,274	\$ 1,659	\$ 2,526	\$ 12,806	\$ 18,141	\$ 6,143,742

Actuarial Assumptions

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

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	<u>LASERS</u>	<u>LSPRS</u>	<u>TRSL</u>	<u>LSERS</u>	<u>DARS</u>	<u>LCCRRF</u>	<u>ROVERS</u>
Date of the experience study on which significant assumptions are based	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%	3.2% - 5.5%	5.5%	5.0%	6.0%
Inflation rate	3.0%	2.30%	2.5%	2.75%	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 projected to 2010 (set forward 1 year for males)						

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%	7.00%	7.00%	7.00%	7.00%
Change in Discount Rate from Prior Valuation	--	--	--	(.25%)	(.25%)	(.25%)	--
*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%	7.00%	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	\$5,403,807	\$252,529	\$452,274	\$1,659	\$2,526	\$12,806	\$18,141
Net Pension Liability Assuming a Decrease of 1% in the Discount Rate	\$6,820,771	\$361,395	\$572,291	\$2,279	\$23,150	\$19,293	\$26,117
Net Pension Liability/ (Asset) Assuming an Increase of 1% in the Discount Rate	\$4,200,459	\$161,825	\$350,197	\$1,129	\$(14,986)	\$7,301	\$11,270

*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 2024 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 eight 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	27%	4.56%	35%	5.58%	31%	4.71%
Developed International Equity	30%	5.67%	20%	6.13%	19%	5.69%
Domestic Fixed Income	10%	2.24%	20%	2.83%	14%	2.04%
Global Tactical Asset Allocation	7%	3.70%	--	--	--	--
International Fixed Income	2%	3.64%	2.5%	1.09%	7%	2.80%
Equity Investments	--	--	--	--	--	--
Emerging Market Equity Investments	--	--	5%	10%	--	--
Alternative Investments	24%	7.82%	15%	4.75%	29%	5.94%
Real Assets	--	--	--	--	--	--
Cash	--	.24%	2.5%	.20%	--	--
Total	100%		100%		100%	

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Asset Class	LSERS**		DARS**		LCCRRF**		ROVERS*	
	Target Allocation	Long-term Expected Real_Rate of Return	Target Allocation	Long-term Expected Real_Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real_Rate of Return
Fixed Income	30%	1.06%	40.0%	1.10%	20.0%	2.13%	--	--
Domestic Equity	--	--	--	--	28.0%	4.44%	43%	3.23%
Developed International Equity	--	--	--	--	20.5%	5.18%	17%	1.44%
Domestic Fixed Income	--	--	--	--	--	--	23%	.57%
Global Tactical Asset Allocation	--	--	--	--	--	--	--	--
International Fixed Income	--	--	--	--	--	--	12%	.42%
Equity Investments	51%	3.61%	50.0%	6.30%	--	--	--	--
Emerging Market Equity Investments	--	--	--	--	6.5%	7.25%	--	--
Alternative Investments	13%	.89%	5.0%	6.00%	15.0%	5.16%	5%	.23%
Real Assets	6%	.44%	5.0%	4.50%	10.0%	5.5%	--	--
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, 2016 the State's recognized \$515,592 (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 \$8,366 (in thousands) in ad valorem taxes collected from non-employee contributing entities. At June 30, 2016 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience in the measurement of the total pension liability	\$44,910	\$56,184
Changes in assumptions or other inputs	\$8,336	\$3,539
Net difference between projected and actual earnings on pension plan investments	--	\$28,945
Changes in proportion and differences between State contributions and proportionate share of contributions (cost-sharing plans only)	\$348,424	\$237,020
Employer contributions to the pension plans subsequent to the measurement date of the net pension liability	\$674,016	--
Total	\$1,075,686	\$325,688

The \$674,016 (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, 2017. 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
2017	\$24,558
2018	\$(33,005)
2019	\$(54,353)
2020	\$139,317
2021	\$(535)
Thereafter	--

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, agent 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, 2016 is as follows:

	Number of Employers		Plan Membership
States	1	Retirees and	
School systems	43	beneficiaries	55,767
Non-state agencies	98	Active plan members	75,853
State agencies	226	Total	131,620
Total	368		

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 paid \$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 had been accumulated as of June 30, 2016.

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 amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The annual OPEB cost, the percentage 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):

		Primary Government
Annual required contribution	\$	350,737
Interest on OPEB obligation		110,145
Adjustment to annual required contribution		(105,223)
Annual OPEB cost (expense)		355,659
Contributions made		(205,290)
Increase in net OPEB obligation		150,369
Net OPEB obligation - beginning of year		2,753,639
End of year	\$	<u>2,904,008</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>
6/30/2014	\$365,834	50.13%	\$2,625,817
6/30/2015	\$340,870	55.84%	\$2,753,639
6/30/2016	\$355,659	57.72%	\$2,904,008

Funded Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the funded status of the plan was as follows:

Primary Government:	
Actuarial accrued liability (AAL)	\$5,279,985,819
Actuarial value of plan assets	--
Unfunded actuarial accrued liability (UAAL)	<u>\$5,279,985,819</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (annual payroll of active employees covered by the plan)	\$1,530,802,758
UAAL as a percentage of covered payroll	345%

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 July 1, 2015 determination of accrued liability uses the valuation results and information as of July 1, 2014 from the GASB 45 actuarial valuation report dated July 22, 2015 projected to July 1, 2015. The ARC for the year uses the following methods and assumptions:

Actuarial cost method	Projected unit credit
Investment return	4%
Healthcare inflation rate	7.5% and 6.5% 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 March 1, 2013 through February 28, 2015 less retiree premiums. Costs for the fully insured plans were developed from the employer share of monthly premiums without adjustment for age.

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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 amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The annual OPEB cost, the percentage 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):

	<u>Primary Government</u>
Annual required contribution	\$ 4,520
Interest on OPEB obligation	775
Adjustment to annual required contribution	(741)
Annual OPEB costs (expense)	4,554
Contributions made	(1,150)
Increase in net OPEB obligation	3,404
Net OPEB obligation beginning of year	19,327
Net OPEB obligation end of year	\$ <u>22,731</u>

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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
6/30/2014	\$3,103	24.72%	\$16,032
6/30/2015	\$4,310	23.54%	\$19,327
6/30/2016	\$4,554	25.27%	\$22,731

Funded Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the funded status of the plan was as follows:

Primary Government:

Actuarial accrued liability (AAL)	\$ 48,920,373
Actuarial value of plan assets	--
Unfunded actuarial accrued liability (UAAL)	<u>\$ 48,920,373</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (annual payroll of active employees covered by the plan)	\$ 34,058,085
UAAL as a percentage of covered payroll	144%

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, 2015 actuarial valuation using the following methods and assumptions:

Actuarial cost method	Projected unit credit
Investment return	4%
Healthcare inflation rate	8%, ultimate rate of 4.5%
UAAL amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Projected salary increases	3%

NOTE 6B: EMPLOYEE BENEFITS - TERMINATION BENEFITS

A. Background

Termination benefits are provided by the State for purposes other than salary and wages, such as cash payments for severance benefits or an employee's continued access to healthcare. The termination benefits are provided as settlement for:

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- 1) involuntary terminations initiated by management in accordance with an authorized plan that contains specific criteria for identifying affected employees (for example, a reduction in force plan) or
- 2) voluntary terminations initiated by employees in response to an early retirement incentive plan offered by the state in exchange for an employee's continued employment.

B. Description of Termination Benefits

In fiscal year 2016 some state agencies adopted lay off avoidance plans to provide a mechanism to manage budget deficits while delaying or avoiding layoffs. These layoff avoidance plans included early retirement incentives, which resulted in the payment of termination benefits. The retirement incentives consisted of up to 50% of the employees' annual salary that would be saved in a fiscal or calendar year calculated on the employees' actual salary for the year without the need for future discounting. Each layoff avoidance plan was approved by the Department of Civil Service in accordance with Civil Service Rules 17.2 and 17.9. The incentives were offered to employees who were eligible for regular retirement in accordance with the employees' applicable state retirement system regulations. Employees who were eligible for early retirement were excluded.

C. Termination Benefits Reported

During the year ended June 30, 2016, there were 38 primary government terminations that met the termination criteria described above. The governmental fund and government-wide statements both include \$1,069,585 of expenditures/expenses and no related liabilities.

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) \$63,398 for the fiscal year ended June 30, 2016. 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>
2017	\$ 40,056	\$ 2,638	\$ 189	\$ 5,156	\$ 48,039
2018	24,268	775	56	4,528	29,627
2019	18,635	747	56	3,874	23,312
2020	12,910	718	55	3,376	17,059
2021	9,426	702	54	3,722	13,904
2022-2026	22,102	2,545	23	1,974	26,644
2027-2031	15,383	2,568	--	1,726	19,677
Total	<u>\$ 142,780</u>	<u>\$ 10,693</u>	<u>\$ 433</u>	<u>\$ 24,356</u>	<u>\$ 178,262</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, 2016 (expressed in thousands):

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<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2017	\$ --	\$ 200
2018	--	287
2019	--	282
2020	--	281
2021	--	286
2022-2026	--	1,407
2027-2031	--	1,119
Subtotal	--	3,862
Less interest and executory costs	--	(939)
Present value of minimum lease Payments	\$ --	\$ 2,923

The gross amount of the leased assets at June 30, 2016 (expressed in thousands) for business-type activities is \$3,665 for buildings and office space.

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Buildings/Office Space	\$ --	\$ 3,862
Equipment	--	--
Land	--	--
Other	--	--
Total Capital Leases	\$ --	\$ 3,862

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 \$2,110 for the primary government and \$3,351 for business-type activities for the fiscal year ending June 30, 2016.

The value of the property carried on the financial reports for the entities included below (expressed in thousands) is \$194 for land, \$22,377 for buildings and office space and \$1,053 for equipment. Accumulated depreciation on the buildings and equipment totaled \$11,416.

OPERATING LEASES

The following is a schedule by years of minimum future rentals on operating leases as of June 30, 2016 (expressed in thousands):

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2017	\$ 1,533	\$ 3,304
2018	13	2,344
2019	13	1,752
2020	13	590
2021	12	432
2022-2026	59	1,136
2027-2031	32	--
2032-2036	32	--
Total	\$ 1,707	\$ 9,558

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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 \$25,523,769,000. The total general obligation bonds authorized are \$3,225,275,000 at June 30, 2016, or 12.64% 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 \$1,276,188,000. At June 30, 2016, the highest current or future annual general obligation debt service requirement is \$583,994,000, which represents 45.76% 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 2016 totaled \$38,533,902.
- 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 2016 for these bonds were \$27,767,721.
- 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 2016 for these bonds were \$109,720,554.

The maximum amount of net State tax-supported debt allowed by statute for fiscal year 2015-2016 was \$675,942,000. During the fiscal year 2015-2016, the total net State tax-supported debt paid was \$470,575,310 or 4.18% 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 2016 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, 2016.

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.

In order to facilitate the funding of capital improvements by certain governmental units and political subdivisions of the State, general obligation bonds proceeds may be provided to various entities contingent upon executing a reimbursement contract with the State Bond Commission. The entity repays or reimburses the State at the same interest rate and the same maturity dates as the bond issue. Entities utilize reimbursement contracts to attempt to obtain a better interest rate.

Reimbursement contracts include miscellaneous contracts in the amount of \$10,000. Applicable interest to maturity is \$525. In the accompanying financial statements, reimbursement contracts are shown as accounts receivable and the debt shown is not reduced for these items.

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D. LONG-TERM OBLIGATIONS OUTSTANDING AT JUNE 30, 2016

Long-term obligations outstanding at June 30, 2016, 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	\$ 3,432,550	\$ 822,370	\$ 744,765	\$ 3,510,155	\$ 508,795	1.00-5.00%
Other bonds payable by Agency:						
Health Education Authority of Louisiana	6,305	6,645	6,305	6,645	430	4.45%
Louisiana Correctional Facilities Corporation	11,833	3,132	2,025	12,940	2,344	2.88 - 5.00%
Department of Corrections	26,361	--	1,664	24,697	1,722	4.62 - 4.87%
Office Facilities Corporation	144,240	--	21,220	123,020	22,260	2.50 - 5.00%
Public Safety LPFA	34,180	--	5,185	28,995	5,440	5.00%
Tobacco Settlement Financing Corporation	659,745	--	75,870	583,875	13,980	5.00 - 5.50%
State Highway Improvement	275,360	--	9,320	266,040	9,755	4.00 - 5.00%
Unclaimed Property Special Revenue Fund	111,675	73,820	3,825	181,670	6,150	1.00 - 5.00%
Transportation Infrastructure Model for Economic Development	2,654,385	--	21,450	2,632,935	23,705	variable
Total other bonds payable	\$ 3,924,084	\$ 83,597	\$ 146,864	\$ 3,860,817	\$ 85,786	
Add/Subtract unamortized amounts:						
Unamortized Discounts & Premiums	651,098	72,110	104,570	618,638	47,355	
Total bonded debt	\$ 8,007,732	\$ 978,077	\$ 996,199	\$ 7,989,610	\$ 641,936	
Other liabilities:						
Compensated absences	\$ 193,510	\$ 73,190	\$ 75,556	\$ 191,144	\$ 16,866	
Capital lease obligations	78	--	78	--	--	
Notes payable *	7,233	1,437	2,066	6,604	1,926	
Contracts payable *	377	2,121	--	2,498	2,498	
Net OPEB Obligation	2,601,392	333,752	194,025	2,741,119	--	
Pollution remediation obligations	23,410	13,528	11,670	25,268	10,845	
Estimated liability for claims *	2,216,353	1,175,387	1,165,081	2,226,659	235,086	
Other long-term liabilities	120,651	--	3,922	116,729	4,007	
Total Other Liabilities *	\$ 5,163,004	\$ 1,599,415	\$ 1,452,398	\$ 5,310,021	\$ 271,228	
*restated						
<u>BUSINESS-TYPE ACTIVITIES:</u>						
Bonds payable:						
Revenue bonds	\$ 633,585	\$ --	\$ 22,585	\$ 611,000	\$ 25,184	1.89 - 5.50%
Unamortized Discounts & Premiums	25,704	1,430	1,941	25,193	--	
Total Bonds Payable	\$ 659,289	\$ 1,430	\$ 24,526	\$ 636,193	\$ 25,184	
Other liabilities:						
Compensated absences	\$ 20,769	\$ 5,656	\$ 5,591	\$ 20,834	\$ 1,870	
Capital lease obligations	3,093	--	170	2,923	88	
Notes payable	598	--	598	--	--	
Contracts payable	3	--	3	--	--	
Net OPEB Obligation *	171,574	24,440	10,395	185,619	--	
Other long-term liabilities	2,620	2,452	--	5,072	5,072	
Total Other Liabilities *	\$ 198,657	\$ 32,548	\$ 16,757	\$ 214,448	\$ 7,030	
*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, 2016

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
2017	\$ 594,581	\$ 295,095	\$ 15,403	\$ 1,926	\$ 60	\$ 596,507	\$ 310,558
2018	344,292	287,148	15,403	1,868	40	346,160	302,591
2019	347,636	275,323	15,403	1,801	21	349,437	290,747
2020	351,845	261,530	15,445	797	6	352,642	276,981
2021	326,389	246,178	15,403	212	1	326,601	261,582
2022-26	1,551,035	1,005,788	76,996	--	--	1,551,035	1,082,784
2027-31	1,403,999	659,087	75,775	--	--	1,403,999	734,862
2032-36	1,161,723	357,156	72,066	--	--	1,161,723	429,222
2037-41	784,087	156,820	64,861	--	--	784,087	221,681
2042-46	505,385	27,275	15,940	--	--	505,385	43,215
Total	\$ 7,370,972	\$ 3,571,400	\$ 382,695	\$ 6,604	\$ 128	\$ 7,377,576	\$ 3,954,223

Business-Type Activities

Year:	Revenue Bonds		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 25,355	\$ 23,747	\$ --	\$ --	\$ 25,355	\$ 23,747
2018	26,700	22,997	--	--	26,700	22,997
2019	20,880	22,382	--	--	20,880	22,382
2020	21,195	21,939	--	--	21,195	21,939
2021	21,625	21,442	--	--	21,625	21,442
2022-26	131,775	92,206	--	--	131,775	92,206
2027-31	105,890	60,618	--	--	105,890	60,618
2032-36	99,700	42,057	--	--	99,700	42,057
2037-41	105,880	17,877	--	--	105,880	17,877
2042-46	42,820	3,339	--	--	42,820	3,339
2047-51	9,180	86	--	--	9,180	86
Total	\$ 611,000	\$ 328,690	\$ --	\$ --	\$ 611,000	\$ 328,690

NONE

State of Louisiana

F. DEFEASED BONDS

The following table details the principal balances of previously outstanding bonds considered defeased at June 30, 2016 (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, 2016</u>
Primary Government:					
General Obligation:					
2006-C	06/12	05/16	270,020	\$	-0-
2006-B	06/12	07/16	120,215		120,215
2006-C	11/14	05/16	37,990		-0-
2009-A	11/14	05/19	91,460		91,460
2011-A	11/14	09/20	99,095		99,095
2006-C	04/16	05/16	23,380		-0-
2009-A	04/16	05/16	8,185		-0-
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	05/16	100		-0-
2013-A	04/16	05/17	100		100
2013-B	04/16	05/16	12,070		-0-
2015-A	04/16	05/16	9,575		-0-
2015-B	04/16	05/16	2,600		-0-
TIMED:					
2006-A	05/12	05/16	76,560		-0-
2006-A	08/14	05/16	248,815		-0-
2006-A	02/15	05/16	608,120		-0-
2010-B	02/15	05/20	41,860		41,860

G. REFUNDING OF BONDS

General Obligation Refunding Bonds

On April 28, 2016, the State issued \$275,135,000 of General Obligation Bonds, Series 2016-B, with coupon interest rates of 3.00% to 5.00%, to advance refund the outstanding balances of \$23,380,000 in General Obligation Bond Series 2006-C; \$37,195,000 in General Obligation Bond Series 2009-A; \$121,030,000 in General Obligation Bond Series 2011-A; \$104,895,000 in General Obligation Bond Series 2012-A; \$200,000 in General Obligation Bond Series 2013-A; \$9,575,000 in General Obligation Bond Series 2015-A; and \$2,600,000 in General Obligation Bond Series 2015-B. Refunding proceeds of \$339,000,383 included bond proceeds at the par amount of \$275,135,000 and a premium of \$63,865,383. In addition to refunding the outstanding balance of the General Obligation Bond Series 2006-C, Series 2009-A, Series 2011-A, Series 2012-A, Series 2013-A, Series 2015-A, and Series 2015-B, the bond proceeds were used to pay issuance costs of \$207,623. The refunding transaction resulted in an economic gain of \$10,375,321.

On April 28, 2016, the State issued \$86,805,000 of Taxable General Obligation Bonds, Series 2016-C with coupon interest rates of 1.087% to 1.989%, to advance refund the outstanding balances of \$18,995,000 in General Obligation Bond Series 2010-A; \$23,415,000 in General Obligation Bond Series 2012-C; and \$12,070,000 in General Obligation Bond Series 2013-B and \$23,518,482 in associated interest on certain general obligation bonds. Refunding proceeds of \$86,805,000 included issuance costs of \$65,505. The refunding transaction resulted in an economic gain of \$2,340,899.

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 \$86,043,393 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, 2016, 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 2016 were \$58,412,260. The principal and interest paid for the current year was \$9,320,000 and \$13,676,200. The total principal and interest remaining on the bonds is \$266,040,000 and \$141,003,050, respectively.

Contract Parking Agreement – Tulane University

Health Education Authority of Louisiana (HEAL) is a body corporate created to operate a multi-institutional facility that included public and private institutions dedicated to health related services (the Medical Complex). HEAL issued taxable revenue bonds of \$9,350,000 in December 1998 to finance the acquisition, construction and installation of an additional 516 parking spaces to an existing multilevel parking garage and build a skywalk to another facility. The garage was for Tulane Medical Center employees and students, visitors to the Medical Complex and the public. The bonds are payable solely from the income and revenues derived by the Authority from the parking garage, including payments received from Tulane University pursuant to a contract parking agreement and lease agreement through 2031. On July 30, 2015, HEAL issued Taxable Revenue Refunding Bonds Series 2015 in the amount of \$6,645,000 to refund Series 1998. The Authority has agreed to pay the principal and interest requirements as they become due and payable until the bonds are fully paid in 2030. The interest paid for the current year was \$124,031. The total principal and interest remaining on the bonds is \$6,645,000 and \$2,358,166, 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 \$17,134,252 during fiscal year ended June 30, 2016. The principal and interest paid for the current year was \$5,185,000 and \$1,579,375, respectively. The total principal and interest remaining on the bonds is \$28,995,000 and \$3,804,625.

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 \$82,492,228 for fiscal year 2016. The principal and interest paid for the current year was \$75,870,000 and \$33,850,554, respectively. The bonds, payable through 2035, have total principal and interest outstanding of \$583,875,000 and \$344,265,387, 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, 2016, 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 2016 for funding debt service due were \$622,233,691. Principal and interest paid for the current year were \$21,450,000 and \$123,579,822, respectively. The total principal and interest remaining on the bonds is \$2,632,935,000 and \$2,234,087,912, respectively.

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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 \$43,020,950. The interest and principal paid in the current year was \$3,825,000 and \$7,084,719, respectively. The total principal and interest remaining on the bonds is \$181,670,000 and \$98,257,284, respectively.

Business-Type Activities

Lease Agreement

Louisiana Agricultural Finance Authority issued revenue bonds of \$31,000,000 in 2007 to (i) renovate an office building, (ii) purchase new trucks, bulldozers, and other equipment for firefighting and other agricultural purposes, (iii) acquire, construct, and equip buildings and related facilities, and (iv) acquire emergency generators for the Department of Agriculture and Forestry. In December 2012, the authority issued refunding bonds Series 2012 (maturing in 2022) in the amount of \$6,705,000 for the purpose of refunding a portion of the 2007 revenue bonds. The bonds are secured solely from income and revenues, and receipts derived or to be derived from payments made or collections obtained in a lease agreement and are payable through 2023. The lease requires the Department to pay from legally available funds, subject to annual appropriation by the Louisiana Legislature, all the amounts necessary to pay the annual debt service and administrative expenses. The principal and interest paid for the current year was \$8,285,000 and \$1,216,466, respectively. The total principal and interest remaining on the bonds is \$22,540,000 and \$1,414,414, 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 2016 sufficient to pay the debt service; however, \$5,281,240 was collected in toll revenues and used to reimburse the General Fund. Principal and interest paid during the current year was \$545,000 and \$5,410,948. The total principal and interest remaining on the bonds are \$172,815,000 and \$96,462,968, 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.

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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):

	Restated Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Recoveries from Settled and Unsettled Claims	Balance at Fiscal Year End
2015-2016	\$2,216,353	\$1,175,387	(\$1,120,358)	(\$44,723)	\$2,226,659
2014-2015	\$1,915,145	\$1,517,502	(\$1,177,839)	(\$51,677)	\$2,203,131

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 2016, the Self-Insurance Fund paid \$128,064,840 to satisfy claims and judgments. At June 30, 2016, outstanding non-discounted reserve valuations of the open claims within the programs totaled \$976,285,870. At June 30, 2016, ORM cash balances included \$27,319,737 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 \$182,814,411 at June 30, 2016.

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, 2016, there were 21 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, 2016 was \$44,175,571.

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 2016, OGB paid \$855,720,746 in claims and the liability balance at the end of the fiscal year was \$46,108,192.

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 \$480,215,523 (accrued in the accompanying financial statements). In addition, as of June 30, 2016, there are claims against the State, not including contract claims reported by DOTD, totaling \$87,248,647 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.

As of June 30, 2016, the Department of Transportation and Development (DOTD) advises that there are 703 expropriation cases pending with a total demand of \$69,266,681. As payment of its estimate of just compensation upon filing of these suits, DOTD deposited \$36,167,386 into the registry of the court. A reasonable possibility exists that DOTD will incur expropriation-related costs of \$10,126,355 in excess of the just compensation on deposit with the courts. As of June 30, 2016, there were 34 outstanding inverse condemnation suits with an estimated demand of \$11,155,319. DOTD has determined that it is reasonably possible that the actual settlements will total approximately \$6,698,799. Estimated exposure amounts for contract and miscellaneous suits may require additional appropriations from the State. DOTD's estimate of the exposure to these additional claims is \$699,921.

State of Louisiana

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, 2016, is \$21,723,954 (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, 2016, is \$149,648,448.

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 \$359,143,772 (accrued in the accompanying financial statements). In addition, as of June 30, 2016, there are disallowed costs of \$4,765,459 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, 2016 were \$252,673,920, 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 475 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 \$13,957,304 assessing and remediating USTs in fiscal year ending June 30, 2016. The ending liability of \$79,224,055 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, 2016, the State spent \$5,507,366 on remediation activities and received reimbursements for those expenditures. The liability for future remediation of the pollution and the expected recovery cannot be reasonably estimated at this time.

Although the full impact of the spill cannot be reasonably estimated, BP has taken responsibility for the cleanup of the spill, and the restoration of the State's environment.

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From May 10, 2010, until December 12, 2016, Louisiana has spent \$49,061,320 for Natural Resources Damage Assessment (NRDA) projects and received reimbursement of \$45,024,834. During that same time period, the State spent \$48,062,404 on Pollution Remediation Funding Authorization (PRFA) projects and received \$37,420,230 in reimbursements. The State anticipates that it will ultimately be reimbursed for the unreimbursed amounts.

Expenditures for projects not related to the Deepwater Horizon event totaled \$5,478,161 for fiscal year 2015-16 and there were no costs received from responsible parties. At June 30, 2016, the State had a pollution remediation obligation of \$25,267,811 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, 2016, which are not reflected on the accompanying financial reports, are as follows:

General funds	\$	1,635,515,200
Self-generated funds		16,376,531
Statutorily dedicated funds		412,909,530
General obligation bonds		526,103,551
Federal funds		1,990,398,275
Interagency transfers		48,412
Other funds		<u>236,732,382</u>
Total	\$	<u>4,818,083,881</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	\$ 68,610	\$ --	\$ --	\$ --	\$ 68,610
Prepaid Items	24,294	--	--	--	24,294
Permanent Fund Corpus	--	--	1,239,819	1,394,463	2,634,282
Restricted for:					
General Government:					
Administration & Regulatory Oversight	57,993	--	--	--	57,993
Agriculture & Forestry Programs	4,867	--	--	--	4,867
Conservation & Environment Programs:					
Coastal Protection & Restoration	278,698	--	--	--	278,698
Oilfield Site Restoration	17,902	--	--	--	17,902
Wildlife & Fisheries Conservation	181,795	--	--	--	181,795
Other Conservation & Environment Programs	5,568	--	--	--	5,568
Artificial Reef Development	17,362	--	--	--	17,362
Budget Stabilization	358,982	--	--	--	358,982
Education Programs:					
Minimum Foundation Program	100,828	--	--	--	100,828
Other Education Programs	45,534	--	107,226	88,244	241,004
Capital Projects	46,371	--	--	338,873	385,244
Culture, Recreation, & Tourism Programs	513	--	--	2,842	3,355
Debt Service	28,711	7,456	--	160,935	197,102
Corrections Programs	3,131	--	--	--	3,131
Transportation & Development Programs	1,819	--	--	--	1,819
Economic Development Programs	5,716	--	--	--	5,716
Health & Welfare Programs:					
State Medicaid Match	41,419	--	--	--	41,419
Other Health & Welfare Programs	--	--	--	37,853	37,853
Military & Veterans Affairs Programs	27,850	--	--	--	27,850
Youth Programs	853	--	--	--	853
Workforce Support & Training Programs	3,080	--	--	--	3,080
Committed for:					
General Government:					
Administration & Regulatory Oversight	7,358	--	--	--	7,358
Judicial Branch	421	--	--	--	421
Grants to Local Governments	25,019	--	--	--	25,019
Group Benefits Program	175,227	--	--	--	175,227
Risk Management Program	17,043	--	--	--	17,043
Economic Development Programs	69,170	--	--	--	69,170
Agriculture & Forestry Programs:					
Forestry Productivity	6,799	--	--	--	6,799
Grain & Cotton Indemnity Program	3,889	--	--	--	3,889
Other Agriculture & Forestry Programs	4,190	--	--	--	4,190
Capital Projects	213,481	76,669	--	--	290,150
Labor & Workforce Programs:					
Workers' Compensation Administration	2,282	--	--	--	2,282
Workers' Compensation 2nd Injury Program	33,350	--	--	--	33,350
Incumbent Worker Training Program	--	--	--	23,867	23,867
Employment Security Administration	--	--	--	1,996	1,996
Other Labor & Workforce Programs	--	--	--	7,102	7,102

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	General Fund	Capital Outlay Escrow Fund	Louisiana Education Quality Trust Fund	Nonmajor Governmental Funds	Total Governmental Funds
Culture, Recreation, & Tourism Programs:					
State Park Improvements	5,230	--	--	--	5,230
Other Culture, Recreation, & Tourism Programs	712	--	--	3,808	4,520
Transportation & Development Programs	11,572	--	--	--	11,572
Public Safety Programs:					
Interoperability Communication Program	456	--	--	--	456
Motor Carrier Safety & Administration	9,461	--	--	--	9,461
Crime Victims' Reparation	1,776	--	--	--	1,776
Other Public Safety Programs	15,762	--	--	--	15,762
Health & Welfare Programs:					
State Medicaid Matching	19,748	--	--	--	19,748
Fraud Detection Programs	10,374	--	--	--	10,374
Telecommunications for the Deaf	1,050	--	--	--	1,050
Disability Affairs	102	--	--	--	102
Drug Abuse Education & Treatment	536	--	--	--	536
Other Health & Welfare Programs	29,840	--	--	--	29,840
Employer Pension Contributions	783	--	--	--	783
Conservation & Environment Programs:					
Administration	845	--	--	--	845
Coastal Protection & Restoration	2,071	--	--	--	2,071
Environmental Quality Programs	16,175	--	--	--	16,175
Pollution Remediation Programs	89,137	--	--	--	89,137
Wildlife & Fisheries Conservation	5,163	--	--	--	5,163
Natural Resource Restoration	23,442	--	--	--	23,442
Other Conservation & Environment Programs	111,016	--	--	--	111,016
Education Programs:					
Earnings Enhancements on College Savings	18,081	--	--	--	18,081
Public Educator Salary Increases	6,552	--	--	--	6,552
Other Education Programs	21,781	--	--	1	21,782
Military & Veterans Affairs Programs	5,811	--	--	--	5,811
Unassigned	(1,002,223)	--	--	(2,750)	(1,004,973)
Total Fund Balance	\$ 1,285,378	\$ 84,125	\$ 1,347,045	\$ 2,057,234	\$ 4,773,782

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	\$ 2,096,544	\$ 30,893	\$ 2,127,437
Capital Outlay Escrow Fund	314,645	--	314,645
Louisiana Education Quality Trust Fund	1,316,705	--	1,316,705
Nonmajor Governmental Funds	2,072,289	--	2,072,289

The beginning fund balance of the General Fund changed due mainly to prior period adjustments within the Office of Group Benefits, the Office of Risk Management, and the Legislative Branch agencies. The restatement in fund balance also included a decrease of \$2,660 due to cash eliminations within the Louisiana Economic Development Fund and other prior period 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	\$ 3,778,700	\$	192,183	\$	3,970,883
Business-type Activities	2,046,691		(10,093)		2,036,598

Beginning net position for governmental activities increased by \$192.2 million for various reasons. The largest changes in beginning net position are changes related to capital assets and claims and litigations, and the merger of two internal service funds. The beginning net position for the business-type activities changed primarily due to three business-type activity entities recognizing net pension liability for the first time. These calendar year-end entities implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment to GASB 68*, which require governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability and to more comprehensively and comparably measure the annual costs of pension benefits. As a result, beginning net position for business-type activities decreased by \$10.1 million in fiscal year 2016.

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 \$359 million at June 30, 2016, 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: 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.

The elected SBESE member as a member at large for SBESE 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, 2016, St Bernard Parish School Board received amounts totaling \$52,558,531 in funding authorized by SBESE and released 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 Tank Trust Fund transactions. One board member has ownership in a company that received disbursements of \$214,927 from the Trust Fund.

B. ADOPTION OF NEW ACCOUNTING STANDARDS

For the year ended June 30, 2016, the State of Louisiana implemented GASB Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provision of GASB Statement 67 and 68*; GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

C. SHORT-TERM DEBT

Bond Anticipation Notes, BANs, (Series 2016-A) in the amount of \$254,625,000 were issued on January 28, 2016 to provide financing for capital outlay projects. The BANs allowed the State to meet its interim cash-flow needs and the BANS were refinanced in September 2016 with General Obligations Bonds, Series 2016-A. Accrued interest on the note was \$557,685 at the end of the year. The following is a schedule of the short-term debt at year-end:

Beginning	Additions	Deletions	Ending
-0-	\$255,182,685	-0-	\$255,182,685

D. BRITISH PETROLEUM OIL SPILL SETTLEMENT

On April 20, 2010, as the mobile offshore drilling unit, known as *Deepwater Horizon*, was in the process of temporarily abandoning a British Petroleum (BP) operated well on the Outer Continental Shelf off the coast of Louisiana, a blowout, multiple explosions, and a fire occurred causing the constant release of oil and other substances into the Gulf of Mexico for approximately 87 days. The release of oil and hydrocarbons from *Deepwater Horizon* and its presence in the waters of the Gulf of Mexico and on beaches, marshes and other land along the shore of the Gulf of Mexico resulted in the largest response, containment, cleanup, and restoration effort in the history of the United States.

The states of Alabama, Florida, Louisiana, Mississippi, and Texas and various affiliates collectively have asserted numerous claims against BP and other BP Entities that they allege arose from or are otherwise related to the *Deepwater Horizon* Incident, including, but not limited to, claims for economic loss, losses related to closures of fishing and harvesting of natural resources, business interruption, breach of contract, loss of royalties, lost taxes and revenues, property damage, lost tourism revenue, response and removal costs, operating and other costs, other economic damages, punitive damages, and attorney fees, costs, and expenses.

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In September of 2015, the Gulf states mentioned above entered into a settlement agreement with BP to settle, satisfy, and resolve any and all claims (other than those natural resource damages claims, Clean Water Act claims, and other claims being separately settled and resolved by the Consent Decree) between the Gulf States and the BP Entities arising from or related to the *Deepwater Horizon* Incident. As a result of this settlement, the State of Louisiana is entitled to receive \$1 billion for economic damages. \$200 million was received by the State in the current fiscal year, and was deposited in accordance with LRS 39:91 and Act 27 of the 2016 First Extraordinary Session. The remaining \$800 million will be received through fiscal year ending June 30, 2033. This \$1 billion settlement is being recorded in the current year's financial statements as an extraordinary item.

NOTE 12: SUBSEQUENT EVENTS

A. THE GREAT FLOOD OF 2016

In August 2016, prolonged rainfall in south central Louisiana resulted in catastrophic flooding that submerged thousands of houses and businesses. Many rivers and waterways, particularly the Amite and Comite rivers, reached record levels, and rainfall exceeded 20 inches in multiple parishes. The flood has been called the worst US natural disaster since Hurricane Sandy in 2012 and 13 deaths have been reported as a result of the flooding. The Governor and President declared the state a disaster area, which means federal aid could be sent to the affected areas.

According to Impact Forecasting, the total economic losses of the Great Flood will be in the range of \$10 - \$15 billion dollars. Many of the areas that flooded were not in the "high flood risk areas," which is largely the reason that more than 80 percent of damaged homes did not have flood insurance. Because of the large number of homeowners without flood insurance that were affected, the federal government is providing disaster aid through the Federal Emergency Management Agency (FEMA). More than 102,000 people applied for help. The President authorized funds for all categories of public assistance at 90 percent of total eligible costs.

Also, as a result of the flooding, the Louisiana Department of Transportation and Development (DOTD) has been made a defendant in a lawsuit filed in the 21st Judicial District court for the State of Louisiana. The suit alleges that the DOTD's design of certain portions of Interstate 12 through Tangipahoa Parish caused or contributed to flooding and damage to homes and other property. Other suits making similar allegations are anticipated.

B. DEBT ISSUANCES

On September 22, 2016, the State issued \$215,080,000, with a premium of \$39,776,377, in General Obligation Bonds, Series 2016-A to redeem the Bond Anticipation Notes (BAN) Series 2016 issued on January 28, 2016, and to provide permanent financing for capital outlay projects which were temporarily financed with the BAN.

On September 8, 2016, the State issued \$161,530,000, with a premium of \$25,618,660, in General Obligation Bonds, Series 2016-D to fund capital outlay projects.

On October 6, 2016 the State issued a total of \$400,000,000 in Revenue Anticipation Notes, Series 2016A-1 and B-1 to provide funds to avoid temporary cash flow shortfalls and to provide a working balance in the State General fund to enable the State to pay expenses in a timely manner for the fiscal year ending June 30, 2017. The State has drawn down a total of \$370,000,000 (\$150,000,000 on October 6, 2016, \$120,000,000 on November 15, 2016, and \$100,000,000 on December 16, 2016). Principal repayments begin on June 1, 2017 and they must be repaid in full by August 1, 2017.

C. CONSTITUTIONAL AMENDMENTS

Six amendments to the Louisiana Constitution of 1974 was voted on in a general election on November 8, 2016. Three of the amendments passed and are summarized below.

Amendment one passed, which established new qualifications standards for registrars and more public disclosure in their hiring process.

Amendment four passed, which provides surviving spouses of members of law enforcement, military and fire fighters who died while on duty, a full property tax exemption on their home.

Amendment five passed, which created the Revenue Stabilization Trust Fund to receive a portion of revenues from corporate and mineral taxes and to spend the money on infrastructure and pension liabilities rather than all of that revenue flowing into the general fund.

D. HEALTH INSURANCE PREMIUM

The Office of Group Benefits (OGB) is a state agency that is authorized by Louisiana statute to provide health and life insurance to both active and retired state employees and their dependents. Subsequent to the June 30, 2016 year end, OGB determined, through a self-audit, that nearly 1,200 retired members enrolled in Medicare Part A and/or B had not provided verification of such enrollment to OGB, resulting in higher premiums being charged for these members. As a result of the audit, OGB's records have been updated and the affected members and associated agencies will be refunded approximately \$20.2 million in excess premiums paid for the time period in which the members were previously unverified. OGB anticipates all refunds to members and associated agencies will be processed by the close of fiscal year 2017.



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, 2016

(EXPRESSED IN THOUSANDS)

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
INTERGOVERNMENTAL	\$ 9,510,223	\$ 9,869,842	\$ 8,865,848	\$ (1,003,994)
TOTAL REVENUES	<u>9,510,223</u>	<u>9,869,842</u>	<u>8,865,848</u>	<u>(1,003,994)</u>
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	1,208,489	1,224,893	1,059,159	165,734
CULTURE, RECREATION & TOURISM	96,061	98,083	84,363	13,720
TRANSPORTATION & DEVELOPMENT	636,635	647,332	608,952	38,380
PUBLIC SAFETY	1,941,819	1,955,253	1,457,015	498,238
HEALTH & WELFARE	10,368,525	10,614,633	10,139,875	474,758
CORRECTIONS	740,670	759,090	733,186	25,904
YOUTH DEVELOPMENT	118,056	121,761	106,318	15,443
CONSERVATION & ENVIRONMENT	515,626	559,238	358,526	200,712
EDUCATION	6,287,180	6,329,576	6,156,178	173,398
AGRICULTURE & FORESTRY	84,355	83,571	76,999	6,572
ECONOMIC DEVELOPMENT	151,252	189,823	139,795	50,028
MILITARY & VETERANS AFFAIRS	167,515	176,729	145,954	30,775
WORKFORCE SUPPORT & TRAINING	286,902	289,671	244,715	44,956
TOTAL EXPENDITURES	<u>22,603,085</u>	<u>23,049,653</u>	<u>21,311,035</u>	<u>1,738,618</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(13,092,862)</u>	<u>(13,179,811)</u>	<u>(12,445,187)</u>	<u>(734,624)</u>
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	12,995,658	13,119,122	12,375,954	(743,168)
TRANSFERS OUT	(330,500)	(245,274)	(250,352)	(5,078)
SALES OF GENERAL CAPITAL ASSETS	--	--	(7)	(7)
TOTAL OTHER FINANCING SOURCES/(USES)	<u>12,665,158</u>	<u>12,873,848</u>	<u>12,125,595</u>	<u>(748,253)</u>
NET CHANGE IN BUDGETARY FUND BALANCE	<u>(427,704)</u>	<u>(305,963)</u>	<u>(319,592)</u>	<u>(13,629)</u>
BUDGETARY FUND BALANCE - BEGINNING	<u>305,964</u>	<u>305,963</u>	<u>188,876</u>	<u>(117,087)</u>
BUDGETARY FUND BALANCE - ENDING	<u>\$ (121,740)</u>	<u>\$ --</u>	<u>\$ (130,716)</u>	<u>\$ (130,716)</u>

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY REPORTING

FOR THE YEAR ENDED JUNE 30, 2016

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, 2016, is presented below (expressed in thousands) for the General Fund.

Fund Balance (Budgetary Basis)	\$	(130,716)
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Reconciling Adjustments:

Basis Differences:

For budgetary purposes, the carryforward of expenditure authority from fiscal year 2016 to fiscal year 2017 is considered a reduction in fiscal year 2016 fund balance. However, under GAAP, reductions in fund balance would occur only when expenditures are incurred.

18,560

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.

(787,020)

Perspective Differences:

Statutorily dedicated funds are included in the General Fund for GAAP presentation but are considered separate funds for budgetary presentation.

1,830,720

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.

206,480

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.

147,354

Fund Balance (GAAP)	\$	<u>1,285,378</u>
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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>LSERS</u>	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 569,001	\$ 562,470	\$ 51,520	\$ 50,162	\$ 244	\$ 234
Contributions in relation to the contractually required contribution	<u>569,001</u>	<u>562,470</u>	<u>51,520</u>	<u>50,162</u>	<u>244</u>	<u>234</u>
Contribution deficiency (excess)	\$ <u> --</u>					
Covered employee payroll	\$ 1,568,676	\$ 1,563,623	\$ 163,855	\$ 159,585	\$ 741	\$ 777
Contributions as a percentage of covered-employee payroll	36.27%	35.97%	31.44%	31.43%	32.93%	30.12%
	<u>DARS</u>		<u>LCCRRF</u>		<u>ROVERS</u>	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 1,934	\$ 984	\$ 1,485	\$ 1,494	\$ 2,437	\$ 2,292
Contributions in relation to the contractually required contribution	<u>1,934</u>	<u>984</u>	<u>1,485</u>	<u>1,494</u>	<u>2,437</u>	<u>2,292</u>
Contribution deficiency (excess)	\$ <u> --</u>					
Covered employee payroll	\$ 27,896	\$ 27,960	\$ 8,394	\$ 7,912	\$ 10,233	\$ 10,342
Contributions as a percentage of covered-employee payroll	6.93%	3.52%	17.69%	18.88%	23.82%	22.16%

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

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

	<u>LASERS</u>		<u>TRSL</u>		<u>LSERS</u>	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Proportion of the net pension liability (percentage)	78.50%	79.45%	4.26%	4.21%	0.27%	0.26%
Proportionate share of the net pension liability (asset)	\$ 4,908,708	\$ 5,403,807	\$ 435,565	\$ 452,274	\$ 1,592	\$ 1,659
Covered-employee payroll	\$ 1,558,594	\$ 1,568,676	\$ 188,202	\$ 163,855	\$ 916	\$ 741
Proportionate share of the net pension liability as a percentage of covered employee payroll	314.94%	344.48%	231.43%	276.02%	173.80%	223.89%
Plan fiduciary net position as a percentage of the total pension liability	65.02%	62.38%	63.65%	62.77%	76.14%	75.29%
	<u>DARS</u>		<u>LCCRRF</u>		<u>ROVERS</u>	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Proportion of the net pension liability (percentage)	47.86%	46.90%	8.27%	8.54%	72.46%	74.07%
Proportionate share of the net pension liability (asset)	\$ 955	\$ 2,526	\$ 11,155	\$ 12,806	\$ 16,753	\$ 18,141
Covered-employee payroll	\$ 28,091	\$ 27,896	\$ 7,525	\$ 8,394	\$ 9,911	\$ 10,233
Proportionate share of the net pension liability as a percentage of covered employee payroll	3.40%	9.06%	148.24%	152.56%	169.03%	177.28%
Plan fiduciary net position as a percentage of the total pension liability	99.45%	98.59%	79.38%	77.61%	77.68%	76.47%

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.

PENSIONS

Schedule of Changes in Net Pension Liability and Related Ratios

(Louisiana State Police Retirement System only)

(In thousands)

	<u>2015</u>	<u>2016</u>
Total pension liability:		
Service cost	\$ 14,008	\$ 17,523
Interest	53,921	56,560
Differences between expected and actual experience	7,857	42,198
Changes in assumptions	6,324	
Benefit payments	<u>(42,009)</u>	<u>(43,376)</u>
Net change in total pension liability	40,101	72,905
Total pension liability - beginning	<u>797,839</u>	<u>837,940</u>
Total pension liability - ending	\$ <u>837,940</u>	\$ <u>910,845</u>
 Plan fiduciary net position :		
Contributions - employer	\$ 45,650	\$ 53,799
Contributions - employee	4,564	5,446
Contributions - nonemployer		
Net investment income	94,080	18,930
Benefit payments	(42,009)	(43,376)
Other	<u>(623)</u>	<u>(724)</u>
Net change in fiduciary net position	101,662	35,523
 Plan fiduciary net position - beginning as restated	<u>521,131</u>	<u>622,793</u>
Plan fiduciary net position - ending	\$ <u>622,793</u>	\$ <u>658,316</u>
 State's net pension liability	\$ <u>215,147</u>	\$ <u>252,529</u>
 Plan fiduciary net position as a percentage of the total pension liability	74.32%	72.28%
 Covered-employee payroll	\$ 71,880	\$ 85,233
 Net pension liability as a percentage of covered-employee payroll	299.31%	296.28%

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)

	2015	2016
Actuarially determined contribution	\$ 53,798	\$ 56,380
Contributions in relation to the actuarially determined contribution	53,798	56,380
Contribution deficiency (excess)	\$ --	\$ --
Covered employee payroll	\$ 85,233	\$ 104,059
Contributions as a percentage of covered-employee payroll	63.12%	54.18%

Notes to Schedule:

Valuation date: June 30, 2015 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	30 years	29 years
Asset valuation method	Market	Market
Inflation	2.30%	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 Sex Distinct Mortality Table with mortality improvements projected to 2025.	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 employee 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.

OTHER POSTEMPLOYMENT BENEFITS PLANS

FOR THE YEAR ENDED JUNE 30, 2016

OGB Plan

The State of Louisiana Post-Retirement Benefit Plan is administered by the Office of Group Benefits (OGB) as an agent 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]
7/1/2013	\$--	\$5,482,256	\$5,482,256	0.00%	\$1,560,074	351.41%
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%

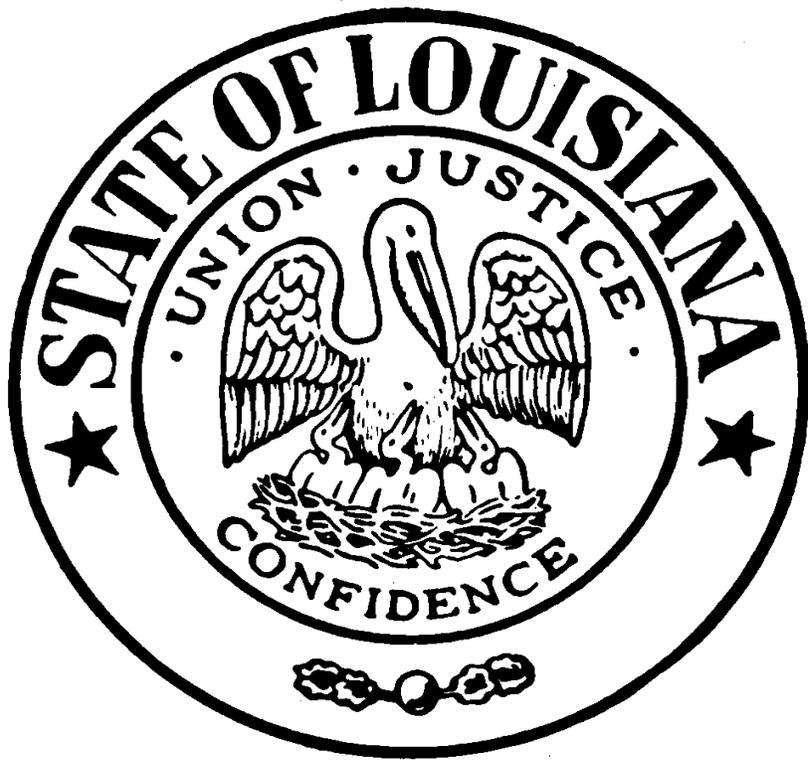
LSU Health

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]
7/1/2013	\$--	\$33,846	\$33,846	0.00%	\$25,139	134.64%
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%



**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, 2016

(EXPRESSED IN THOUSANDS)

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
INTERGOVERNMENTAL	\$ --	\$ --	613	\$ 613
TAXES	8,299,200	8,491,400	8,289,169	(202,231)
TOBACCO SETTLEMENT	99,000	106,700	51,670	(55,030)
GAMING	869,200	919,300	757,530	(161,770)
USE OF MONEY & PROPERTY	380,600	246,600	207,889	(38,711)
LICENSES, PERMITS & FEES	961,096	1,152,041	1,170,508	18,467
SALES OF COMMODITIES & SERVICES	--	--	5	5
GIFTS, DONATIONS, AND CONTRIBUTIONS	--	--	1,182	1,182
OTHER	608,643	196,071	11,841	(184,230)
INTERAGENCY TRANSFERS	1,099,222	1,080,341	840,276	(240,065)
TOTAL REVENUES	<u>12,316,961</u>	<u>12,192,453</u>	<u>11,330,683</u>	<u>(861,770)</u>
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	--	--	191	(191)
DEBT SERVICE:				
PRINCIPAL	63,695	63,695	63,695	--
INTEREST	196,465	114,873	114,873	--
ISSUANCE COSTS & OTHER CHARGES	--	--	271	(271)
TOTAL EXPENDITURES	<u>260,160</u>	<u>178,568</u>	<u>179,030</u>	<u>(462)</u>
EXCESS(DEFICIENCY) OF REVENUES				
OVER(UNDER) EXPENDITURES	<u>12,056,801</u>	<u>12,013,885</u>	<u>11,151,653</u>	<u>(862,232)</u>
OTHER FINANCING SOURCES(USES):				
TRANSFERS OUT	(12,123,563)	(12,280,647)	(11,427,584)	853,063
SALES OF GENERAL CAPITAL ASSETS	--	--	189	189
INSURANCE RECOVERIES	--	--	8,980	8,980
TOTAL OTHER FINANCING SOURCES/(USES)	<u>(12,123,563)</u>	<u>(12,280,647)</u>	<u>(11,418,415)</u>	<u>862,232</u>
EXTRAORDINARY ITEM	--	200,000	200,000	--
NET CHANGE IN BUDGETARY FUND BALANCE	<u>(66,762)</u>	<u>(66,762)</u>	<u>(66,762)</u>	<u>--</u>
BUDGETARY FUND BALANCE - BEGINNING	<u>66,762</u>	<u>66,762</u>	<u>66,762</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, 2016

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	\$ 1,815	\$ 11,485	\$ 20,045	\$ 1,515
INVESTMENTS	--	--	2,887	--
RECEIVABLES (NET)	586	--	2,836	6,191
DUE FROM OTHER FUNDS	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--
OTHER ASSETS	--	--	--	--
TOTAL ASSETS	\$ 2,401	\$ 11,485	\$ 25,768	\$ 7,706
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ --	\$ --	\$ --	\$ --
DUE TO OTHER FUNDS	405	14,235	1,901	603
DUE TO LOCAL GOVERNMENTS	--	--	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	--
TOTAL LIABILITIES	405	14,235	1,901	603
DEFERRED INFLOWS OF RESOURCES:				
UNAVAILABLE REVENUE	--	--	--	--
TOTAL DEFERRED INFLOWS OF RESOURCES	--	--	--	--
FUND BALANCES:				
NONSPENDABLE	--	--	--	--
RESTRICTED	--	--	--	--
COMMITTED	1,996	--	23,867	7,103
UNASSIGNED	--	(2,750)	--	--
TOTAL FUND BALANCES	1,996	(2,750)	23,867	7,103
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,401	\$ 11,485	\$ 25,768	\$ 7,706

(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
\$ 2,008	\$ 336	\$ --	\$ 12,550	\$ 257,238	\$ 306,992
--	--	--	--	47,175	50,062
2,127	25	--	920	--	12,685
--	--	--	--	94,812	94,812
--	--	--	--	75,086	75,086
--	--	--	--	--	--
<u>\$ 4,135</u>	<u>\$ 361</u>	<u>\$ --</u>	<u>\$ 13,470</u>	<u>\$ 474,311</u>	<u>\$ 539,637</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
327	361	--	6,498	135,438	159,768
--	--	--	6,972	--	6,972
--	--	--	--	--	--
<u>327</u>	<u>361</u>	<u>--</u>	<u>13,470</u>	<u>135,438</u>	<u>166,740</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	338,873	338,873
3,808	--	--	--	--	36,774
--	--	--	--	--	(2,750)
<u>3,808</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>338,873</u>	<u>372,897</u>
<u>\$ 4,135</u>	<u>\$ 361</u>	<u>\$ --</u>	<u>\$ 13,470</u>	<u>\$ 474,311</u>	<u>\$ 539,637</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2016

(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	\$ 600	\$ 22,493	\$ 23,093	\$ 7,295
INVESTMENTS	73,562	64,713	138,275	508,717
RECEIVABLES (NET)	24	95	119	--
DUE FROM OTHER FUNDS	--	84	84	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--
OTHER ASSETS	--	--	--	--
TOTAL ASSETS	\$ 74,186	\$ 87,385	\$ 161,571	\$ 516,012
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 10	\$ 27	\$ 37	\$ 1,742
DUE TO OTHER FUNDS	--	504	504	15
DUE TO LOCAL GOVERNMENTS	--	--	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	--
TOTAL LIABILITIES	10	531	541	1,757
DEFERRED INFLOWS OF RESOURCES:				
UNAVAILABLE REVENUE	--	95	95	--
TOTAL DEFERRED INFLOWS OF RESOURCES	--	95	95	--
FUND BALANCES:				
NONSPENDABLE	--	--	--	464,055
RESTRICTED	74,176	86,759	160,935	50,200
COMMITTED	--	--	--	--
UNASSIGNED	--	--	--	--
TOTAL FUND BALANCES	74,176	86,759	160,935	514,255
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 74,186	\$ 87,385	\$ 161,571	\$ 516,012

(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	\$ --	\$ 1,561	\$ --	\$ 9,024	\$ 339,109
--	508,717	1,000	508,717	1,527,151	1,715,488
--	--	14	--	14	12,818
--	1,145	--	--	1,145	96,041
--	--	--	--	--	75,086
--	--	285	--	285	285
<u>\$ 168</u>	<u>\$ 509,862</u>	<u>\$ 2,860</u>	<u>\$ 508,717</u>	<u>\$ 1,537,619</u>	<u>\$ 2,238,827</u>
\$ 1	\$ 1,667	\$ 30	\$ 1,667	\$ 5,107	\$ 5,144
--	4,432	--	4,608	9,055	169,327
--	--	--	--	--	6,972
--	--	55	--	55	55
<u>1</u>	<u>6,099</u>	<u>85</u>	<u>6,275</u>	<u>14,217</u>	<u>181,498</u>
--	--	--	--	--	95
--	--	--	--	--	95
100	465,910	--	464,398	1,394,463	1,394,463
67	37,853	2,775	38,044	128,939	628,747
--	--	--	--	--	36,774
--	--	--	--	--	(2,750)
<u>167</u>	<u>503,763</u>	<u>2,775</u>	<u>502,442</u>	<u>1,523,402</u>	<u>2,057,234</u>
<u>\$ 168</u>	<u>\$ 509,862</u>	<u>\$ 2,860</u>	<u>\$ 508,717</u>	<u>\$ 1,537,619</u>	<u>\$ 2,238,827</u>

State of Louisiana

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

SPECIAL REVENUE FUNDS

(EXPRESSED IN THOUSANDS)

	EMPLOYMENT SECURITY ADMINISTRATIVE ACCOUNT	FEDERAL ENERGY SETTLEMENT FUND	INCUMBENT WORKER TRAINING ACCOUNT	LABOR PENALTY & INTEREST ACCOUNT
REVENUES:				
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	--
TAXES	3,711	--	17,921	61
TOBACCO SETTLEMENT	--	--	--	--
USE OF MONEY & PROPERTY	2	22	63	63
LICENSES, PERMITS & FEES	--	--	--	3,440
SALES OF COMMODITIES & SERVICES	--	--	--	22
OTHER	--	15	--	--
TOTAL REVENUES	<u>3,713</u>	<u>37</u>	<u>17,984</u>	<u>3,586</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>3,713</u>	<u>37</u>	<u>17,984</u>	<u>3,586</u>
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	--	--	--	--
TRANSFERS OUT	(2,562)	(4,212)	(15,516)	(3,272)
SALES OF GENERAL CAPITAL ASSETS	--	--	--	--
TOTAL OTHER FINANCING SOURCES/(USES)	<u>(2,562)</u>	<u>(4,212)</u>	<u>(15,516)</u>	<u>(3,272)</u>
NET CHANGE IN FUND BALANCES	1,151	(4,175)	2,468	314
FUND BALANCES AT BEGINNING OF YEAR	<u>845</u>	<u>1,425</u>	<u>21,399</u>	<u>6,789</u>
FUND BALANCES AT END OF YEAR	\$ <u><u>1,996</u></u>	\$ <u><u>(2,750)</u></u>	\$ <u><u>23,867</u></u>	\$ <u><u>7,103</u></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
\$ --	\$ --	\$ --	\$ --	\$ 836,876	\$ 836,876
24,476	--	--	--	--	46,169
--	--	--	--	--	--
1	102	--	--	--	253
--	--	63,536	13,076	--	80,052
--	--	--	--	--	22
--	--	--	--	--	15
<u>24,477</u>	<u>102</u>	<u>63,536</u>	<u>13,076</u>	<u>836,876</u>	<u>963,387</u>
--	--	1,500	--	--	1,500
--	--	--	--	--	--
--	--	--	--	--	--
--	--	62,036	6,538	--	68,574
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	63,536	6,538	--	70,074
<u>24,477</u>	<u>102</u>	<u>--</u>	<u>6,538</u>	<u>836,876</u>	<u>893,313</u>
--	404	--	--	611,718	612,122
(24,622)	(507)	--	(6,538)	(1,467,304)	(1,524,533)
--	1	--	--	--	1
<u>(24,622)</u>	<u>(102)</u>	<u>--</u>	<u>(6,538)</u>	<u>(855,586)</u>	<u>(912,410)</u>
(145)	--	--	--	(18,710)	(19,097)
3,953	--	--	--	357,583	391,994
<u>\$ 3,808</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 338,873</u>	<u>\$ 372,897</u>

State of Louisiana

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

(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	--	124,447	124,447	--
TOBACCO SETTLEMENT	82,493	--	82,493	--
USE OF MONEY & PROPERTY	197	139	336	--
LICENSES, PERMITS & FEES	--	--	--	--
SALES OF COMMODITIES & SERVICES	--	--	--	--
OTHER	49	--	49	--
TOTAL REVENUES	82,739	124,586	207,325	--
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	--	--	--	--
CULTURE, RECREATION & TOURISM	--	--	--	--
EDUCATION	--	--	--	75
AGRICULTURE & FORESTRY	--	--	--	--
INTERGOVERNMENTAL	--	--	--	--
DEBT SERVICE:				
PRINCIPAL	75,870	21,450	97,320	--
INTEREST	33,851	123,579	157,430	--
ISSUANCE COSTS & OTHER CHARGES	108	300	408	--
TOTAL EXPENDITURES	109,829	145,329	255,158	75
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(27,090)	(20,743)	(47,833)	(75)
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	3,325	20,189	23,514	30,082
TRANSFERS OUT	--	(2,640)	(2,640)	(15,057)
SALES OF GENERAL CAPITAL ASSETS	--	--	--	--
TOTAL OTHER FINANCING SOURCES/(USES)	3,325	17,549	20,874	15,025
NET CHANGE IN FUND BALANCES	(23,765)	(3,194)	(26,959)	14,950
FUND BALANCES AT BEGINNING OF YEAR	97,941	89,953	187,894	499,305
FUND BALANCES AT END OF YEAR	\$ 74,176	\$ 86,759	\$ 160,935	\$ 514,255

(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
\$ --	\$ --	\$ --	\$ --	\$ --	836,876
--	--	--	--	--	170,616
--	--	1,800	--	1,800	82,493
--	--	--	--	--	2,389
--	--	--	--	--	80,052
--	--	--	--	--	22
--	--	--	--	--	64
--	--	1,800	--	1,800	1,172,512
--	--	--	--	--	1,500
--	--	1,486	--	1,486	1,486
--	--	--	--	75	75
44	--	--	--	44	44
--	--	--	--	--	68,574
--	--	--	--	--	97,320
--	--	--	--	--	157,430
--	--	--	--	--	408
44	--	1,486	--	1,605	326,837
(44)	--	314	--	195	845,675
--	39,903	--	68,835	138,820	774,456
--	(30,523)	--	(62,434)	(108,014)	(1,635,187)
--	--	--	--	--	1
--	9,380	--	6,401	30,806	(860,730)
(44)	9,380	314	6,401	31,001	(15,055)
211	494,383	2,461	496,041	1,492,401	2,072,289
\$ 167	\$ 503,763	\$ 2,775	\$ 502,442	\$ 1,523,402	\$ 2,057,234

State of Louisiana

COMBINING STATEMENT OF NET POSITION

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2016

(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	\$ 45,262	\$ 300,068	\$ 105,087	\$ 16,795
INVESTMENTS	10,087	--	--	--
RECEIVABLES (NET)	1,234	745	970	645
LEASES RECEIVABLE (NET)	--	--	--	39
DUE FROM OTHER FUNDS	33	--	--	215
DUE FROM FEDERAL GOVERNMENT	--	1	--	--
INVENTORIES	4	--	--	--
PREPAYMENTS	93	--	--	--
NOTES RECEIVABLE	--	16,563	7,100	589
OTHER CURRENT ASSETS	34	--	--	48
TOTAL CURRENT ASSETS	<u>56,747</u>	<u>317,377</u>	<u>113,157</u>	<u>18,331</u>
NON-CURRENT ASSETS:				
RESTRICTED ASSETS				
CASH	2,142	--	--	3,884
INVESTMENTS	2,103	--	--	--
RECEIVABLES	86	--	--	--
INVESTMENTS	1,249	--	--	--
NOTES RECEIVABLE	--	252,350	132,456	--
LEASES RECEIVABLE	--	--	--	1,645
CAPITAL ASSETS (NOTE 5)				
LAND	2,557	--	--	6,835
BUILDING & IMPROVEMENTS (NET)	12,354	--	--	25,230
MACHINERY & EQUIPMENT (NET)	499	--	--	1,610
INFRASTRUCTURE (NET)	--	--	--	--
INTANGIBLE ASSETS (NET)	216	--	--	--
CONSTRUCTION IN PROGRESS	41	--	--	414
OTHER NONCURRENT ASSETS	3	--	--	258
TOTAL NON-CURRENT ASSETS	<u>21,250</u>	<u>252,350</u>	<u>132,456</u>	<u>39,876</u>
TOTAL ASSETS	<u>77,997</u>	<u>569,727</u>	<u>245,613</u>	<u>58,207</u>
DEFERRED OUTFLOWS OF RESOURCES				
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	7,416	--	--	--
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>7,416</u>	<u>--</u>	<u>--</u>	<u>--</u>
LIABILITIES				
CURRENT LIABILITIES:				
ACCOUNTS PAYABLE	2,657	1	--	438
ACCRUED INTEREST	--	--	--	--
DUE TO OTHER FUNDS	--	17	--	2,327
AMOUNTS HELD IN CUSTODY FOR OTHERS	36	--	--	--
UNEARNED REVENUES	2,408	--	--	31
OTHER CURRENT LIABILITIES	353	--	--	3
CURRENT PORTION OF LONG-TERM LIABILITIES:				
COMPENSATED ABSENCES PAYABLE	294	--	--	--
BONDS PAYABLE	--	--	--	8,700
TOTAL CURRENT LIABILITIES	<u>5,748</u>	<u>18</u>	<u>--</u>	<u>11,499</u>
NONCURRENT LIABILITIES:				
NONCURRENT PORTION OF LONG-TERM LIABILITIES:				
COMPENSATED ABSENCES PAYABLE	979	--	--	--
BONDS PAYABLE	--	--	--	13,840
NET OPEB OBLIGATION	13,672	--	--	--
NET PENSION LIABILITY	43,004	--	--	--
TOTAL NON-CURRENT LIABILITIES	<u>57,655</u>	<u>--</u>	<u>--</u>	<u>13,840</u>
TOTAL LIABILITIES	<u>63,403</u>	<u>18</u>	<u>--</u>	<u>25,339</u>
DEFERRED INFLOWS OF RESOURCES				
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--	--
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	3,016	--	--	2,696
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	1,810	--	--	--
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>4,826</u>	<u>--</u>	<u>--</u>	<u>2,696</u>
NET POSITION				
NET INVESTMENT IN CAPITAL ASSETS	15,667	--	--	20,153
RESTRICTED FOR DEBT SERVICE	--	--	--	--
RESTRICTED FOR OTHER PURPOSES	2,316	--	--	808
UNRESTRICTED	(799)	569,709	245,613	9,211
TOTAL NET POSITION	<u>\$ 17,184</u>	<u>\$ 569,709</u>	<u>\$ 245,613</u>	<u>\$ 30,172</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
\$ 2,182	\$ --	\$ 997	\$ --	\$ 1,649	\$ 472,040
--	--	--	--	--	10,087
243	--	300	--	2,389	6,526
--	--	--	--	--	39
--	--	--	--	--	248
--	--	--	--	--	1
132	--	--	--	7,512	7,648
--	--	--	--	6	99
--	16,408	--	--	--	40,660
--	--	--	--	--	82
<u>2,557</u>	<u>16,408</u>	<u>1,297</u>	<u>--</u>	<u>11,556</u>	<u>537,430</u>
--	--	--	177	--	6,203
--	--	--	2,663	--	4,766
--	--	--	356	--	442
--	--	--	--	--	1,249
--	214,577	--	--	--	599,383
--	--	--	--	--	1,645
--	--	695	--	--	10,087
573	--	2,303	734	489	41,683
20	--	141	--	6,027	8,297
--	--	--	318,467	--	318,467
--	--	--	--	--	216
--	--	--	--	383	838
--	--	--	--	--	261
<u>593</u>	<u>214,577</u>	<u>3,139</u>	<u>322,397</u>	<u>6,899</u>	<u>993,537</u>
<u>3,150</u>	<u>230,985</u>	<u>4,436</u>	<u>322,397</u>	<u>18,455</u>	<u>1,530,967</u>
294	--	857	--	1,503	10,070
<u>294</u>	<u>--</u>	<u>857</u>	<u>--</u>	<u>1,503</u>	<u>10,070</u>
164	--	552	4	3,251	7,067
--	--	--	2,020	--	2,020
--	--	--	--	--	2,344
--	--	--	--	--	36
--	--	--	--	1	2,440
1	--	1	--	--	358
3	--	15	--	45	357
--	--	--	736	--	9,436
<u>168</u>	<u>--</u>	<u>568</u>	<u>2,760</u>	<u>3,297</u>	<u>24,058</u>
38	--	99	--	415	1,531
--	--	--	173,173	--	187,013
518	--	1,971	--	6,283	22,444
1,227	--	4,861	--	11,056	60,148
<u>1,783</u>	<u>--</u>	<u>6,931</u>	<u>173,173</u>	<u>17,754</u>	<u>271,136</u>
<u>1,951</u>	<u>--</u>	<u>7,499</u>	<u>175,933</u>	<u>21,051</u>	<u>295,194</u>
--	--	--	6,870	--	6,870
--	--	--	--	--	5,712
17	--	94	--	646	2,567
<u>17</u>	<u>--</u>	<u>94</u>	<u>6,870</u>	<u>646</u>	<u>15,149</u>
593	--	3,139	138,422	6,900	184,874
--	--	--	1,172	--	1,172
--	--	--	--	--	3,124
883	230,985	(5,439)	--	(8,639)	1,041,524
<u>\$ 1,476</u>	<u>\$ 230,985</u>	<u>\$ (2,300)</u>	<u>\$ 139,594</u>	<u>\$ (1,739)</u>	<u>\$ 1,230,694</u>

State of Louisiana

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

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

(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	\$ 1,563	\$ --	\$ --	\$ --
ASSESSMENTS	7,080	--	--	--
USE OF MONEY & PROPERTY	19	2,472	4,463	3,500
LICENSES, PERMITS & FEES	33,088	1,211	--	--
FEDERAL GRANTS & CONTRACTS	21	801	--	--
OTHER	3,551	--	673	48
TOTAL OPERATING REVENUES	45,322	4,484	5,136	3,548
OPERATING EXPENSES:				
COST OF SALES & SERVICES	14,261	2,890	6,437	2,777
ADMINISTRATIVE	28,115	--	--	666
DEPRECIATION	637	--	--	2,148
AMORTIZATION	11	--	--	--
TOTAL OPERATING EXPENSES	43,024	2,890	6,437	5,591
OPERATING INCOME (LOSS)	2,298	1,594	(1,301)	(2,043)
NONOPERATING REVENUES (EXPENSES)				
INTERGOVERNMENTAL REVENUES	2	--	--	14
INTERGOVERNMENTAL EXPENSES	--	--	--	(6)
GAIN ON SALE OF CAPITAL ASSETS	--	--	--	--
LOSS ON SALE OF CAPITAL ASSETS	--	--	--	(5)
INTEREST EXPENSE	(13)	--	--	--
OTHER REVENUES	3,279	--	--	--
OTHER EXPENSES	(2,662)	(32)	(48)	--
TOTAL NONOPERATING REVENUES (EXPENSES)	606	(32)	(48)	3
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	2,904	1,562	(1,349)	(2,040)
CAPITAL CONTRIBUTIONS	--	17,115	19,805	--
TRANSFERS IN	--	6	--	10,437
TRANSFERS OUT	--	(4,727)	--	--
CHANGE IN NET POSITION	2,904	13,956	18,456	8,397
TOTAL NET POSITION - BEGINNING AS RESTATED	14,280	555,753	227,157	21,775
TOTAL NET POSITION - ENDING	\$ 17,184	\$ 569,709	\$ 245,613	\$ 30,172

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
\$	1,874	\$ --	\$ 5,683	\$ --	\$ 28,609	\$ 37,729
	--	--	--	--	--	7,080
	--	--	--	--	--	10,454
	--	--	--	5,282	--	39,581
	--	--	--	--	--	822
	--	--	--	--	--	4,272
	<u>1,874</u>	<u>--</u>	<u>5,683</u>	<u>5,282</u>	<u>28,609</u>	<u>99,938</u>
	791	--	1,887	--	16,260	45,303
	1,172	--	3,795	22	11,370	45,140
	26	--	195	9,392	661	13,059
	--	--	--	--	--	11
	<u>1,989</u>	<u>--</u>	<u>5,877</u>	<u>9,414</u>	<u>28,291</u>	<u>103,513</u>
	(115)	--	(194)	(4,132)	318	(3,575)
	--	--	--	--	--	16
	--	--	--	--	(1,223)	(1,229)
	--	--	--	--	468	468
	--	--	--	--	(780)	(785)
	--	--	--	(4,888)	--	(4,901)
	20	--	2	1	157	3,459
	--	--	--	--	(195)	(2,937)
	<u>20</u>	<u>--</u>	<u>2</u>	<u>(4,887)</u>	<u>(1,573)</u>	<u>(5,909)</u>
	(95)	--	(192)	(9,019)	(1,255)	(9,484)
	--	--	--	199	--	37,119
	51	--	--	5,980	--	16,474
	--	(18,489)	(144)	(5,956)	(331)	(29,647)
	<u>(44)</u>	<u>(18,489)</u>	<u>(336)</u>	<u>(8,796)</u>	<u>(1,586)</u>	<u>14,462</u>
	1,520	249,474	(1,964)	148,390	(153)	1,216,232
\$	<u><u>1,476</u></u>	<u><u>230,985</u></u>	<u><u>(2,300)</u></u>	<u><u>139,594</u></u>	<u><u>(1,739)</u></u>	<u><u>1,230,694</u></u>

State of Louisiana

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

(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	\$ 44,890	\$ --	\$ --	\$ 3,013
RECEIPTS FROM INTERFUND SERVICES PROVIDED	--	--	--	23
RECEIPTS OF PRINCIPAL/INTEREST FROM LOAN PROGRAMS	--	22,523	14,302	--
OTHER OPERATING RECEIPTS	1,925	1,527	--	247
PAYMENTS TO SUPPLIERS & SERVICE PROVIDERS	(19,333)	--	--	(2,513)
PAYMENTS FOR LOANS MADE UNDER LOAN PROGRAMS	(283)	(71,545)	(24,554)	--
PAYMENTS TO EMPLOYEES FOR SERVICES	(20,996)	--	--	--
PAYMENTS FOR INTERFUND SERVICES USED	--	--	--	--
OTHER OPERATING PAYMENTS	(873)	--	--	(1,216)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>5,330</u>	<u>(47,495)</u>	<u>(10,252)</u>	<u>(446)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
PROCEEDS FROM THE ISSUANCE OF NON-CAPITAL DEBT	--	2,987	6,440	--
RECEIPTS FROM OPERATING GRANTS	--	--	--	3,351
RECEIPTS FROM OTHER FUNDS	5,780	--	--	10,437
PAYMENTS FOR PRINCIPAL ON NON-CAPITAL DEBT	--	(3,000)	(6,500)	--
PAYMENTS FOR INTEREST ON NON-CAPITAL DEBT	--	(1)	--	--
PAYMENTS FOR GRANTS AND SUBSIDIES	--	--	--	(6)
PAYMENTS TO OTHER FUNDS	(5,164)	(4,721)	--	(2,954)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>616</u>	<u>(4,735)</u>	<u>(60)</u>	<u>10,828</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
RECEIPTS FROM CAPITAL GRANTS	--	17,115	19,805	--
PROCEEDS FROM THE SALE OF CAPITAL ASSETS	--	--	--	38
PAYMENTS TO ACQUIRE, CONSTRUCT, & IMPROVE CAPITAL ASSETS	(742)	--	--	(505)
PAYMENTS FOR PRINCIPAL ON CAPITAL DEBT	(598)	--	--	(8,285)
PAYMENTS FOR INTEREST ON CAPITAL DEBT	(15)	--	--	--
NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,355)</u>	<u>17,115</u>	<u>19,805</u>	<u>(8,752)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
PURCHASES OF INVESTMENTS	(9,643)	--	--	--
PROCEEDS FROM THE SALE OF INVESTMENTS	11,358	--	--	--
INTEREST AND DIVIDENDS	97	--	--	--
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,812</u>	<u>--</u>	<u>--</u>	<u>--</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	6,403	(35,115)	9,493	1,630
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR AS RESTATED	41,001	335,183	95,594	19,049
CASH & CASH EQUIVALENTS AT END OF YEAR	<u>\$ 47,404</u>	<u>\$ 300,068</u>	<u>\$ 105,087</u>	<u>\$ 20,679</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
OPERATING INCOME (LOSS)	\$ 2,298	\$ 1,594	\$ (1,301)	\$ (2,043)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
DEPRECIATION/AMORTIZATION	648	--	--	2,148
PENSION EXPENSE	3,499	--	--	--
SUBSEQUENT PENSION CONTRIBUTIONS	(3,556)	--	--	--
OTHER	444	--	--	--
CHANGES IN ASSETS AND LIABILITIES:				
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	389	(158)	(62)	(288)
(INCREASE)/DECREASE IN DUE FROM OTHER FUNDS	--	5	--	23
(INCREASE)/DECREASE IN PREPAYMENTS	(49)	--	--	--
(INCREASE)/DECREASE IN INVENTORIES	3	--	--	--
(INCREASE)/DECREASE IN OTHER ASSETS	8	(48,910)	(8,889)	50
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS	(466)	(39)	--	(336)
INCREASE/(DECREASE) IN COMPENSATED ABSENCES	40	--	--	--
INCREASE/(DECREASE) IN DUE TO OTHER FUNDS	(10)	13	--	--
INCREASE/(DECREASE) IN UNEARNED REVENUES	117	--	--	--
INCREASE/(DECREASE) IN NET OPEB OBLIGATION	1,135	--	--	--
INCREASE/(DECREASE) IN OTHER LIABILITIES	830	--	--	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 5,330</u>	<u>\$ (47,495)</u>	<u>\$ (10,252)</u>	<u>\$ (446)</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
\$ 1,819	\$ 18,490	\$ 5,299	\$ 5,395	\$ 29,015	\$ 107,921
--	--	--	--	--	23
--	--	--	--	--	36,825
63	--	1	--	--	3,763
(1,060)	--	(3,106)	(23)	(20,893)	(46,928)
--	--	--	--	--	(96,382)
(589)	--	(2,155)	--	(7,170)	(30,910)
--	(18,490)	--	--	--	(18,490)
--	--	--	--	--	(2,089)
<u>233</u>	<u>--</u>	<u>39</u>	<u>5,372</u>	<u>952</u>	<u>(46,267)</u>
--	--	--	--	--	9,427
--	--	--	--	--	3,351
--	--	--	5,980	--	22,197
--	--	--	--	--	(9,500)
--	--	--	--	--	(1)
--	--	--	--	--	(6)
--	--	(143)	(5,956)	(331)	(19,269)
--	--	<u>(143)</u>	<u>24</u>	<u>(331)</u>	<u>6,199</u>
--	--	--	--	--	36,920
--	--	--	--	583	621
(23)	--	--	--	(2,430)	(3,700)
--	--	--	(545)	--	(9,428)
--	--	--	(5,411)	--	(5,426)
<u>(23)</u>	<u>--</u>	<u>--</u>	<u>(5,956)</u>	<u>(1,847)</u>	<u>18,987</u>
--	--	--	(11,377)	--	(21,020)
--	--	--	11,909	--	23,267
8	--	2	1	10	118
<u>8</u>	<u>--</u>	<u>2</u>	<u>533</u>	<u>10</u>	<u>2,365</u>
218	--	(102)	(27)	(1,216)	(18,716)
1,964	--	1,099	204	2,865	496,959
<u>\$ 2,182</u>	<u>\$ --</u>	<u>\$ 997</u>	<u>\$ 177</u>	<u>\$ 1,649</u>	<u>\$ 478,243</u>
\$ (115)	\$ --	\$ (194)	\$ (4,132)	\$ 318	\$ (3,575)
26	--	195	9,391	662	13,070
213	--	465	--	485	4,662
(127)	--	(471)	--	(1,149)	(5,303)
63	--	--	--	(1,438)	(931)
(55)	--	(250)	113	407	96
--	--	--	--	--	28
--	--	--	--	2	(47)
83	--	--	--	641	727
--	--	--	--	--	(57,741)
122	--	206	--	627	114
19	--	(14)	--	62	107
--	--	--	--	--	3
--	--	--	--	--	117
4	--	102	--	337	1,578
--	--	--	--	(2)	828
<u>\$ 233</u>	<u>\$ --</u>	<u>\$ 39</u>	<u>\$ 5,372</u>	<u>\$ 952</u>	<u>\$ (46,267)</u>

State of Louisiana

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

(EXPRESSED IN THOUSANDS)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

	2016
LOUISIANA AGRICULTURAL FINANCE AUTHORITY	
LOSS ON DISPOSAL OF CAPITAL ASSETS	(5)
LOUISIANA TRANSPORTATION AUTHORITY	
CONTRIBUTIONS OF CAPITAL ASSETS	199
PRISON ENTERPRISES	
GAIN ON DISPOSAL OF CAPITAL ASSETS	468
LOSS ON DISPOSAL OF CAPITAL ASSETS	(780)

(Concluded)



State of Louisiana

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

JUNE 30, 2016

(EXPRESSED IN THOUSANDS)

	DIVISION OF ADMINISTRATIVE LAW	LOUISIANA CORRECTIONAL FACILITIES CORPORATION	OFFICE FACILITIES CORPORATION
ASSETS			
CURRENT ASSETS:			
CASH & CASH EQUIVALENTS	\$ 800	\$ 35	\$ 3,429
INVESTMENTS	--	1,342	8,018
RESTRICTED INVESTMENTS	--	--	25,393
RECEIVABLES (NET)	37	--	2,397
DUE FROM OTHER FUNDS	2	--	--
INVENTORIES	26	--	--
PREPAYMENTS	--	--	29
TOTAL CURRENT ASSETS	<u>865</u>	<u>1,377</u>	<u>39,266</u>
NON-CURRENT ASSETS:			
RESTRICTED ASSETS			
INVESTMENTS	--	2,406	--
CAPITAL ASSETS (NOTE 5)			
LAND	--	--	301
MACHINERY & EQUIPMENT (NET)	19	--	--
OTHER NONCURRENT ASSETS	--	--	86
TOTAL NON-CURRENT ASSETS	<u>19</u>	<u>2,406</u>	<u>387</u>
TOTAL ASSETS	<u>884</u>	<u>3,783</u>	<u>39,653</u>
DEFERRED OUTFLOWS OF RESOURCES			
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES			
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,730</u>	<u>--</u>	<u>--</u>
LIABILITIES			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE	201	--	685
DUE TO OTHER FUNDS	5	--	--
UNEARNED REVENUES	--	--	105
CURRENT PORTION OF LONG-TERM LIABILITIES:			
CONTRACTS PAYABLE	--	--	--
COMPENSATED ABSENCES PAYABLE	37	--	--
NOTES PAYABLE	--	--	--
OTHER LONG-TERM LIABILITIES	--	--	29
TOTAL CURRENT LIABILITIES	<u>243</u>	<u>--</u>	<u>819</u>
NONCURRENT LIABILITIES:			
NONCURRENT PORTION OF LONG-TERM LIABILITIES:			
COMPENSATED ABSENCES PAYABLE	301	--	--
NOTES PAYABLE	--	--	--
NET OPEB OBLIGATION	2,573	--	--
NET PENSION LIABILITY	12,712	--	--
OTHER LONG-TERM LIABILITIES	--	--	86
TOTAL NON-CURRENT LIABILITIES	<u>15,586</u>	<u>--</u>	<u>86</u>
TOTAL LIABILITIES	<u>15,829</u>	<u>--</u>	<u>905</u>
DEFERRED INFLOWS OF RESOURCES			
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES			
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>250</u>	<u>--</u>	<u>--</u>
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	19	--	301
RESTRICTED FOR DEBT SERVICE	--	2,406	25,393
UNRESTRICTED	(13,484)	1,377	13,054
TOTAL NET POSITION	<u>\$ (13,465)</u>	<u>\$ 3,783</u>	<u>\$ 38,748</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
\$ 260	\$ 3,966	\$ 1,588	\$ 1,360	\$ 11,438
--	--	--	--	9,360
--	--	--	--	25,393
364	2,010	92	44,822	49,722
--	--	--	--	2
92	--	--	873	991
--	--	--	3,467	3,496
<u>716</u>	<u>5,976</u>	<u>1,680</u>	<u>50,522</u>	<u>100,402</u>
--	--	--	--	2,406
--	--	--	--	301
13	--	--	5,619	5,651
--	--	--	--	86
<u>13</u>	<u>--</u>	<u>--</u>	<u>5,619</u>	<u>8,444</u>
<u>729</u>	<u>5,976</u>	<u>1,680</u>	<u>56,141</u>	<u>108,846</u>
160	5,981	1,661	138,435	147,967
<u>160</u>	<u>5,981</u>	<u>1,661</u>	<u>138,435</u>	<u>147,967</u>
153	985	276	59,619	61,919
--	4,166	--	20,781	24,952
--	--	--	--	105
--	--	--	2,498	2,498
--	55	14	365	471
--	--	--	1,926	1,926
--	--	--	--	29
<u>153</u>	<u>5,206</u>	<u>290</u>	<u>85,189</u>	<u>91,900</u>
32	1,779	481	5,745	8,338
--	--	--	4,678	4,678
313	1,304	384	13,669	18,243
783	--	--	172,031	185,526
--	--	--	--	86
<u>1,128</u>	<u>3,083</u>	<u>865</u>	<u>196,123</u>	<u>216,871</u>
<u>1,281</u>	<u>8,289</u>	<u>1,155</u>	<u>281,312</u>	<u>308,771</u>
13	--	--	14,332	14,595
<u>13</u>	<u>--</u>	<u>--</u>	<u>14,332</u>	<u>14,595</u>
13	--	--	261	594
--	--	--	--	27,799
(418)	3,668	2,186	(101,329)	(94,946)
<u>\$ (405)</u>	<u>\$ 3,668</u>	<u>\$ 2,186</u>	<u>\$ (101,068)</u>	<u>\$ (66,553)</u>

State of Louisiana

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

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

(EXPRESSED IN THOUSANDS)

	DIVISION OF ADMINISTRATIVE LAW	LOUISIANA CORRECTIONAL FACILITIES CORPORATION	OFFICE FACILITIES CORPORATION
OPERATING REVENUES:			
SALES OF COMMODITIES & SERVICES	\$ 7,650	\$ --	\$ --
USE OF MONEY & PROPERTY	--	--	29,405
TOTAL OPERATING REVENUES	7,650	--	29,405
OPERATING EXPENSES:			
COST OF SALES & SERVICES	--	--	--
ADMINISTRATIVE	7,226	49	25,794
DEPRECIATION	15	--	2
TOTAL OPERATING EXPENSES	7,241	49	25,796
OPERATING INCOME (LOSS)	409	(49)	3,609
NONOPERATING REVENUES (EXPENSES)			
LOSS ON SALE OF CAPITAL ASSETS	--	--	--
INTEREST EXPENSE	--	--	(6)
OTHER REVENUES	4	715	258
OTHER EXPENSES	(2)	--	(45)
TOTAL NONOPERATING REVENUES (EXPENSES)	2	715	207
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	411	666	3,816
TRANSFERS IN	2	186	--
TRANSFERS OUT	--	--	--
CHANGE IN NET POSITION	413	852	3,816
TOTAL NET POSITION - BEGINNING AS RESTATED	(13,878)	2,931	34,932
TOTAL NET POSITION - ENDING	\$ (13,465)	\$ 3,783	\$ 38,748

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
\$ 1,842	\$ 27,386	\$ 9,292	\$ 234,459	\$ 280,629
--	--	--	--	29,405
<u>1,842</u>	<u>27,386</u>	<u>9,292</u>	<u>234,459</u>	<u>310,034</u>
1,358	--	--	36,073	37,431
570	23,719	8,102	288,737	354,197
6	--	--	1,942	1,965
<u>1,934</u>	<u>23,719</u>	<u>8,102</u>	<u>326,752</u>	<u>393,593</u>
<u>(92)</u>	<u>3,667</u>	<u>1,190</u>	<u>(92,293)</u>	<u>(83,559)</u>
--	--	--	(21)	(21)
--	--	--	(68)	(74)
1	1	1,006	10	1,995
--	--	--	--	(47)
<u>1</u>	<u>1</u>	<u>1,006</u>	<u>(79)</u>	<u>1,853</u>
(91)	3,668	2,196	(92,372)	(81,706)
8	--	--	--	196
<u>(20)</u>	<u>--</u>	<u>(10)</u>	<u>(114)</u>	<u>(144)</u>
(103)	3,668	2,186	(92,486)	(81,654)
<u>(302)</u>	<u>--</u>	<u>--</u>	<u>(8,582)</u>	<u>15,101</u>
<u>\$ (405)</u>	<u>\$ 3,668</u>	<u>\$ 2,186</u>	<u>\$ (101,068)</u>	<u>\$ (66,553)</u>

State of Louisiana

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

(EXPRESSED IN THOUSANDS)

	DIVISION OF ADMINISTRATIVE LAW	LOUISIANA CORRECTIONAL FACILITIES CORPORATION	OFFICE FACILITIES CORPORATION
CASH FLOWS FROM OPERATING ACTIVITIES:			
RECEIPTS FROM CUSTOMERS	\$ --	\$ --	\$ 28,052
RECEIPTS FROM INTERFUND SERVICES PROVIDED	7,454	--	--
OTHER OPERATING RECEIPTS	--	--	--
PAYMENTS TO SUPPLIERS & SERVICE PROVIDERS	(957)	(49)	(25,624)
PAYMENTS TO EMPLOYEES FOR SERVICES	(6,084)	--	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>413</u>	<u>(49)</u>	<u>2,428</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
RECEIPTS FROM OTHER FUNDS	2	--	--
PAYMENTS TO OTHER FUNDS	--	--	--
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>2</u>	<u>--</u>	<u>--</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
PROCEEDS FROM THE SALE OF CAPITAL ASSETS	--	--	--
PAYMENTS TO ACQUIRE, CONSTRUCT, & IMPROVE CAPITAL ASSETS	--	--	(40)
PAYMENTS FOR PRINCIPAL ON CAPITAL DEBT	--	--	--
PAYMENTS FOR INTEREST ON CAPITAL DEBT	--	--	--
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>--</u>	<u>--</u>	<u>(40)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
PURCHASES OF INVESTMENTS	--	(8,257)	(379)
PROCEEDS FROM THE SALE OF INVESTMENTS	--	8,306	--
INTEREST AND DIVIDENDS	4	1	162
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>4</u>	<u>50</u>	<u>(217)</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	419	1	2,171
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR AS RESTATED	<u>381</u>	<u>34</u>	<u>1,258</u>
CASH & CASH EQUIVALENTS AT END OF YEAR	<u>\$ 800</u>	<u>\$ 35</u>	<u>\$ 3,429</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS)	\$ 409	\$ (49)	\$ 3,609
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
DEPRECIATION/AMORTIZATION	15	--	2
PENSION EXPENSE	1,149	--	--
SUBSEQUENT PENSION CONTRIBUTIONS	(1,278)	--	--
OTHER	(15)	--	--
CHANGES IN ASSETS AND LIABILITIES:			
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	13	--	(1,645)
(INCREASE)/DECREASE IN DUE FROM OTHER FUNDS	(2)	--	--
(INCREASE)/DECREASE IN PREPAYMENTS	--	--	(6)
(INCREASE)/DECREASE IN INVENTORIES	2	--	--
(INCREASE)/DECREASE IN OTHER ASSETS	--	--	--
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS	36	--	373
INCREASE/(DECREASE) IN COMPENSATED ABSENCES	2	--	--
INCREASE/(DECREASE) IN DUE TO OTHER FUNDS	(12)	--	--
INCREASE/(DECREASE) IN UNEARNED REVENUES	--	--	95
INCREASE/(DECREASE) IN NET OPEB OBLIGATION	94	--	--
INCREASE/(DECREASE) IN OTHER LIABILITIES	--	--	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 413</u>	<u>\$ (49)</u>	<u>\$ 2,428</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
\$ --	\$ --	\$ --	\$ --	28,052
2,004	25,375	9,200	228,712	272,745
2	--	12	77	91
(1,651)	(644)	(1,658)	(142,974)	(173,557)
<u>(357)</u>	<u>(24,932)</u>	<u>(6,962)</u>	<u>(78,264)</u>	<u>(116,599)</u>
<u>(2)</u>	<u>(201)</u>	<u>592</u>	<u>7,551</u>	<u>10,732</u>
8	4,166	1,000	--	5,176
(29)	--	(10)	(16,352)	(16,391)
<u>(21)</u>	<u>4,166</u>	<u>990</u>	<u>(16,352)</u>	<u>(11,215)</u>
--	--	--	4	4
--	--	--	(151)	(191)
--	--	--	(1,724)	(1,724)
--	--	--	(68)	(68)
--	--	--	<u>(1,939)</u>	<u>(1,979)</u>
--	--	--	--	(8,636)
--	--	--	--	8,306
1	1	6	3	178
<u>1</u>	<u>1</u>	<u>6</u>	<u>3</u>	<u>(152)</u>
(22)	3,966	1,588	(10,737)	(2,614)
<u>282</u>	<u>--</u>	<u>--</u>	<u>12,097</u>	<u>14,052</u>
<u>\$ 260</u>	<u>\$ 3,966</u>	<u>\$ 1,588</u>	<u>\$ 1,360</u>	<u>\$ 11,438</u>
\$ (92)	\$ 3,667	\$ 1,190	\$ (92,293)	\$ (83,559)
6	--	--	1,942	1,965
119	--	--	65,369	66,637
(81)	(5,981)	(1,662)	(17,761)	(26,763)
2	--	--	--	(13)
162	(2,011)	(93)	(5,724)	(9,298)
--	--	--	--	(2)
--	--	--	(2,640)	(2,646)
(12)	--	--	(506)	(516)
--	--	--	77	77
(137)	986	277	46,548	48,083
--	1,834	496	(324)	2,008
--	--	--	--	(12)
--	--	--	--	95
31	1,304	384	11,796	13,609
<u>--</u>	<u>--</u>	<u>--</u>	<u>1,067</u>	<u>1,067</u>
<u>\$ (2)</u>	<u>\$ (201)</u>	<u>\$ 592</u>	<u>\$ 7,551</u>	<u>\$ 10,732</u>

State of Louisiana

COMBINING STATEMENT OF FIDUCIARY NET POSITION

PENSION TRUST FUNDS

JUNE 30, 2016

(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	\$ 48,358	\$ 52,222	\$ 171	\$ 5,280	\$ 106,031
RECEIVABLES:					
EMPLOYER CONTRIBUTIONS	13,376	52,207	1,692	174,778	242,053
MEMBER CONTRIBUTIONS	2,833	11,762	215	56,224	71,034
INVESTMENT PROCEEDS	4,555	57,377	--	1,393,982	1,455,914
INTEREST & DIVIDENDS	2,525	29,469	417	39,733	72,144
OTHER	511	4,740	--	14,580	19,831
TOTAL RECEIVABLES	23,800	155,555	2,324	1,679,297	1,860,976
INVESTMENTS (AT FAIR VALUE):					
SHORT-TERM INVESTMENTS	39,874	317,631	59,613	1,307,429	1,724,547
U.S. GOVERNMENT AND AGENCY OBLIGATIONS	67,636	226,055	12,585	1,052,789	1,359,065
BONDS - DOMESTIC	402,893	595,137	93,818	775,344	1,867,192
BONDS - INTERNATIONAL	59,082	343,291	21,827	1,413,994	1,838,194
EQUITIES - DOMESTIC	383,903	2,432,755	265,405	5,161,381	8,243,444
EQUITIES - INTERNATIONAL	439,496	3,202,543	118,798	3,166,198	6,927,035
ALTERNATIVE INVESTMENTS	303,934	3,040,660	97,192	4,573,041	8,014,827
COLLATERAL HELD UNDER SECURITIES LENDING PROGRAM	94,215	1,141,629	--	2,553,584	3,789,428
OTHER INVESTMENTS	2,101	--	--	--	2,101
INVESTMENTS (AT CONTRACT VALUE):					
SYNTHETIC GUARANTEED INVESTMENT CONTRACT	--	481,031	--	--	481,031
TOTAL INVESTMENTS	1,793,134	11,780,732	669,238	20,003,760	34,246,864
OTHER ASSETS	35	--	1	--	36
PROPERTY PLANT AND EQUIPMENT (NET)	3,499	4,332	1,273	3,711	12,815
TOTAL ASSETS	1,868,826	11,992,841	673,007	21,692,048	36,226,722
DEFERRED OUTFLOWS OF RESOURCES					
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	--	--	230	2,395	2,625
TOTAL DEFERRED OUTFLOWS OF RESOURCES	--	--	230	2,395	2,625
LIABILITIES					
ACCOUNTS PAYABLE	156	16,900	709	9,938	27,703
RETIREMENT BENEFITS PAYABLE	1,877	--	--	5,095	6,972
INVESTMENT COMMITMENTS PAYABLE	1,407	100,378	--	1,551,571	1,653,356
OBLIGATIONS UNDER SECURITIES LENDING PROGRAM	94,215	1,142,271	--	2,553,584	3,790,070
NET OPEB OBLIGATION	3,361	9,577	422	12,812	26,172
NET PENSION LIABILITY	--	--	1,065	15,905	16,970
REFUNDS PAYABLE	--	--	--	5,805	5,805
OTHER LIABILITIES	--	--	602	1,568	2,170
TOTAL LIABILITIES	101,016	1,269,126	2,798	4,156,278	5,529,218
DEFERRED INFLOWS OF RESOURCES					
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	--	--	16	214	230
TOTAL DEFERRED INFLOWS OF RESOURCES	--	--	16	214	230
NET POSITION RESTRICTED FOR PENSIONS	\$ 1,767,810	\$ 10,723,715	\$ 670,423	\$ 17,537,951	\$ 30,699,899

State of Louisiana

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

PENSION TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

(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	\$ 87,669	\$ 729,397	\$ 56,381	\$ 1,159,732	\$ 2,033,179
MEMBER	21,767	152,234	7,106	330,774	511,881
NON-EMPLOYER	--	--	--	38,193	38,193
TOTAL CONTRIBUTIONS	109,436	881,631	63,487	1,528,699	2,583,253
INVESTMENT INCOME:					
NET DECREASE IN FAIR VALUE OF INVESTMENTS	(28,886)	(447,804)	(16,062)	(144,880)	(637,632)
INTEREST & DIVIDENDS	17,685	199,256	6,876	313,378	537,195
ALTERNATIVE INVESTMENT INCOME	5,539	12,506	--	95,580	113,625
LESS ALTERNATIVE INVESTMENT EXPENSES	--	(40,719)	--	(56,423)	(97,142)
SECURITIES LENDING INCOME	431	6,315	142	14,763	21,651
LESS SECURITIES LENDING EXPENSES	--	(1,086)	--	(3,081)	(4,167)
OTHER INVESTMENT INCOME	--	1,307	--	1,411	2,718
LESS INVESTMENT EXPENSES OTHER THAN ALTERNATIVE INVESTMENTS AND SECURITIES LENDING	(5,191)	(26,504)	(1,882)	(43,107)	(76,684)
NET INVESTMENT INCOME (LOSS)	(10,422)	(296,729)	(10,926)	177,641	(140,436)
OTHER INCOME	--	15,186	2,791	2,951	20,928
TOTAL ADDITIONS	99,014	600,088	55,352	1,709,291	2,463,745
DEDUCTIONS					
RETIREMENT BENEFITS	173,565	1,238,508	42,426	2,001,146	3,455,645
REFUNDS OF CONTRIBUTIONS	4,140	35,997	63	49,885	90,085
ADMINISTRATIVE EXPENSES	4,620	16,599	711	16,282	38,212
DEPRECIATION & AMORTIZATION EXPENSES	229	420	35	407	1,091
OTHER	106	--	10	--	116
TOTAL DEDUCTIONS	182,660	1,291,524	43,245	2,067,720	3,585,149
CHANGE IN NET POSITION	(83,646)	(691,436)	12,107	(358,429)	(1,121,404)
NET POSITION RESTRICTED FOR PENSIONS					
BEGINNING OF YEAR	1,851,456	11,415,151	658,316	17,896,380	31,821,303
END OF YEAR	\$ 1,767,810	\$ 10,723,715	\$ 670,423	\$ 17,537,951	\$ 30,699,899

State of Louisiana

COMBINING STATEMENT OF FIDUCIARY NET POSITION

INVESTMENT TRUST FUNDS

JUNE 30, 2016

(EXPRESSED IN THOUSANDS)

	EDUCATION EXCELLENCE LOCAL GOVERNMENT INVESTMENT TRUST FUND	LOUISIANA ASSET MANAGEMENT POOL *	TOTAL INVESTMENT TRUST FUNDS
ASSETS			
CASH & CASH EQUIVALENTS	\$ 21,042	\$ 12,297	\$ 33,339
RECEIVABLES:			
INTEREST & DIVIDENDS	51	43	94
OTHER	75	--	75
TOTAL RECEIVABLES	126	43	169
INVESTMENTS (AT FAIR VALUE):			
SHORT-TERM INVESTMENTS	--	545,540	545,540
U.S. GOVERNMENT AND AGENCY OBLIGATIONS	15,770	366,765	382,535
EQUITIES - DOMESTIC	6,146	--	6,146
REPURCHASE AGREEMENTS	--	238,063	238,063
OTHER INVESTMENTS	10,740	--	10,740
TOTAL INVESTMENTS	32,656	1,150,368	1,183,024
OTHER ASSETS	--	17	17
PROPERTY PLANT AND EQUIPMENT (NET)	--	22	22
TOTAL ASSETS	53,824	1,162,747	1,216,571
LIABILITIES			
ACCOUNTS PAYABLE	8	110	118
OTHER LIABILITIES	--	56	56
TOTAL LIABILITIES	8	166	174
NET POSITION HELD IN TRUST FOR INVESTMENT POOL PARTICIPANTS	\$ 53,816	\$ 1,162,581	\$ 1,216,397

* For the period ending December 31, 2015.

State of Louisiana

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

INVESTMENT TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

(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)	\$ 14,134	\$ 1,758,512	\$ 1,772,646
TOTAL CONTRIBUTIONS	14,134	1,758,512	1,772,646
INVESTMENT INCOME:			
NET INCREASE (DECREASE) IN FAIR VALUE OF INVESTMENTS	781	(32)	749
INTEREST & DIVIDENDS	398	996	1,394
GAIN ON SALE OF INVESTMENTS	15	16	31
OTHER INVESTMENT INCOME	--	1,497	1,497
NET INVESTMENT INCOME	1,194	2,477	3,671
TOTAL ADDITIONS	15,328	1,760,989	1,776,317
<u>DEDUCTIONS</u>			
ADMINISTRATIVE EXPENSES	25	1,738	1,763
DISTRIBUTIONS TO POOL PARTICIPANTS	14,948	1,916,738	1,931,686
TOTAL DEDUCTIONS	14,973	1,918,476	1,933,449
CHANGE IN NET POSITION	355	(157,487)	(157,132)
NET POSITION HELD IN TRUST FOR INVESTMENT POOL PARTICIPANTS			
BEGINNING OF YEAR	53,461	1,320,068	1,373,529
END OF YEAR	\$ 53,816	\$ 1,162,581	\$ 1,216,397

* For the period ending December 31, 2015.

State of Louisiana

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

JUNE 30, 2016

(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	\$ 162,230	\$ 2,251	\$ 26,697	\$ 18,542
INVESTMENTS	--	174,923	28,785	44,287	--
RECEIVABLES	--	157,320	469	9,037	--
OTHER ASSETS	--	--	--	837	--
TOTAL ASSETS	\$ <u>3,395</u>	\$ <u>494,473</u>	\$ <u>31,505</u>	\$ <u>80,858</u>	\$ <u>18,542</u>
<u>LIABILITIES</u>					
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 3,395	\$ 280,554	\$ 31,452	\$ 80,717	\$ 18,542
OTHER LIABILITIES	--	213,919	53	141	--
TOTAL LIABILITIES	\$ <u>3,395</u>	\$ <u>494,473</u>	\$ <u>31,505</u>	\$ <u>80,858</u>	\$ <u>18,542</u>

	NON-STATE ENTITIES OPEB FUND	PARISH ROYALTY FUND	PAYROLL CLEARING FUND	TOTAL AGENCY FUNDS
<u>ASSETS</u>				
CASH & CASH EQUIVALENTS	\$ 4,256	\$ 3,879	\$ 78,067	\$ 299,317
INVESTMENTS	--	--	--	247,995
RECEIVABLES	3,858	3,024	--	173,708
OTHER ASSETS	--	--	--	837
TOTAL ASSETS	\$ <u>8,114</u>	\$ <u>6,903</u>	\$ <u>78,067</u>	\$ <u>721,857</u>
<u>LIABILITIES</u>				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 6,371	\$ 6,903	\$ 78,067	\$ 506,001
OTHER LIABILITIES	1,743	--	--	215,856
TOTAL LIABILITIES	\$ <u>8,114</u>	\$ <u>6,903</u>	\$ <u>78,067</u>	\$ <u>721,857</u>

State of Louisiana

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
<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	\$ --	\$ --	\$ 3,395
TOTAL LIABILITIES	<u>\$ 3,395</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3,395</u>
 <u>ESCROW FUND</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 204,434	\$ 1,311,461	\$ 1,353,665	\$ 162,230
INVESTMENTS	190,898	--	15,975	174,923
RECEIVABLES	<u>147,548</u>	<u>157,320</u>	<u>147,548</u>	<u>157,320</u>
TOTAL ASSETS	<u>\$ 542,880</u>	<u>\$ 1,468,781</u>	<u>\$ 1,517,188</u>	<u>\$ 494,473</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 310,027	\$ 1,321,232	\$ 1,350,705	\$ 280,554
OTHER LIABILITIES	<u>232,853</u>	<u>213,919</u>	<u>232,853</u>	<u>213,919</u>
TOTAL LIABILITIES	<u>\$ 542,880</u>	<u>\$ 1,535,151</u>	<u>\$ 1,583,558</u>	<u>\$ 494,473</u>
 <u>FREE SCHOOL FUND</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 2,608	\$ 1,264	\$ 1,621	\$ 2,251
INVESTMENTS	27,937	898	50	28,785
RECEIVABLES	<u>474</u>	<u>130</u>	<u>135</u>	<u>469</u>
TOTAL ASSETS	<u>\$ 31,019</u>	<u>\$ 2,292</u>	<u>\$ 1,806</u>	<u>\$ 31,505</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 30,680	\$ 1,716	\$ 944	\$ 31,452
OTHER LIABILITIES	<u>339</u>	<u>53</u>	<u>339</u>	<u>53</u>
TOTAL LIABILITIES	<u>\$ 31,019</u>	<u>\$ 1,769</u>	<u>\$ 1,283</u>	<u>\$ 31,505</u>

(Continued)

State of Louisiana

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
<u>INSURANCE TRUST FUND</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 11,858	\$ 31,667	\$ 16,828	\$ 26,697
INVESTMENTS	81,097	15,665	52,475	44,287
RECEIVABLES	3,511	9,250	3,724	9,037
OTHER ASSETS	3,343	262	2,768	837
TOTAL ASSETS	\$ 99,809	\$ 56,844	\$ 75,795	\$ 80,858
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 99,556	\$ 56,697	\$ 75,536	\$ 80,717
OTHER LIABILITIES	253	141	253	141
TOTAL LIABILITIES	\$ 99,809	\$ 56,838	\$ 75,789	\$ 80,858
<u>MISCELLANEOUS AGENCY FUNDS</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 18,789	\$ 69,219	\$ 69,466	\$ 18,542
TOTAL ASSETS	\$ 18,789	\$ 69,219	\$ 69,466	\$ 18,542
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 18,789	\$ 69,219	\$ 69,466	\$ 18,542
TOTAL LIABILITIES	\$ 18,789	\$ 69,219	\$ 69,466	\$ 18,542
<u>NON-STATE ENTITIES OPEB FUND *</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 5,088	\$ 223,686	\$ 224,518	\$ 4,256
RECEIVABLES	19,328	208,217	223,687	3,858
TOTAL ASSETS	\$ 24,416	\$ 431,903	\$ 448,205	\$ 8,114
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 21,872	\$ 208,216	\$ 223,717	\$ 6,371
OTHER LIABILITIES	2,544	223,717	224,518	1,743
TOTAL LIABILITIES	\$ 24,416	\$ 431,933	\$ 448,235	\$ 8,114

(Continued)

State of Louisiana

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
<u>PARISH ROYALTY FUND</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 9,319	\$ 17,499	\$ 22,939	\$ 3,879
RECEIVABLES	<u>3,434</u>	<u>3,222</u>	<u>3,632</u>	<u>3,024</u>
TOTAL ASSETS	<u>\$ 12,753</u>	<u>\$ 20,721</u>	<u>\$ 26,571</u>	<u>\$ 6,903</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 12,753	\$ 17,288	\$ 23,138	\$ 6,903
TOTAL LIABILITIES	<u>\$ 12,753</u>	<u>\$ 17,288</u>	<u>\$ 23,138</u>	<u>\$ 6,903</u>
<u>PAYROLL CLEARING FUND</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 79,665	\$ 2,670,584	\$ 2,672,182	\$ 78,067
TOTAL ASSETS	<u>\$ 79,665</u>	<u>\$ 2,670,584</u>	<u>\$ 2,672,182</u>	<u>\$ 78,067</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 79,665	\$ 2,670,584	\$ 2,672,182	\$ 78,067
TOTAL LIABILITIES	<u>\$ 79,665</u>	<u>\$ 2,670,584</u>	<u>\$ 2,672,182</u>	<u>\$ 78,067</u>
<u>TOTAL ALL AGENCY FUNDS *</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 335,156	\$ 4,325,380	\$ 4,361,219	\$ 299,317
INVESTMENTS	299,932	16,563	68,500	247,995
RECEIVABLES	174,295	378,139	378,726	173,708
OTHER ASSETS	<u>3,343</u>	<u>262</u>	<u>2,768</u>	<u>837</u>
TOTAL ASSETS	<u>\$ 812,726</u>	<u>\$ 4,720,344</u>	<u>\$ 4,811,213</u>	<u>\$ 721,857</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 576,737	\$ 4,344,952	\$ 4,415,688	\$ 506,001
OTHER LIABILITIES	<u>235,989</u>	<u>437,830</u>	<u>457,963</u>	<u>215,856</u>
TOTAL LIABILITIES	<u>\$ 812,726</u>	<u>\$ 4,782,782</u>	<u>\$ 4,873,651</u>	<u>\$ 721,857</u>

* Beginning balances restated

(Concluded)

State of Louisiana

COMBINING STATEMENT OF NET POSITION

NONMAJOR COMPONENT UNITS

JUNE 30, 2016

(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	\$ 272	\$ 4,513	\$ 2,975	\$ 7,088	\$ 9,283
RESTRICTED CASH & CASH EQUIVALENTS	--	--	--	--	15,349
INVESTMENTS	--	19,068	26,930	8,376	901
RESTRICTED INVESTMENTS	--	--	--	737	9,722
RECEIVABLES (NET)	2	132	365	3,484	4,362
AMOUNTS DUE FROM PRIMARY GOVERNMENT	14	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	43	--	--	143	--
INVENTORIES	--	--	--	--	857
PREPAYMENTS	5	32	--	39	790
NOTES RECEIVABLE	--	--	--	--	--
OTHER CURRENT ASSETS	--	--	165	--	--
TOTAL CURRENT ASSETS	336	23,745	30,435	19,867	41,264
NON-CURRENT ASSETS:					
RESTRICTED ASSETS	162	--	3,672	--	--
INVESTMENTS	--	11,897	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
NOTES RECEIVABLE	--	--	--	--	--
CAPITAL ASSETS					
LAND	1,883	352	--	11,212	--
BUILDING & IMPROVEMENTS (NET)	1,292	1,014	--	33,243	2,990
MACHINERY & EQUIPMENT (NET)	151	172	--	3,155	3,853
INFRASTRUCTURE (NET)	9,948	--	--	11,653	113,996
INTANGIBLE ASSETS (NET)	--	--	--	--	--
CONSTRUCTION IN PROGRESS	59	--	--	14,019	--
OTHER NONCURRENT ASSETS	--	--	--	--	--
TOTAL NON-CURRENT ASSETS	13,495	13,435	3,672	73,282	120,839
TOTAL ASSETS	13,831	37,180	34,107	93,149	162,103
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--	--	--
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	--	1,567	--	535	1,073
TOTAL DEFERRED OUTFLOWS OF RESOURCES	--	1,567	--	535	1,073
LIABILITIES					
CURRENT LIABILITIES:					
ACCOUNTS PAYABLE	72	353	7	414	4,276
ACCRUED INTEREST	--	--	--	--	--
AMOUNTS DUE TO PRIMARY GOVERNMENT	--	--	15	--	--
DUE TO FEDERAL GOVERNMENT	--	--	--	--	--
UNEARNED REVENUES	9	1,782	47	1,674	1,041
OTHER CURRENT LIABILITIES	38	2,576	--	--	--
CURRENT PORTION OF LONG-TERM LIABILITIES:					
CONTRACTS PAYABLE	--	--	--	287	--
COMPENSATED ABSENCES PAYABLE	--	64	--	319	--
CAPITAL LEASE OBLIGATIONS	--	--	--	--	--
NOTES PAYABLE	--	20	--	--	--
BONDS PAYABLE	10	--	--	610	2,762
ESTIMATED LIABILITY FOR CLAIMS	--	--	--	--	--
OTHER LONG-TERM LIABILITIES	--	--	--	96	169
TOTAL CURRENT LIABILITIES	129	4,795	69	3,400	8,248
NONCURRENT LIABILITIES:					
NONCURRENT PORTION OF LONG-TERM LIABILITIES:					
COMPENSATED ABSENCES PAYABLE	--	174	--	--	1,241
CAPITAL LEASE OBLIGATIONS	--	--	--	--	--
NOTES PAYABLE	--	389	--	--	--
BONDS PAYABLE	679	--	--	2,059	42,208
POLLUTION REMEDIATION OBLIGATIONS	--	--	--	5	--
ESTIMATED LIABILITY FOR CLAIMS	--	--	--	--	531
NET OPEB OBLIGATION	--	2,713	--	2,796	6,201
NET PENSION LIABILITY	--	8,317	--	5,262	242
OTHER LONG-TERM LIABILITIES	--	--	--	--	1,362
TOTAL NON-CURRENT LIABILITIES	679	11,593	--	10,122	51,785
TOTAL LIABILITIES	808	16,388	69	13,522	60,033
DEFERRED INFLOWS OF RESOURCES					
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--	--	--
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	--	230	--	118	108
TOTAL DEFERRED INFLOWS OF RESOURCES	--	230	--	118	108
NET POSITION					
NET INVESTMENT IN CAPITAL ASSETS	12,645	1,129	--	70,613	75,869
RESTRICTED FOR:					
CAPITAL PROJECTS	--	--	--	--	11,270
DEBT SERVICE	142	--	--	31	10,717
OTHER PURPOSES	--	--	23	--	--
UNRESTRICTED	236	21,000	34,015	9,400	5,179
TOTAL NET POSITION	\$ 13,023	\$ 22,129	\$ 34,038	\$ 80,044	\$ 103,035

(Continued)

* As of October 31, 2015.

** As of December 31, 2015.

State 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 **	LOUISIANA UTILITIES RESTORATION CORPORATION
\$ 31,081	\$ 18,506	\$ 86,836	\$ 12,502	\$ 3,382	\$ 132	\$ 2,460	\$ --
--	454	50,996	--	2,637	--	6,203	108,003
7,812	3,644	43,230	2,552	69	--	79	13,889
2,912	134	--	--	1,427	--	--	--
532	--	--	--	--	--	--	--
46	74	6,446	--	--	--	63	--
--	--	--	254	1,065	--	3,177	--
--	--	--	13,971	940	--	--	--
<u>42,383</u>	<u>22,812</u>	<u>187,508</u>	<u>29,279</u>	<u>9,520</u>	<u>132</u>	<u>11,982</u>	<u>121,892</u>
--	5,198	101,202	--	230,360	--	299,640	--
--	4,542	--	23,462	4,042	--	18,365	--
--	--	--	35	--	--	--	--
--	--	--	1,001	--	--	5,458	--
--	672	--	--	1,022	--	--	--
7,055	76,491	--	--	75,392	--	--	--
841	2,597	390	--	449	--	40	--
--	--	--	--	--	--	--	--
90	14,306	849	--	69	--	--	--
--	52	109	8,677	--	--	--	--
<u>7,986</u>	<u>103,858</u>	<u>102,550</u>	<u>33,175</u>	<u>311,334</u>	<u>--</u>	<u>323,503</u>	<u>--</u>
50,369	126,670	290,058	62,454	320,854	132	335,485	121,892
--	--	9,897	--	--	--	--	--
<u>31,925</u>	<u>--</u>	<u>297</u>	<u>--</u>	<u>3,913</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>31,925</u>	<u>--</u>	<u>10,194</u>	<u>--</u>	<u>3,913</u>	<u>--</u>	<u>--</u>	<u>--</u>
10,338	4,054	7,050	206	2,455	2	996	17,765
--	--	--	--	--	--	--	--
2,110	--	--	--	--	--	--	--
--	--	71,360	3,044	14	--	--	--
--	--	4,565	--	3,711	--	1,713	--
6	--	--	--	6,907	--	--	--
3,094	--	87	--	1,012	--	--	--
--	--	--	--	--	--	--	--
--	--	54,212	--	8,630	--	--	197,462
--	--	72,899	--	835	--	--	--
477	--	--	--	--	--	--	--
<u>16,025</u>	<u>4,054</u>	<u>210,173</u>	<u>3,250</u>	<u>23,564</u>	<u>2</u>	<u>2,709</u>	<u>215,227</u>
3,508	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	583,224	--	2,525	--	258,471	798,134
--	--	--	1,365	--	--	--	--
56,925	--	1,714	--	7,839	--	--	--
230,602	--	--	--	25,604	--	--	--
--	--	5,264	--	--	--	--	--
<u>291,035</u>	<u>--</u>	<u>590,202</u>	<u>1,365</u>	<u>35,968</u>	<u>--</u>	<u>258,471</u>	<u>798,134</u>
307,060	4,054	800,375	4,615	59,532	2	261,180	1,013,361
--	--	--	--	797	--	--	--
9,676	--	--	--	1,022	--	--	--
<u>9,676</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,819</u>	<u>--</u>	<u>--</u>	<u>--</u>
7,986	94,066	1,239	--	76,097	--	40	--
--	--	--	--	--	--	--	--
--	--	137,973	--	--	--	38,525	--
--	27,662	--	4,155	211,501	--	--	--
(242,428)	888	(639,335)	53,684	(24,182)	130	35,740	(891,469)
<u>(234,442)</u>	<u>122,616</u>	<u>(500,123)</u>	<u>57,839</u>	<u>263,416</u>	<u>130</u>	<u>74,305</u>	<u>(891,469)</u>

State of Louisiana

COMBINING STATEMENT OF NET POSITION

NONMAJOR COMPONENT UNITS

JUNE 30, 2016

(EXPRESSED IN THOUSANDS)

	OTHER LEVEE DISTRICTS	ROAD HOME CORPORATION	SABINE RIVER AUTHORITY	SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST & WEST	TOTAL NONMAJOR COMPONENT UNITS
ASSETS					
CURRENT ASSETS:					
CASH & CASH EQUIVALENTS	\$ 39,739	\$ 133	\$ 14,506	\$ 37,275	\$ 270,683
RESTRICTED CASH & CASH EQUIVALENTS	21	--	6,235	--	129,608
INVESTMENTS	82,033	--	--	142,180	339,778
RESTRICTED INVESTMENTS	--	--	--	9,074	19,533
RECEIVABLES (NET)	10,559	862	2,822	1,380	95,243
AMOUNTS DUE FROM PRIMARY GOVERNMENT	1,937	--	--	3,503	8,500
DUE FROM FEDERAL GOVERNMENT	--	--	--	981	2,594
INVENTORIES	37	--	--	416	1,842
PREPAYMENTS	395	70	--	--	7,960
NOTES RECEIVABLE	--	--	--	--	4,496
OTHER CURRENT ASSETS	123	--	--	582	15,781
TOTAL CURRENT ASSETS	134,844	1,065	23,563	195,391	896,018
NON-CURRENT ASSETS:					
RESTRICTED ASSETS	5,709	--	--	--	645,943
INVESTMENTS	15,765	--	2,325	--	80,398
RECEIVABLES (NET)	--	--	--	--	35
NOTES RECEIVABLE	5	--	--	--	6,464
CAPITAL ASSETS					
LAND	13,172	2,098	1,435	42,735	74,581
BUILDING & IMPROVEMENTS (NET)	6,042	565	14,524	102,377	320,985
MACHINERY & EQUIPMENT (NET)	9,559	13	1,065	4,855	27,140
INFRASTRUCTURE (NET)	92,388	--	32,557	88,955	349,497
INTANGIBLE ASSETS (NET)	1,037	--	5,057	--	6,943
CONSTRUCTION IN PROGRESS	12,329	--	2,144	21,681	64,697
OTHER NONCURRENT ASSETS	3	128	50	--	9,019
TOTAL NON-CURRENT ASSETS	156,009	2,804	59,157	260,603	1,585,702
TOTAL ASSETS	290,853	3,869	82,720	455,994	2,481,720
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--	--	9,897
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	5,343	--	2,768	5,569	52,990
TOTAL DEFERRED OUTFLOWS OF RESOURCES	5,343	--	2,768	5,569	62,887
LIABILITIES					
CURRENT LIABILITIES:					
ACCOUNTS PAYABLE	2,620	1,124	1,551	186	53,469
ACCRUED INTEREST	--	--	80	--	80
AMOUNTS DUE TO PRIMARY GOVERNMENT	2	--	--	1,641	3,768
DUE TO FEDERAL GOVERNMENT	--	--	--	2,192	2,206
UNEARNED REVENUES	242	--	154	--	83,064
OTHER CURRENT LIABILITIES	22	--	--	2	15,823
CURRENT PORTION OF LONG-TERM LIABILITIES:					
CONTRACTS PAYABLE	2,005	--	--	1,221	3,519
COMPENSATED ABSENCES PAYABLE	169	--	219	78	5,042
CAPITAL LEASE OBLIGATIONS	151	2	--	--	153
NOTES PAYABLE	--	--	--	--	8,650
BONDS PAYABLE	965	--	981	--	257,837
ESTIMATED LIABILITY FOR CLAIMS	--	--	--	100	72,999
OTHER LONG-TERM LIABILITIES	--	9	--	--	751
TOTAL CURRENT LIABILITIES	6,176	1,135	2,985	5,420	507,361
NONCURRENT LIABILITIES:					
NONCURRENT PORTION OF LONG-TERM LIABILITIES:					
COMPENSATED ABSENCES PAYABLE	1,131	88	--	1,337	7,479
CAPITAL LEASE OBLIGATIONS	62	2	--	--	64
NOTES PAYABLE	--	--	--	26,126	26,515
BONDS PAYABLE	5,005	--	5,374	--	1,697,679
POLLUTION REMEDIATION OBLIGATIONS	--	--	--	--	5
ESTIMATED LIABILITY FOR CLAIMS	--	--	--	--	1,896
NET OPEB OBLIGATION	19,230	--	3,243	14,616	115,277
NET PENSION LIABILITY	30,881	--	8,698	41,085	350,691
OTHER LONG-TERM LIABILITIES	500	--	--	5,416	12,542
TOTAL NON-CURRENT LIABILITIES	56,809	90	17,315	88,580	2,212,148
TOTAL LIABILITIES	62,985	1,225	20,300	94,000	2,719,509
DEFERRED INFLOWS OF RESOURCES					
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--	--	797
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	935	--	79	1,431	13,599
TOTAL DEFERRED INFLOWS OF RESOURCES	935	--	79	1,431	14,396
NET POSITION					
NET INVESTMENT IN CAPITAL ASSETS	127,898	2,676	50,427	260,603	781,288
RESTRICTED FOR:					
CAPITAL PROJECTS	--	--	3,420	531	15,221
DEBT SERVICE	350	--	2,018	2,061	191,817
OTHER PURPOSES	598	--	--	--	243,939
UNRESTRICTED	103,430	(32)	9,244	102,937	(1,421,563)
TOTAL NET POSITION	\$ 232,276	\$ 2,644	\$ 65,109	\$ 366,132	\$ (189,298)

(Concluded)

* As of October 31, 2015.

** As of December 31, 2015.

State of Louisiana

COMBINING STATEMENT OF ACTIVITIES

NONMAJOR COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2016

(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	\$ 757	\$ 201	\$ 9	\$ 860	\$ 313
BOARDS & COMMISSIONS	10,973	8,990	--	--	(1,983)
FOUNDATION FOR EXCELLENCE IN LOUISIANA PUBLIC BROADCASTING	6,173	1,690	1,749	--	(2,734)
GREATER BATON ROUGE PORT COMMISSION **	9,081	8,780	--	5,531	5,230
GREATER NEW ORLEANS EXPRESSWAY COMMISSION *	20,279	16,526	--	5,248	1,495
HUMAN SERVICES DISTRICTS	175,480	50,206	11,255	32	(113,987)
LOUISIANA CANCER RESEARCH CENTER	18,360	--	14,430	10,089	6,159
LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION	83,182	107,277	--	--	24,095
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION	16,781	1,329	--	--	(15,452)
LOUISIANA HOUSING CORPORATION	168,266	11,176	159,319	--	2,229
LOUISIANA INTERNATIONAL DEEP WATER GULF TRANSFER TERMINAL AUTHORITY	86	241	--	--	155
LOUISIANA PUBLIC FACILITIES AUTHORITY **	10,402	7,281	--	--	(3,121)
LOUISIANA UTILITIES RESTORATION CORPORATION	46,264	234,372	--	--	188,108
OTHER LEVEE DISTRICTS	62,206	828	2,683	3,409	(55,286)
ROAD HOME CORPORATION	4,263	--	2,450	546	(1,267)
SABINE RIVER AUTHORITY	10,329	13,888	--	--	3,559
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST & WEST	55,129	5,199	840	1,201	(47,889)
TOTAL NONMAJOR COMPONENT UNITS	\$ 698,011	\$ 467,984	\$ 192,735	\$ 26,916	\$ (10,376)

	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	\$ --	\$ 78	\$ 391	\$ 12,632	\$ 13,023
BOARDS & COMMISSIONS	360	357	(1,266)	23,395	22,129
FOUNDATION FOR EXCELLENCE IN LOUISIANA PUBLIC BROADCASTING	--	157	(2,577)	36,615	34,038
GREATER BATON ROUGE PORT COMMISSION **	--	116	5,346	74,698	80,044
GREATER NEW ORLEANS EXPRESSWAY COMMISSION *	6,093	256	7,844	95,191	103,035
HUMAN SERVICES DISTRICTS	120,984	2,047	9,044	(243,486)	(234,442)
LOUISIANA CANCER RESEARCH CENTER	--	1,624	7,783	114,833	122,616
LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION	--	99,942	124,037	(624,160)	(500,123)
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION	12,358	162	(2,932)	60,771	57,839
LOUISIANA HOUSING CORPORATION	--	7,803	10,032	253,384	263,416
LOUISIANA INTERNATIONAL DEEP WATER GULF TRANSFER TERMINAL AUTHORITY	--	--	155	(25)	130
LOUISIANA PUBLIC FACILITIES AUTHORITY **	--	328	(2,793)	77,098	74,305
LOUISIANA UTILITIES RESTORATION CORPORATION	--	11	188,119	(1,079,588)	(891,469)
OTHER LEVEE DISTRICTS	10,632	62,273	17,619	214,657	232,276
ROAD HOME CORPORATION	--	--	(1,267)	3,911	2,644
SABINE RIVER AUTHORITY	--	24	3,583	61,526	65,109
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST & WEST	2,241	67,745	22,097	344,035	366,132
TOTAL NONMAJOR COMPONENT UNITS	\$ 152,668	\$ 242,923	\$ 385,215	\$ (574,513)	\$ (189,298)

* As of October 31, 2015.

** As of December 31, 2015.



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	160
These schedules contain trend information to help the reader understand how Louisiana's financial performance and well-being have changed over time.	
Revenue Capacity	170
These schedules contain information to help the reader assess Louisiana's most significant state revenue source, income tax.	
Debt Capacity	176
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	182
These schedules offer demographic and economic indicators to help the reader understand the environment within which Louisiana's financial activities take place.	
Operating Information	184
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>2016</u>		<u>2015</u>		<u>2014</u>		<u>2013</u>
GOVERNMENTAL ACTIVITIES							
NET INVESTMENT IN CAPITAL ASSETS *	\$ 11,664,584	\$	11,401,308	\$	11,230,136	\$	11,573,027
RESTRICTED	4,656,885		4,820,821		4,592,434		4,721,228
UNRESTRICTED	<u>(12,343,424)</u>		<u>(12,443,429)</u>		<u>(5,460,846)</u>		<u>(5,034,905)</u>
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	<u>\$ 3,978,045</u>	\$	<u>3,778,700</u>	\$	<u>10,361,724</u>	\$	<u>11,259,350</u>
BUSINESS-TYPE ACTIVITIES							
NET INVESTMENT IN CAPITAL ASSETS *	\$ 429,685	\$	389,158	\$	354,442	\$	338,894
RESTRICTED	1,109,109		1,122,120		1,038,066		991,425
UNRESTRICTED	<u>542,336</u>		<u>535,413</u>		<u>943,383</u>		<u>966,905</u>
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	<u>\$ 2,081,130</u>	\$	<u>2,046,691</u>	\$	<u>2,335,891</u>	\$	<u>2,297,224</u>
PRIMARY GOVERNMENT							
NET INVESTMENT IN CAPITAL ASSETS *	\$ 12,094,269	\$	11,790,466	\$	11,584,578	\$	11,911,921
RESTRICTED	5,765,994		5,942,941		5,630,500		5,712,653
UNRESTRICTED	<u>(11,801,088)</u>		<u>(11,908,016)</u>		<u>(4,517,463)</u>		<u>(4,068,000)</u>
TOTAL PRIMARY GOVERNMENT NET POSITION	<u>\$ 6,059,175</u>	\$	<u>5,825,391</u>	\$	<u>12,697,615</u>	\$	<u>13,556,574</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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	11,466,833	\$ 11,862,399	\$ 14,737,911	\$ 14,091,358	\$ 12,780,381	\$ 11,841,240
	4,580,471	5,008,705	5,096,314	5,489,526	5,214,389	5,504,064
	<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>379,890</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>	<u>17,725,194</u>
\$	200,294	\$ 218,826	\$ 170,960	\$ 119,033	\$ 19,755	\$ 22,290
	839,363	906,600	1,048,285	1,417,455	1,572,760	1,476,729
	<u>1,042,012</u>	<u>896,531</u>	<u>772,984</u>	<u>964,436</u>	<u>940,801</u>	<u>905,398</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>	<u>2,404,417</u>
\$	11,667,127	\$ 12,081,225	\$ 14,908,871	\$ 14,210,391	\$ 12,800,136	\$ 11,863,530
	5,419,834	5,915,305	6,144,599	6,906,981	6,787,149	6,980,793
	<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>1,285,288</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>	<u>20,129,611</u>

State of Louisiana

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	2016	2015	2014	2013
EXPENSES				
GOVERNMENTAL ACTIVITIES:				
GENERAL GOVERNMENT	\$ 2,625,646	\$ 2,832,201	\$ 4,675,822	\$ 4,607,483
CULTURE, RECREATION, AND TOURISM	112,186	117,876	98,784	99,582
TRANSPORTATION AND DEVELOPMENT	1,446,159	1,415,006	1,542,225	1,312,998
PUBLIC SAFETY	886,259	1,636,934	347,473	336,143
HEALTH AND WELFARE	11,287,812	11,065,490	10,208,763	10,071,069
CORRECTIONS	670,100	697,116	639,414	657,028
YOUTH SERVICES	78,435	85,475	108,772	106,779
CONSERVATION AND ENVIRONMENT	571,969	541,139	354,087	343,487
EDUCATION	6,184,322	6,246,331	6,382,964	6,705,462
AGRICULTURE & FORESTRY	83,850	70,710	--	--
ECONOMIC DEVELOPMENT	256,067	311,360	--	--
MILITARY & VETERANS AFFAIRS	171,718	161,366	--	--
WORKFORCE SUPPORT & TRAINING	257,060	240,505	--	--
OTHER	--	--	26,599	29,369
INTERGOVERNMENTAL	--	--	586,420	515,763
INTEREST ON LONG-TERM DEBT	258,062	305,799	305,101	305,746
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES	<u>24,889,645</u>	<u>25,727,308</u>	<u>25,276,424</u>	<u>25,090,909</u>
BUSINESS-TYPE ACTIVITIES:				
HIGHER EDUCATION	478,874	484,420	491,101	492,782
LENDING & FINANCING ACTIVITIES	29,311	34,838	41,506	32,993
LOTTERY	--	--	--	--
PROPERTY ASSISTANCE	7,866	6,998	6,720	7,617
PRISON ENTERPRISES	30,489	31,307	29,222	29,282
REGULATION & OVERSIGHT	45,699	42,643	44,755	43,125
UNEMPLOYMENT INSURANCE	251,175	204,083	218,744	339,852
TOTAL BUSINESS-TYPE ACTIVITIES EXPENSES	<u>843,414</u>	<u>804,289</u>	<u>832,048</u>	<u>945,651</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 25,733,059</u>	<u>\$ 26,531,597</u>	<u>\$ 26,108,472</u>	<u>\$ 26,036,560</u>
PROGRAM REVENUES				
GOVERNMENTAL ACTIVITIES:				
CHARGES FOR SERVICES				
GENERAL GOVERNMENT	\$ 1,399,925	\$ 1,282,105	\$ 2,044,842	\$ 2,178,896
CULTURE, RECREATION, AND TOURISM	14,602	15,212	11,678	11,576
TRANSPORTATION AND DEVELOPMENT	189,311	178,548	34,254	63,437
PUBLIC SAFETY	351,318	318,140	277,384	310,738
HEALTH AND WELFARE	171,475	237,623	440,330	276,815
CORRECTIONS	30,491	42,818	40,809	43,518
YOUTH SERVICES	1,612	230	438	793
CONSERVATION AND ENVIRONMENT	159,403	158,759	740,512	812,599
EDUCATION	11,175	66,501	60,397	37,810
AGRICULTURE & FORESTRY	19,750	20,928	--	--
ECONOMIC DEVELOPMENT	17,425	13,658	--	--
MILITARY & VETERANS AFFAIRS	16,189	16,572	--	--
WORKFORCE SUPPORT & TRAINING	68,723	50,984	--	--
INTERGOVERNMENTAL	--	--	1,812	1,678
OPERATING GRANTS AND CONTRIBUTIONS	10,614,966	11,323,586	10,475,760	10,308,201
CAPITAL GRANTS AND CONTRIBUTIONS	686,918	572,203	637,078	1,049,293
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES	<u>13,753,283</u>	<u>14,297,867</u>	<u>14,765,294</u>	<u>15,095,354</u>

* GASB 63 replaced Net Assets with Net Position.

Source: Office of Statewide Reporting and Accounting Policy

(Continued)

State of Louisiana

	2012	2011	2010	2009	2008	2007
\$	5,308,576	\$ 6,497,216	\$ 5,896,826	\$ 6,972,403	\$ 8,693,766	\$ 7,492,929
	92,741	110,078	86,845	122,928	148,178	100,246
	1,500,182	1,370,238	1,111,846	1,286,404	1,052,169	889,606
	326,627	337,149	349,369	371,326	331,086	337,962
	9,769,203	9,335,925	10,248,151	9,671,816	8,615,435	7,626,096
	633,544	671,436	686,957	727,095	649,858	540,284
	116,791	134,274	152,562	170,678	165,840	121,335
	364,234	372,703	595,690	499,648	439,009	331,891
	6,614,109	6,602,774	6,599,451	7,136,960	6,871,321	6,085,878
	--	--	--	--	--	--
	--	--	--	--	--	--
	--	--	--	--	--	--
	--	--	--	--	--	--
	25,407	49,174	45,821	66,424	43,217	40,008
	505,680	430,763	398,377	485,875	540,505	182,741
	332,586	284,395	299,326	304,763	297,201	296,223
	<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>	<u>24,045,199</u>
	--	--	--	--	--	--
	26,544	39,310	21,548	1,019	7,239	3,293
	--	--	241,520	245,723	244,928	228,596
	7,661	10,239	11,349	10,563	10,909	7,167
	28,224	28,395	27,597	32,591	28,165	26,549
	45,074	171,720	203,163	45,270	42,560	41,878
	537,217	761,747	985,779	455,910	189,095	185,308
	644,720	1,011,411	1,490,956	791,076	522,896	492,791
\$	<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>	<u>24,537,990</u>
\$	1,579,216	\$ 1,906,708	\$ 1,962,589	\$ 2,029,900	\$ 2,063,639	\$ 2,116,712
	11,246	10,932	17,281	8,984	33,232	34,932
	122,485	88,817	70,665	230,874	222,756	197,283
	323,089	279,280	280,500	303,813	306,615	273,481
	274,054	208,998	295,799	215,112	278,254	266,603
	40,780	39,958	38,520	39,018	32,553	41,657
	2,789	1,490	--	7,827	584	1,073
	757,891	966,275	688,756	905,157	1,046,365	841,171
	38,915	5,518	60,329	41,544	31,158	30,058
	--	--	--	--	--	--
	--	--	--	--	--	--
	--	--	--	--	--	--
	--	--	--	--	--	--
	1,471	1,733	1,425	1,244	1,246	1,027
	11,707,327	11,390,940	11,138,352	11,068,209	8,848,637	8,962,433
	1,076,896	2,403,996	2,526,649	3,010,693	5,405,015	3,964,479
	<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>	<u>16,730,909</u>

State of Louisiana

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
BUSINESS-TYPE ACTIVITIES:				
CHARGES FOR SERVICES				
HIGHER EDUCATION	144,913	122,637	113,895	107,259
LENDING & FINANCING ACTIVITIES	17,169	17,869	19,043	16,770
LOTTERY	--	--	--	--
PROPERTY ASSISTANCE	7,579	7,831	7,547	8,206
PRISON ENTERPRISES	28,766	32,590	28,105	29,186
REGULATION & OVERSIGHT	48,580	49,221	44,157	43,467
UNEMPLOYMENT INSURANCE	236,139	257,726	262,738	284,229
OPERATING GRANTS AND CONTRIBUTIONS	183,245	216,051	96,002	162,789
CAPITAL GRANTS AND CONTRIBUTIONS	67,147	78,919	61,802	82,395
TOTAL BUSINESS-TYPE ACTIVITIES PROGRAM REVENUES	<u>733,538</u>	<u>782,844</u>	<u>633,289</u>	<u>734,301</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 14,486,821</u>	<u>\$ 15,080,711</u>	<u>\$ 15,398,583</u>	<u>\$ 15,829,655</u>
NET (EXPENSE) REVENUE				
GOVERNMENTAL ACTIVITIES	\$ (11,136,362)	\$ (11,429,441)	\$ (10,511,130)	\$ (9,995,555)
BUSINESS-TYPE ACTIVITIES	<u>(109,876)</u>	<u>(21,445)</u>	<u>(198,759)</u>	<u>(211,350)</u>
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	<u>\$ (11,246,238)</u>	<u>\$ (11,450,886)</u>	<u>\$ (10,709,889)</u>	<u>\$ (10,206,905)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
GOVERNMENTAL ACTIVITIES:				
CORPORATE INCOME TAXES	\$ 309,499	\$ 226,162	\$ 293,641	\$ 276,031
INDIVIDUAL INCOME TAXES	3,020,992	2,856,468	2,744,460	2,626,994
SALES & USE TAXES	3,294,191	3,129,686	2,969,835	2,858,889
SEVERANCE TAXES	434,449	710,071	837,130	840,966
TOBACCO TAXES	253,015	153,952	129,338	123,497
FRANCHISE TAXES	77,185	97,831	160,178	83,904
GAS & FUELS TAXES, restricted for transportation	626,618	609,805	613,917	619,379
TOBACCO SETTLEMENT, restricted for education, health and welfare	--	--	123,828	226,328
INSURANCE PREMIUM TAXES	528,999	454,795	428,815	406,530
ALCOHOL TAXES	63,520	57,613	56,968	56,878
OCCUPANCY TAXES	58,085	59,150	56,682	51,985
OTHER TAXES	52,022	63,187	241,807	210,486
UNCLAIMED PROPERTY	50,033	32,614	--	--
GAMING	858,492	892,336	846,045	835,470
USE OF MONEY & PROPERTY	669,883	560,646	17,429	(23,149)
MISCELLANEOUS	--	--	--	3,303
OTHER	--	--	302	10,838
ADDITIONS TO PERMANENT ENDOWMENTS	--	--	66,205	--
EXTRAORDINARY ITEM	1,000,000	--	--	--
TRANSFERS	<u>(153,459)</u>	<u>(148,466)</u>	<u>(122,171)</u>	<u>(115,210)</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>11,143,524</u>	<u>9,755,850</u>	<u>9,464,409</u>	<u>9,093,119</u>
BUSINESS-TYPE ACTIVITIES:				
USE OF MONEY & PROPERTY	949	1,188	--	--
OTHER	--	--	118,928	153,590
TRANSFERS	<u>153,459</u>	<u>148,466</u>	<u>122,171</u>	<u>115,210</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>154,408</u>	<u>149,654</u>	<u>241,099</u>	<u>268,800</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 11,297,932</u>	<u>\$ 9,905,504</u>	<u>\$ 9,705,508</u>	<u>\$ 9,361,919</u>
CHANGE IN NET POSITION *				
GOVERNMENTAL ACTIVITIES	\$ 7,162	\$ (1,673,591)	\$ (1,046,721)	\$ (902,436)
BUSINESS-TYPE ACTIVITIES	<u>44,532</u>	<u>128,209</u>	<u>42,340</u>	<u>57,450</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 51,694</u>	<u>\$ (1,545,382)</u>	<u>\$ (1,004,381)</u>	<u>\$ (844,986)</u>

* GASB 63 replaced Net Assets with Net Position.

(Concluded)

State of Louisiana

	2012	2011	2010	2009	2008	2007
	--	--	--	--	--	--
	16,714	18,086	14,553	14,478	17,759	17,990
	--	--	372,694	378,512	373,930	354,199
	8,101	10,692	11,564	10,834	11,752	7,788
	27,872	27,203	25,620	32,802	27,524	27,405
	42,329	229,344	224,291	38,396	37,404	40,296
	266,907	281,951	245,023	227,260	237,406	249,631
	212,490	376,724	412,463	99,339	2,695	3,800
	49,127	107,519	68,045	86,934	41,003	19,355
	<u>623,540</u>	<u>1,051,519</u>	<u>1,374,253</u>	<u>888,555</u>	<u>749,473</u>	<u>720,464</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>	<u>17,451,373</u>
\$	(9,653,521)	(8,891,480)	(9,390,356)	(9,953,945)	(9,577,531)	(7,314,290)
	(21,180)	40,108	(116,703)	97,479	226,577	227,673
\$	<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>	<u>(7,086,617)</u>
\$	402,538	232,010	196,241	663,627	740,618	881,419
	2,473,473	2,433,794	2,294,903	2,966,920	3,129,216	3,259,077
	2,860,313	2,821,598	2,560,775	3,016,254	3,147,604	3,059,073
	850,685	748,355	776,464	876,579	1,095,244	916,125
	133,194	142,064	135,927	105,469	96,314	104,051
	83,595	65,577	138,124	212,703	233,789	299,602
	596,052	639,452	624,554	599,192	604,683	617,498
	146,620	140,978	142,279	71,966	64,294	61,016
	346,217	356,089	340,922	305,667	329,308	276,241
	56,811	56,001	55,320	56,881	54,132	38,270
	48,342	47,093	43,380	42,584	41,155	38,709
	191,109	121,230	80,216	144,525	147,829	168,082
	--	--	--	--	--	--
	828,010	823,418	668,235	715,443	742,518	726,165
	(80,613)	(4,208)	(9,301)	(12,169)	(3,601)	6,071
	3,548	3,123	338	330	310	6,105
	7,032	7,950	6,873	134,502	141,410	13,337
	--	--	--	--	--	--
	--	--	--	(2,406)	--	--
	77,050	1,609	141,615	142,066	132,219	(270,126)
	<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>	<u>10,200,715</u>
	--	--	--	--	--	--
	3,739	14,483	21,732	7,450	12,784	9,568
	(77,050)	(1,609)	(141,615)	(142,066)	(132,219)	270,126
	(73,311)	12,874	(119,883)	(134,616)	(119,435)	279,694
\$	<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>	<u>10,480,409</u>
\$	(629,545)	(255,347)	(1,193,491)	86,188	1,119,511	2,886,425
	(94,491)	52,982	(236,586)	(37,137)	107,142	507,367
\$	<u>(724,036)</u>	<u>(202,365)</u>	<u>(1,430,077)</u>	<u>49,051</u>	<u>1,226,653</u>	<u>3,393,792</u>

State of Louisiana

FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	<u>2016</u>		<u>2015</u>		<u>2014</u>		<u>2013</u>
GENERAL FUND (per GASB 54) *							
NONSPENDABLE	\$ 92,904	\$	100,429	\$	111,497	\$	73,780
RESTRICTED	1,228,992		1,448,205		1,479,562		1,270,682
COMMITTED	965,705		924,421		1,320,903		1,608,089
ASSIGNED	-		282,248		190,400		224,672
UNASSIGNED	(1,002,223)		(658,759)		62,574		36,529
GENERAL FUND (prior GASB 54) **							
RESERVED	--		--		--		--
UNRESERVED	--		--		--		--
TOTAL GENERAL FUND	\$ 1,285,378	\$	2,096,544	\$	3,164,936	\$	3,213,752
ALL OTHER GOVERNMENTAL FUNDS (per GASB 54) *							
NONSPENDABLE	\$ 2,634,282	\$	2,596,312	\$	2,577,930	\$	2,511,725
RESTRICTED	743,429		765,601		820,023		804,512
COMMITTED	113,443		341,726		444,094		342,924
UNASSIGNED	(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	\$ 3,488,404	\$	3,703,639	\$	3,842,047	\$	3,659,161

* 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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 70,707	\$ 76,273	\$ --	\$ --	\$ --	\$ --
1,405,987	1,439,257	--	--	--	--
1,809,517	2,073,954	--	--	--	--
223,490	234,052	--	--	--	--
127,508	111,769	--	--	--	--
--	--	1,013,749	856,166	790,670	620,540
--	--	(49,333)	802,611	840,256	1,157,981
\$ 3,637,209	\$ 3,935,305	\$ 964,416	\$ 1,658,777	\$ 1,630,926	\$ 1,778,521
\$ 2,466,207	\$ 2,479,800	\$ --	\$ --	\$ --	\$ --
932,411	1,056,686	--	--	--	--
508,847	697,635	--	--	--	--
--	--	--	--	--	--
--	--	3,048,357	3,136,568	3,948,806	4,653,805
--	--	3,586,804	4,447,259	4,634,052	4,256,788
--	--	614	1,534	8,645	1,399
--	--	243	636	849	383
--	--	1,431,269	1,369,402	1,309,646	1,258,805
\$ 3,907,465	\$ 4,234,121	\$ 8,067,287	\$ 8,955,399	\$ 9,901,998	\$ 10,171,180

State of Louisiana

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	2016	2015	2014	2013
REVENUES				
INTERGOVERNMENTAL REVENUES	\$ 11,043,313	\$ 11,435,410	\$ 11,553,209	\$ 11,543,881
TAXES	8,648,395	8,467,558	8,692,410	8,152,282
TOBACCO SETTLEMENT	137,487	139,124	140,296	210,625
GAMING	858,492	892,336	848,880	838,500
USE OF MONEY AND PROPERTY	655,115	593,682	915,701	683,994
LICENSES, PERMITS, AND FEES	1,275,285	1,055,348	897,489	886,465
SALES OF COMMODITIES AND SERVICES	1,008,850	996,066	863,538	876,564
UNCLAIMED PROPERTY	50,033	32,614	--	--
OTHER SETTLEMENTS	19,128	245,674	44,785	87,519
GIFTS, DONATIONS, AND CONTRIBUTIONS	110,160	67,787	--	--
OTHER	143,181	253,766	606,387	688,113
TOTAL REVENUES	23,949,439	24,179,365	24,562,695	23,967,943
EXPENDITURES				
GENERAL GOVERNMENT	2,026,766	2,191,384	4,394,827	4,065,713
CULTURE, RECREATION, AND TOURISM	70,084	75,751	83,803	86,857
TRANSPORTATION AND DEVELOPMENT	422,252	432,151	461,917	438,779
PUBLIC SAFETY	879,925	832,434	312,080	312,227
HEALTH AND WELFARE	10,934,259	10,765,058	10,174,503	10,006,567
CORRECTIONS	628,518	643,885	597,220	627,148
YOUTH DEVELOPMENT	83,530	82,701	103,472	98,823
CONSERVATION AND ENVIRONMENT	289,977	274,273	240,356	275,245
EDUCATION	953,550	1,000,636	6,128,360	6,334,414
AGRICULTURE & FORESTRY*	49,323	53,338	--	--
ECONOMIC DEVELOPMENT*	75,849	83,776	--	--
MILITARY & VETERANS AFFAIRS*	126,860	120,152	--	--
WORKFORCE SUPPORT & TRAINING*	192,828	193,700	--	--
OTHER	--	--	55	20,884
INTERGOVERNMENTAL	6,046,293	6,372,891	586,420	515,763
CAPITAL OUTLAY	1,985,318	2,092,773	1,596,212	1,843,811
DEBT SERVICE:				
PRINCIPAL	531,969	283,013	1,188,276	329,643
INTEREST	306,394	311,514	324,349	315,377
ISSUANCE COSTS & OTHER CHARGES	5,916	21,325	41,271	--
TOTAL EXPENDITURES	25,609,611	25,830,755	26,233,121	25,271,251
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,660,172)	(1,651,390)	(1,670,426)	(1,303,308)
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	14,741,282	14,637,229	14,839,157	14,021,497
TRANSFERS OUT	(14,894,793)	(14,784,679)	(14,929,078)	(14,121,707)
LONG-TERM DEBT ISSUED	537,382	535,648	821,190	385,400
PREMIUM ON LONG-TERM DEBT ISSUED	8,245	69,868	72,385	58,825
REFUNDING BONDS ISSUED	368,585	1,082,590	841,145	633,980
PREMIUM ON REFUNDING BONDS ISSUED	63,865	141,275	45,135	--
PAYMENTS TO REFUNDED BOND ESCROW AGENT	(431,712)	(1,223,400)	--	(645,040)
SALES OF GENERAL CAPITAL ASSETS	1,025	1,324	--	--
INSURANCE RECOVERIES	8,999	--	24,898	221,489
OTHER	--	--	--	--
TOTAL OTHER FINANCING SOURCES	402,878	459,855	1,714,832	554,444
EXTRAORDINARY ITEM	200,000	--	--	--
NET CHANGE IN FUND BALANCES	\$ (1,057,294)	\$ (1,191,535)	\$ 44,406	\$ (748,864)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	3.6%	2.6%	2.5%	2.8%

* New functions for 2015 formerly General Government

Source: Office of Statewide Reporting and Accounting Policy

State of Louisiana

	2012	2011	2010	2009	2008	2007
\$	12,930,021	\$ 13,823,449	\$ 13,469,624	\$ 14,053,062	\$ 14,192,359	\$ 13,389,561
	7,927,305	7,668,449	7,462,892	8,936,444	9,575,194	9,655,262
	141,240	138,518	146,841	175,503	160,626	138,124
	831,227	810,424	671,527	719,530	746,993	730,812
	844,927	925,682	1,007,980	1,163,356	1,516,763	1,242,707
	911,723	775,640	633,600	637,350	629,226	604,204
	948,106	916,938	933,549	1,073,318	1,067,478	1,074,537
	--	--	--	--	--	--
	13,996	258,631	--	--	--	--
	--	--	--	--	--	--
	265,458	308,458	706,121	547,335	542,653	587,956
	<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>	<u>27,423,163</u>
	4,827,035	5,764,484	4,911,766	6,435,832	8,172,304	6,473,720
	91,934	82,009	71,088	97,709	129,615	92,220
	455,333	428,301	424,007	438,634	433,359	385,408
	308,651	306,984	296,083	305,054	290,245	321,763
	9,884,320	9,671,602	9,497,394	9,372,783	8,330,132	7,564,017
	601,057	620,948	612,723	666,542	606,876	535,772
	110,992	125,651	138,506	154,821	155,475	120,926
	247,954	259,065	463,913	368,850	324,512	274,861
	6,312,152	6,293,778	6,319,886	6,713,924	6,587,432	5,940,907
	--	--	--	--	--	--
	--	--	--	--	--	--
	--	--	--	--	--	--
	15,840	70,541	273,669	263,915	296,703	264,145
	505,680	488,336	491,143	584,944	674,639	572,363
	2,000,974	2,502,456	2,384,130	2,941,236	2,254,867	1,696,915
	281,575	273,765	268,705	266,108	233,460	214,559
	317,271	304,065	299,609	305,184	297,543	296,431
	--	--	--	--	--	--
	<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>	<u>24,754,007</u>
	(1,146,765)	(1,565,796)	(1,420,488)	(1,609,638)	(355,870)	2,669,156
	13,395,676	13,135,572	17,218,705	18,247,948	20,460,820	20,778,329
	(13,318,829)	(13,133,963)	(17,077,090)	(18,105,772)	(20,328,601)	(21,048,455)
	1,814,570	1,169,445	399,019	424,026	74,129	1,927,456
	253,845	115,999	--	--	--	--
	--	--	--	--	--	--
	--	--	--	--	--	--
	(1,596,172)	(528,128)	(125,997)	--	(71,593)	--
	--	--	--	--	--	--
	--	--	--	--	--	--
	--	--	--	3,585	11,081	4,681
	<u>549,090</u>	<u>758,925</u>	<u>414,637</u>	<u>569,787</u>	<u>145,836</u>	<u>1,662,011</u>
	--	--	--	--	--	--
\$	<u>(597,675)</u>	<u>(806,871)</u>	<u>(1,005,851)</u>	<u>(1,039,851)</u>	<u>(210,034)</u>	<u>4,331,167</u>
	2.5%	2.4%	2.5%	2.3%	2.1%	2.3%

State of Louisiana

INDIVIDUAL INCOME TAX

(by adjusted gross income bracket)

LAST TEN FISCAL YEARS

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%

ADJUSTED GROSS INCOME CLASS	FISCAL YEAR 2012			
	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%

Source: Louisiana Department of Revenue and Taxation

State of Louisiana

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%

FISCAL YEAR 2008

ADJUSTED GROSS INCOME CLASS	NUMBER OF RETURNS	PERCENT OF TOTAL	TAX LIABILITY	PERCENT OF TOTAL
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	1,988,982	100.00%	\$ 2,905,702,007	100.00%

State of Louisiana

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>

FISCAL YEAR 2006				
<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	3,179	0.19%	\$ --	0.00%
\$0	49,542	3.02%	630,088	0.03%
\$1 - 25,000	743,561	45.34%	100,690,392	5.44%
\$25,001 - 50,000	386,812	23.59%	302,996,392	16.36%
\$50,001 - 75,000	204,678	12.48%	320,256,923	17.30%
\$75,001 - 100,000	114,525	6.98%	286,814,171	15.49%
GREATER THAN \$100,000	137,531	8.40%	840,351,278	45.38%
TOTALS	<u>1,639,828</u>	<u>100.00%</u>	<u>\$ 1,851,739,244</u>	<u>100.00%</u>

State of Louisiana

PERSONAL INCOME - EARNINGS BY MAJOR INDUSTRY LAST TEN CALENDAR YEARS

(EXPRESSED IN THOUSANDS)

	2015	2014	2013	2012	2011
PRIVATE EARNINGS:					
HEALTH CARE AND SOCIAL ASSISTANCE	\$ 15,715,551	\$ 15,050,009	\$ 14,207,471	\$ 13,837,762	\$ 13,699,150
PROFESSIONAL, SCIENTIFIC, AND TECHNICAL	10,139,344	9,859,591	9,378,961	8,925,518	8,730,072
MINING	8,071,426	8,234,447	7,757,339	7,882,683	6,124,611
CONSTRUCTION	13,290,199	13,237,980	11,833,726	10,995,566	10,191,916
RETAIL TRADE	9,055,372	8,814,700	8,576,112	8,244,257	8,087,269
TRANSPORTATION AND WAREHOUSING	7,473,896	7,349,838	6,912,864	6,359,258	6,559,286
MANUFACTURING - DURABLE GOODS	5,670,417	5,925,487	5,559,024	5,438,151	5,257,344
MANUFACTURING - NONDURABLE GOODS	8,058,119	7,678,061	7,351,905	7,528,374	7,380,719
WHOLESALE TRADE	6,026,901	6,069,106	5,849,153	5,666,896	5,479,840
FARM	929,160	1,373,639	1,673,965	1,575,546	953,157
FINANCE AND INSURANCE	5,259,144	5,319,813	5,093,069	4,714,445	4,981,990
OTHER SERVICES	29,650,736	28,402,242	27,287,269	25,601,221	24,239,200
GOVERNMENT AND GOVERNMENT ENTERPRISES:					
FEDERAL, CIVILIAN	3,031,110	2,878,289	2,869,756	2,912,019	3,199,357
MILITARY	2,129,276	2,275,155	2,356,097	2,426,059	3,187,955
STATE AND LOCAL	17,717,917	17,443,316	18,060,939	18,623,299	17,587,770
TOTAL PERSONAL INCOME - EARNINGS BY MAJOR INDUSTRY	\$ 142,218,568	\$ 139,911,673	\$ 134,767,650	\$ 130,731,054	\$ 125,659,636

	2010	2009	2008	2007	2006
PRIVATE EARNINGS:					
HEALTH CARE AND SOCIAL ASSISTANCE	\$ 13,029,493	\$ 12,247,791	\$ 11,635,605	\$ 10,858,334	\$ 10,115,201
PROFESSIONAL, SCIENTIFIC, AND TECHNICAL	8,339,346	8,156,865	8,312,362	7,486,155	6,826,905
MINING	5,096,485	7,222,814	8,119,855	5,787,667	5,864,975
CONSTRUCTION	9,561,405	9,552,079	9,993,692	9,508,852	8,740,509
RETAIL TRADE	7,770,214	7,326,500	7,535,722	7,744,462	7,546,051
TRANSPORTATION AND WAREHOUSING	6,016,411	5,625,326	5,920,279	5,550,298	5,101,352
MANUFACTURING - DURABLE GOODS	4,825,233	4,996,495	5,468,365	5,408,224	4,985,639
MANUFACTURING - NONDURABLE GOODS	6,758,768	6,501,021	6,494,728	6,054,758	6,045,464
WHOLESALE TRADE	5,157,434	5,065,263	5,318,695	5,154,869	4,809,101
FARM	836,006	833,800	786,867	828,479	721,221
FINANCE AND INSURANCE	4,557,147	4,294,107	4,399,740	4,402,229	4,242,098
OTHER SERVICES	23,239,428	22,324,192	22,951,905	21,884,804	20,469,294
GOVERNMENT AND GOVERNMENT ENTERPRISES:					
FEDERAL, CIVILIAN	3,208,297	3,139,003	3,055,825	2,910,690	2,900,953
MILITARY	3,093,552	2,733,951	2,553,824	2,346,169	2,233,770
STATE AND LOCAL	18,095,539	17,656,744	17,068,069	15,547,958	14,279,615
TOTAL PERSONAL INCOME - EARNINGS BY MAJOR INDUSTRY	\$ 119,584,758	\$ 117,675,951	\$ 119,615,533	\$ 111,473,948	\$ 104,882,148

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.

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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, 2016, the full rate is \$0.098 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 special fuels is levied at a rate of \$0.20 per gallon on motor fuels other than gasoline. It is subject to the Petroleum Products Tensing 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 (CHG) 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)
2016	\$ 4,610,809	\$ * \$	\$ 5,274,066	\$ 928,140	\$ 512,040
2015	4,672,593	1001	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
2007	3,844,626	896	4,158,092	1,476,119	595,095

BUSINESS-TYPE ACTIVITIES

FISCAL YEAR	OTHER (3)	LOUISIANA TRANSPORTATION AUTHORITY	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	TOTAL DEBT PER CAPITA** (4)
2016	\$ 670,412	\$ 269,278	\$ 12,264,745	* \$	*
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
2007	--	267,600	10,341,532	9.28	2,409

(1) General Obligation Bonds less Reimbursable Contracts

(2) Includes Health Education Authority, 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>2016</u>	<u>2015</u>	<u>2014</u>
LEGAL DEBT MARGIN			
BOND AUTHORIZATION LIMITATION	\$ 25,523,769	\$ 25,110,650	\$ 24,492,802
TOTAL NET DEBT APPLICABLE TO LIMITATION	<u>3,225,275</u>	<u>3,129,840</u>	<u>2,817,410</u>
LEGAL DEBT MARGIN	<u>\$ 22,298,494</u>	<u>\$ 21,980,810</u>	<u>\$ 21,675,392</u>
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	12.64%	12.46%	11.50%
LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2016			
BSRF REVENUES (3 YEARS)	\$ 38,285,653		
DEBT LIMIT CALCULATION (Revenues divided by 3 times 2)	25,523,769		
DEBT APPLICABLE TO LIMIT:			
GENERAL OBLIGATION BONDS	<u>3,225,275</u>		
LEGAL DEBT MARGIN	<u>\$ 22,298,494</u>		
TAX-SUPPORTED DEBT LIMITATION			
ESTIMATED GENERAL FUND AND DEDICATED FUND REVENUE PER REVENUE ESTIMATING	\$ 11,265,700	\$ 10,523,400	\$ 10,314,000
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>675,942</u>	<u>631,404</u>	<u>618,840</u>
TOTAL NET STATE TAX-SUPPORTED DEBT PAID	<u>\$ 470,575</u>	<u>\$ 607,318</u>	<u>\$ 594,468</u>
PERCENTAGE OF ESTIMATED GENERAL FUND AND DEDICATED FUND REVENUES PER REVENUE ESTIMATING	4.18%	5.77%	5.76%
GENERAL OBLIGATION DEBT LIMITATION			
THREE YEAR AVERAGE BOND SECURITY REVENUES	\$ 12,761,884	\$ 12,555,325	\$ 12,246,401
PERCENTAGE DEBT LIMITATION	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>
GENERAL OBLIGATION DEBT LIMITATION	<u>1,276,188</u>	<u>1,255,533</u>	<u>1,224,640</u>
HIGHEST CURRENT OR FUTURE ANNUAL GENERAL OBLIGATION DEBT SERVICE REQUIREMENT	<u>\$ 583,994</u>	<u>\$ 360,575</u>	<u>\$ 332,153</u>
PERCENTAGE OF THE GENERAL OBLIGATION DEBT SERVICE REQUIREMENT	45.76%	28.72%	27.12%

State of Louisiana

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 23,292,744	\$ 22,551,477	\$ 23,423,522	\$ 25,194,775	\$ 26,856,498	\$ 26,233,962	\$ 24,443,616
<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>2,383,665</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>	<u>\$ 22,059,951</u>
10.80%	11.28%	9.42%	8.33%	7.73%	8.52%	9.75%
\$ 9,852,700	\$ 9,926,000	\$ 9,486,200	\$ 9,868,300	\$ 11,144,900	\$ 10,470,000	\$ 8,949,200
<u>6.00%</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>536,952</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>	<u>\$ 432,818</u>
5.75%	5.22%	5.37%	4.89%	3.78%	4.07%	4.84%
\$ 11,646,372	\$ 11,275,738	\$ 11,711,761	\$ 12,597,387	\$ 13,428,249	\$ 13,116,981	\$ 12,221,817
<u>10.00%</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>1,222,182</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>	<u>\$ 266,212</u>
27.10%	26.50%	24.06%	25.64%	19.76%	20.26%	21.78%

State of Louisiana

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 *	2016	\$ 13,985	\$ 3,442	\$ 10,543	\$ 8,285	\$ 1,216	\$ 9,501	1.11
	2015	13,745	4,159	9,586	8,105	1,626	9,731	0.99
	2014	13,904	4,616	9,288	7,785	1,927	9,712	0.96
	2013	21,402	4,889	16,513	13,577	3,712	17,289	0.96
	2012	15,437	69,006	(53,569)	9,197	2,507	11,704	(4.58)
	2011	16,282	5,186	11,096	9,082	3,034	12,116	0.92
	2010	12,284	5,106	7,178	2,222	3,300	5,522	1.30
	2009	14,764	6,980	7,784	17,222	10,976	28,198	0.28
	2008	10,563	7,529	3,034	300	4,684	4,984	0.61
	2007	7,474	10,286	(2,812)	--	1,171	1,171	(2.40)
Louisiana Transportation Authority	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
	2007	--	24	(24)	--	6,624	6,624	0.00
Tobacco Settlement Financing Corporation	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
	2007	103,747	9,912	93,835	26,590	61,141	87,731	1.07
State Highway Improvement Bonds	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	--	--	--	--	--	--	--
	2007	--	--	--	--	--	--	--
Transportation Infrastructure Model for Economic Development	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
	2007	457,060	131	456,929	5,255	92,351	97,606	4.68

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	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	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
	2007	--	--	--	--	--	--	--
Unclaimed Property Special Revenue Bonds	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	--	--	--	--	--	--	--
	2007	--	--	--	--	--	--	--

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

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)
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
2006	4,288	134,504,614	31,369	35.7

YEAR	CIVILIAN LABOR FORCE	LOUISIANA UNEMPLOYMENT RATE	U.S. UNEMPLOYMENT RATE
	(A)(3)	(3)	(3)
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
2006	1,990	4.0	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

2016 EMPLOYERS	RANGE
STATE OF LOUISIANA (1)	40,000+
OCHSNER HEALTH SYSTEM	19,000+
LOUISIANA STATE UNIVERSITY SYSTEM (2)	13,000+
UNIVERSITY OF LOUISIANA SYSTEM (2)	7,000+
INGALLS SHIPBUILDING	5,000 - 9,999
WILLIS KNIGHTON HEALTH SYSTEM	5,000 - 9,999
LAFAYETTE MEDICAL CENTER	5,000 - 9,999
OUR LADY OF THE LAKE MEDICAL CENTER	5,000 - 9,999
TULANE UNIVERSITY	5,000 - 9,999
HILTON NEW ORLEANS RIVERSIDE	5,000 - 9,999
LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM (1)	1,000 - 4,999
SOUTHERN UNIVERSITY SYSTEM (2)	1,000 - 4,999
US POST OFFICE	1,000 - 4,999
ACADIAN AMBULANCE SERVICE	1,000 - 4,999
HORSESHOE BOSSIER CITY	1,000 - 4,999

2007 EMPLOYERS *

STATE OF LOUISIANA (1)	50,000+
LOUISIANA STATE UNIVERSITY (2) (3)	25,000+
BARKSDALE AIR FORCE BASE	10,000+
UNIVERSITY OF LOUISIANA SYSTEM (2)(3)	5,000-9,999
OCHSNER HEALTH SYSTEMS	5,000-9,999
NORTHROP GRUMMAN SHIP SYSTEMS	5,000-9,999
TULANE UNIVERSITY (3)	5,000-9,999
HARRAH'S ENTERTAINMENT (3)	5,000-9,999
LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM (2) (3)	5,000-9,999
WILLIS KNIGHTON HEALTH SYSTEM	1,000-4,999
U.S. POST OFFICE (3)	1,000-4,999
ACADIANA SHARPENING SERVICE	1,000-4,999
SOUTHERN UNIVERSITY SYSTEM (2) (3)	1,000-4,999
J. RAY McDERMOTT INC.	1,000-4,999
GENERAL MOTORS CORPORATION	1,000-4,999

* 2007 employer list is from Louisiana's Comprehensive Annual Financial Report for the year ended June 30, 2007

- (1) Government - Primary
- (2) Government - Component Unit
- (3) Affected by Hurricane Katrina

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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
GENERAL GOVERNMENT				
CLASSIFIED	4,122	3,954	6,525	6,011
UNCLASSIFIED	1,529	1,587	3,283	3,661
CULTURE, RECREATION, AND TOURISM				
CLASSIFIED	675	670	852	603
UNCLASSIFIED	432	412	443	641
TRANSPORTATION AND DEVELOPMENT				
CLASSIFIED	4,237	4,220	4,235	4,336
UNCLASSIFIED	115	117	134	96
PUBLIC SAFETY				
CLASSIFIED	2,525	2,522	2,446	2,536
UNCLASSIFIED	463	499	141	213
HEALTH AND WELFARE				
CLASSIFIED	10,194	10,551	10,465	10,002
UNCLASSIFIED	786	843	912	1,168
CORRECTIONS				
CLASSIFIED	4,833	4,915	4,827	4,758
UNCLASSIFIED	106	104	77	175
YOUTH DEVELOPMENT				
CLASSIFIED	735	739	800	843
UNCLASSIFIED	86	79	80	106
CONSERVATION AND ENVIRONMENT				
CLASSIFIED	1,891	1,951	1,818	1,850
UNCLASSIFIED	145	124	124	152
EDUCATION				
CLASSIFIED	763	781	759	779
UNCLASSIFIED	648	815	1,041	1,871
AGRICULTURE*				
CLASSIFIED	500	479	--	--
UNCLASSIFIED	65	78	--	--
WORKFORCE DEVELOPMENT*				
CLASSIFIED	943	1,023	--	--
UNCLASSIFIED	68	84	--	--
ECONOMIC DEVELOPMENT*				
CLASSIFIED	59	57	--	--
UNCLASSIFIED	55	58	--	--
MILITARY AND VETERANS AFFAIRS*				
CLASSIFIED	820	793	--	--
UNCLASSIFIED	826	855	--	--
COLLEGES AND UNIVERSITIES				
CLASSIFIED	5,810	6,135	6,533	10,059
UNCLASSIFIED	23,088	22,279	22,074	22,978
OTHER				
CLASSIFIED	1,577	1,564	1,558	1,525
UNCLASSIFIED	863	862	900	963
TOTAL	<u>68,959</u>	<u>69,150</u>	<u>70,027</u>	<u>75,326</u>

* New Functions for 2015 formerly within General Government

Source: Louisiana Department of State Civil Service

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<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
6,315	6,422	6,691	6,410	6,456	6,322
3,772	3,814	3,850	4,056	4,036	4,273
595	604	659	667	690	665
579	532	525	567	562	406
4,441	4,466	4,479	4,668	4,536	4,641
101	91	98	144	171	122
2,548	2,645	2,811	2,836	2,827	2,833
239	173	156	111	88	96
12,200	13,346	15,084	16,965	16,875	16,835
1,238	1,142	1,368	1,455	1,509	1,341
5,075	5,179	5,684	6,145	6,136	5,902
186	142	140	147	331	334
918	916	971	1,012	1,039	1,005
110	110	93	155	203	179
1,928	1,971	2,006	2,166	2,152	2,162
145	138	160	183	177	177
922	1,011	1,004	1,140	1,158	1,133
2,058	2,302	2,446	2,923	3,017	2,331
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15,563	16,603	17,478	18,209	17,931	17,076
24,428	24,717	26,899	27,807	27,813	26,613
1,526	1,567	1,545	1,794	1,793	1,830
976	983	953	926	973	979
<u>85,863</u>	<u>88,874</u>	<u>95,100</u>	<u>100,486</u>	<u>100,473</u>	<u>97,255</u>

State of Louisiana

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN YEARS

	2016	2015	2014	2013
GENERAL GOVERNMENT				
AGRICULTURE - CROPS (in thousands) - [1]	*	\$2,024,038	\$2,649,907	\$2,766,125
AGRICULTURE - LIVESTOCK (in thousands) - [1]	*	\$1,273,555	\$1,342,101	\$1,159,661
AGRICULTURE - TIMBER (in thousands) - [1]	*	\$463,747	\$386,975	\$425,046
ELECTIONS - REGISTERED VOTERS (in thousands) - [1]	*	2,910	2,948	2,918
REVENUE - TAX RETURNS FILED (in thousands) - [2]	3,808	2,858	3,517	3,577
REVENUE - TAX RETURNS FILED ELECTRONICALLY - [2]	80%	80%	77%	74%
CULTURE, RECREATION, AND TOURISM				
STATE PARKS VISITORS (in thousands) - [2]	1,994	1,899	1,747	1,967
TRANSPORTATION AND DEVELOPMENT				
NUMBER OF BRIDGES - [1]	12,748	12,907	12,982	12,955
PUBLIC SAFETY				
STATE POLICE ROAD PATROL MILEAGE (in thousands) - [2]	13,425	12,788	8,555	8,958
HEALTH AND WELFARE				
LDH - MEDICAID CLAIMS PROCESSED (in thousands) - [2]	61,836	57,690	53,814	56,395
LDH - CHILDREN IMMUNIZED - [3]	*	96%	94%	94%
CORRECTIONS				
AVERAGE DAILY COST PER INMATE BED - [2]	\$53.74	\$53.79	\$50.21	\$53.43
CONSERVATION AND ENVIRONMENT				
WLF - FISH AND SHELLFISH (in thousands) - [1]	*	\$384,519	\$413,854	\$317,515
WLF - ALLIGATOR AND GAME (in thousands) - [1, 6]	*	*	\$97,431	\$39,106
WLF - HUNTER DAYS ANNUALLY (in millions) - [1]	*	6.0	7.0	7.0
WLF - LICENSED COMMERCIAL FISHERMEN - [1]	*	13,929	13,651	13,272
EDUCATION				
GRADES K-12 (number of students) - [3]	*	690,267	717,896	713,110
AVERAGE ACT SCORE - [4]	19.5	19.2	19.1	20.3
START PRINCIPAL DEPOSITS (in thousands, cumulative) - [1]	*	\$72,618	\$71,619	\$64,111
TOPS TUITION AWARDS (in thousands) - [2]	\$262,489	\$249,995	\$244,627	\$192,085
TOPS AWARDS RECIPIENTS (number of students) - [2]	51,106	48,790	48,224	46,263
COLLEGES & UNIVERSITIES (number of students) - [5]	*	215,200	216,123	216,613

* Information for this year is not yet available

Sources: [1] based on calendar years

[2] based on fiscal years

[3] based on school year reported on October 1

[4] based on graduating class

[5] based on preliminary amounts reported on September 1

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

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2012	2011	2010	2009	2008	2007
\$2,962,500	\$2,402,228	\$1,935,528	\$1,761,590	\$1,984,873	\$1,768,902
\$1,165,382	\$1,058,342	\$977,025	\$777,568	\$1,049,816	\$941,322
\$337,288	\$446,905	\$417,493	\$408,112	\$471,227	\$558,445
2,920	2,861	2,941	2,916	2,945	2,838
3,952	4,332	4,538	4,663	4,686	4,702
61%	48%	53%	48%	45%	45%
2,151	2,242	2,069	2,079	1,784	1,678
13,095	13,016	13,166	13,154	13,157	13,175
11,305	13,055	13,615	14,373	10,699	9,262
60,498	64,703	62,618	57,261	51,089	64,914
93%	95%	95%	99%	93.3%	96.0%
\$54.82	\$55.77	\$55.54	\$61.49	\$56.25	\$48.97
\$265,092	\$238,481	\$188,355	\$241,611	\$235,494	\$289,536
\$84,738	\$66,418	\$38,523	\$51,234	\$58,882	\$74,149
5.4	5.8	5.0	4.9	4.9	5.1
13,629	14,301	14,396	12,266	11,207	11,785
707,464	673,968	666,901	656,696	629,264	632,923
20.3	20.2	20.1	20.1	20.3	20.1
\$62,913	\$52,720	\$50,852	\$45,575	\$182,970	\$171,689
\$166,886	\$144,450	\$129,868	\$123,032	\$117,146	\$121,660
44,433	43,782	42,375	43,203	42,031	43,952
221,831	225,835	225,198	220,381	207,760	198,016

State of Louisiana

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012
CULTURE, RECREATION, AND TOURISM					
STATE PARKS	25	25	25	25	26
STATE PARKS (ACREAGE)	32,047	32,047	32,047	32,271	34,215
STATE HISTORIC SITES	21	21	21	21	22
STATE HISTORIC SITES (ACREAGE)	2,850	2,850	2,567	2,573	2,676
TRANSPORTATION AND DEVELOPMENT					
STATE HIGHWAYS (MILES)	16,698	16,699	16,634	16,606	16,655
PARISH ROADS (MILES)	32,729	32,729	32,735	32,729	32,589
CITY STREETS (MILES)	11,297	11,297	11,936	11,311	11,335
BRIDGES ON STATE HIGHWAYS	7,932	8,002	7,887	7,906	8,013
BRIDGES OFF STATE HIGHWAYS	4,829	4,905	4,934	4,999	5,030
PUBLIC SAFETY					
TROOPS	9	9	9	9	9

	2011	2010	2009	2008	2007
CULTURE, RECREATION, AND TOURISM					
STATE PARKS	26	26	25	25	24
STATE PARKS (ACREAGE)	34,639	34,215	32,428	32,181	30,984
STATE HISTORIC SITES	22	22	20	20	20
STATE HISTORIC SITES (ACREAGE)	2,676	2,676	2,557	2,557	2,539
TRANSPORTATION AND DEVELOPMENT					
STATE HIGHWAYS (MILES)	16,667	16,678	16,682	16,685	16,691
PARISH ROADS (MILES)	33,375	33,580	31,560	33,366	33,280
CITY STREETS (MILES)	11,559	11,056	12,836	11,010	10,949
BRIDGES ON STATE HIGHWAYS	7,983	7,984	7,934	7,931	7,914
BRIDGES OFF STATE HIGHWAYS	5,033	5,182	5,220	5,226	5,261
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

ACKNOWLEDGMENTS

REPORT PREPARED BY:

State of Louisiana Division of Administration

Jay Dardenne, Commissioner
Barbara Goodson, Deputy Commissioner
Desiree' Honore' Thomas, Assistant Commissioner - Statewide Services

Office of Statewide Reporting and Accounting Policy

Afranie Adomako, CPA, Director of Management and Finance
Randie Latiolais, Administrative Assistant

Financial Reporting Section

Katherine Porche, CPA, Manager
Mark Rhodes, CPA, Manager
Rhonda Coston, CPA
Kimberly Dwin
Yuchi Fong
Tonia Jackson, CPA
Sean Langlois
Pam Stephens
Deborah Zundel, CPA

Financial System Section

James Lodge, Manager
Carrie Chen
Carmencita Christian
Chantelle Coates, CPA
Judy Davidson
Holly Ketterer
Inga Kimbrough
Evelyn Myles
Joyce Sanders-Riley
Jennifer Williams

Additional Assistance Provided By

Office of Technology Services
All State Fiscal Personnel





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