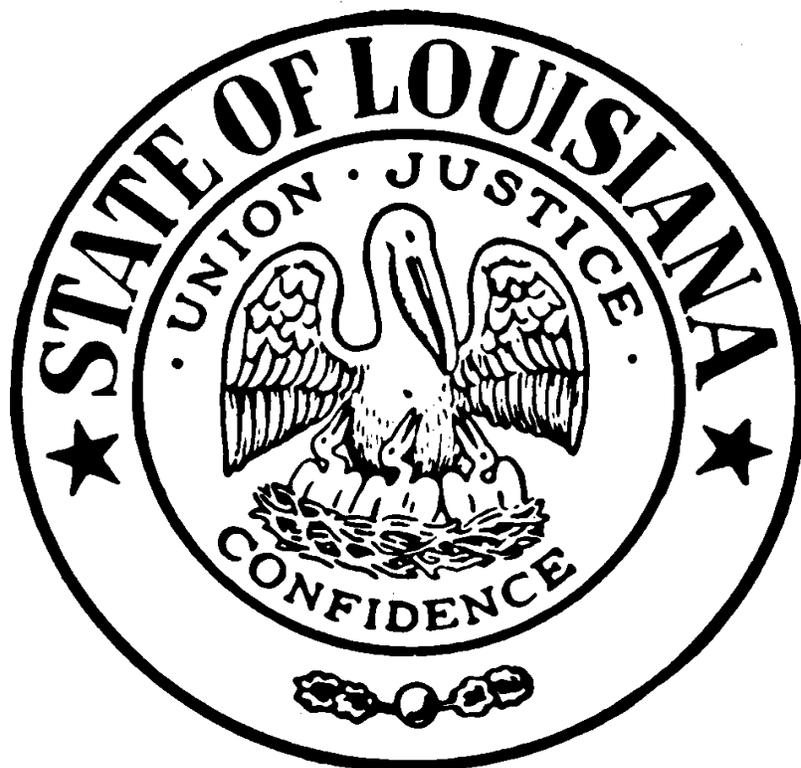


**State of Louisiana
Comprehensive Annual Financial Report
for the Year Ended June 30, 2007**

KATHLEEN BABINEAUX BLANCO
Governor



Prepared By
DIVISION OF ADMINISTRATION
JERRY LUKE LEBLANC
Commissioner

"On the Cover"

The capitol of Louisiana is located in downtown Baton Rouge on a 27-acre tract of land on the former site of Louisiana State University. It was constructed during the height of the Great Depression, 1931-1932, for a cost of \$5,000,000. It encompasses 249,000 square feet--nearly six acres--of floor space for government agencies. This year we celebrate the 75th anniversary of this public monument.



Kathleen Babineaux Blanco

Governor

State of Louisiana



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State of Louisiana

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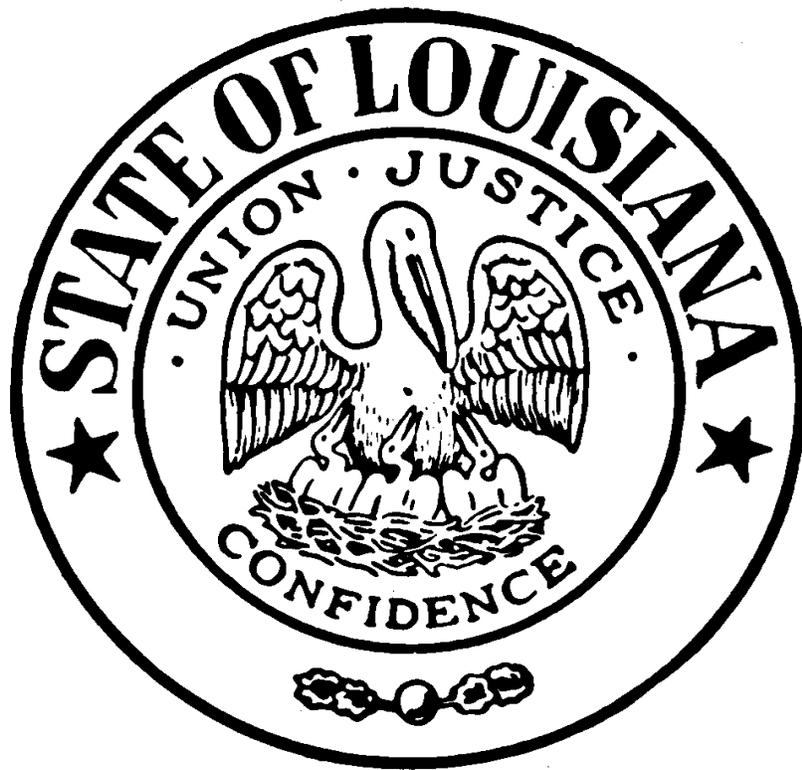
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I. INTRODUCTORY SECTION



State of Louisiana

DIVISION OF ADMINISTRATION OFFICE OF THE COMMISSIONER

KATHLEEN BABINEAUX BLANCO
GOVERNOR

JERRY LUKE LEBLANC
COMMISSIONER OF ADMINISTRATION

January 3, 2008

To: The Honorable Kathleen Babineaux Blanco, Governor,
Members of the Legislature, and the
People of the State of Louisiana

It is my privilege to present the Comprehensive Annual Financial Report (CAFR) on the financial condition of the State of Louisiana for the fiscal year ended June 30, 2007. The report was prepared in conformity with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and Louisiana Revised Statutes.

The Division of Administration, Office of Statewide Reporting and Accounting Policy prepared the CAFR, with the objective of reporting the government's operations as a single unified entity, in addition to providing traditional fund-based financial statements.

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 are accurate in all material respects, reported in a manner designed to fairly present the financial position and results of operations and provide disclosures necessary to enable the reader to gain an understanding of the financial activities and condition of the State.

The reporting entity of the State includes all primary government funds, plus the activity of component units for which the State is financially accountable. Determination of the component units to be included in the CAFR was made in accordance with criteria established by GASB and is presented in Note 1A to the financial statements.

The CAFR is organized as follows:

- Introductory section containing background and organizational information on the State and summaries of some current initiatives
- Financial section including the independent auditor's report, Management's Discussion and Analysis (MD&A), Government-Wide Financial Statements, Fund Financial Statements, Notes to the Basic Financial Statements and Required Supplementary Information. The financial section also includes the combining statements of the individual funds.
- Statistical section presenting financial, demographic, economic, and operational data for Louisiana.

GASB requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report.

INDEPENDENT AUDIT

The State of Louisiana's basic financial statements have been audited by the Office of Legislative Auditor. The goal of the independent audit was to provide reasonable assurance that the basic financial

statements of the State for the fiscal year ended June 30, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report is presented as the first component 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 audited 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.

ACCOUNTING AND BUDGETARY CONTROL

Management is responsible for establishing and maintaining internal controls designed to ensure that assets are protected from loss, theft, or misuse and that adequate 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.

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 timing. The budgetary process is further described in Note 1 to the basic financial statements and a reconciliation between GAAP and non-GAAP budgetary basis fund balances is presented as required supplementary information.

PROFILE OF THE GOVERNMENT

Located on the Gulf of Mexico and bounded by Arkansas, Texas, and Mississippi, Louisiana serves a population of 4,288,000. The Executive, Judicial, and Legislative Branches govern the State as provided by the Louisiana Constitution of 1974.

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 financial reporting entity includes 53 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.

CASH MANAGEMENT

The State Treasurer is responsible for managing all cash and investments, with the exception of certain component units included in the reporting entity that have independent powers to manage and invest their funds. During fiscal year 2007, cash management and investment transactions managed by the State Treasurer included checking accounts, certificates of deposit, U.S. government and agency obligations, commercial paper, repurchase agreements, and security lending agreements. Legal

requirements for the investment of funds maintained by the State Treasurer are discussed in Note 2 to the basic financial statements.

For fiscal year 2007, the Treasury earned \$309,444,296 on its fixed-income investments for the General Fund. The investments earned a cash rate of return of 3.18% during fiscal year 2007, which is a 22.9% increase from the 2.59% rate that earned \$161,324,115 in the previous year. By comparison, the thirty-day Treasury Bill yield averaged 5.0% and the two-year Treasury Note averaged 5.04% during the same period. The investments of the Louisiana Education Quality Trust Fund earned a fixed income rate of return of 6.8% and a 17.89% return on equities for the 2007 fiscal year.

RISK MANAGEMENT

The primary government, through the Office of Risk Management, retains risk for property, casualty, and worker's compensation insurance, as well as coverage for all State property, with virtually no upper limits. Auto liability, comprehensive, and collision coverage is provided for the State fleet and other coverage, such as bonds, crime, aviation, and marine insurance, is provided as needed.

PENSIONS

State employees may be eligible to participate in the Louisiana State Employees' Retirement System, the Teachers' Retirement System of Louisiana, the Louisiana School Employees' Retirement System, or the Louisiana State Police Retirement System, depending on their employing agency. Further information on the retirement systems can be found in Note 6 to the basic financial statements.

ECONOMIC OUTLOOK

The State of Louisiana is working very diligently on closing the gap that was caused by the catastrophic hurricanes and bringing itself above and beyond the pre-hurricane levels. Even though 2005's hurricanes shuffled its demographics and caused it to revert back to 1997's economic numbers, Louisiana is showing optimistic growth. It is already predicted that Louisiana should be within 3,400 jobs of its pre-storm employment level at the end of 2007 and should surpass pre-storm employment sometime in 2008.

The State's efforts to close the gap will depend on a number of factors beyond the control of policy makers in the State. Therefore, we will base them on the following expectations in 2008-09: (1) the national economy will avoid a recession and the real gross domestic product (RGDP) growth rate will rise approximately 3.0%; (2) interest rates will stabilize with the 30-year fixed mortgage rate rising only one-half percentage point; (3) the pressures on natural gas prices are taking a more downward approach; and (4) demographic changes in Louisiana's population will create an intensifying labor market shortage over the rest of the decade, driving up wage rates, incentivizing older workers to stay in the workforce, and encouraging both more out-sourcing and immigration. The problem will be especially intense in the State's construction industry due to a remarkable number of large construction projects planned over 2008-09.

The oil and gas industry is expected to continue to be an exceptional extraction sector with oil prices varying from \$58 to \$72 a barrel for 2008-09, though recent prices have spiked to the upward \$80s. The State has a positive outlook for the construction industry due to over \$16 billion in proposed construction spending which will keep the economy going over the next two years.

The economic prospects are varying across Louisiana's eight metropolitan statistical areas (MSAs), and are contributing to the growth of its economy by attracting big business and major manufacturing plants. The MSAs of New Orleans, Lake Charles, and various others are overcoming past projections and showing exceptional growth.

A massive revision to the employment data has changed the outlook on New Orleans MSA. According to the revision New Orleans MSA did not lose as many jobs as a result of Hurricanes Katrina and Rita as estimated earlier; only 134,900 jobs were lost as opposed to 215,100 previously estimated. New Orleans will continue to add jobs at a rate of about 1,000 a month, a growth rate of about 2.4%, and the city's economy will be buoyed by billions of dollars in planned projects.

From an employment standpoint, the Lake Charles MSA has fully recovered from the effects of Hurricane Rita and is now setting record levels of employment. A total of 2,800 new jobs are forecasted for Lake Charles over 2008-09. A \$300 million project at Westlake Chemicals and expansions at the Chennault Airpark will provide the foundation for growth for the next two years. If obtained, the \$1.4 billion Leucadia synthetic gas manufacturing plant could be the largest single capital investment in the region's history.

Baton Rouge MSA census data show that it has leveled out with approximately 35,192 new residents from the influx of evacuees after the storms. Construction is projected to be a major player in the area's economic future with an estimate of over \$5 billion in construction projects planned. Minor expansions in the region's large chemical sector, along with gains from the two major call centers (Direct General and Staples), and smaller gains in other manufacturing firms will promote further job growth. A total of 14,800 new jobs are projected over 2008-09, a growth rate of 2.0% per year.

High energy prices and the rebuilding of the Gulf of Mexico infrastructure have created a nice spike in employment in the energy-dependent Lafayette MSA. Discovery of the lower tertiary oil field in the Gulf virtually assured an excellent economic future for Lafayette. Lafayette will leverage an expanding energy economy and hospital and retail growth to create 6,300 new jobs over the next two years, making it one of the top metro areas.

Shreveport/Bossier MSA was hammered for three straight years (2001-03) by the national recession but has responded with four straight years of growth. A new paper recycling plant at the port, a proposed new \$50 million power plant by SWEPCO, and a vibrant, expanding film industry will provide economic growth for this region. A total of 5,800 new jobs are projected over 2008-09, despite a threat to the area's large Casino business from new Indian Casino openings in Oklahoma, employee buyouts by General Motors, and the threat of downsizing the number of airplanes flying out of the Barksdale Air Force Base.

The MSA of Houma is now the fastest growing in the state in 2007 because of high energy prices and rebuilding activities in the Gulf. This distinction is expected to continue into 2008-09, and the area is expected to grow about 2.7% a year adding 5,200 new jobs. Oil and gas is doing well, but major employment expansions will occur at Edison Chouest and Bollinger Shipyards and at Gulf Island Fabricators that will boost the economy as well.

Significant new dollars have been pumped into Alexandria's MSA due to the construction of the Union Tank Car plant and its initial hiring drive up to 670 permanent employees, and due to beginning work on the \$1 billion retrofit of Cleco's Rodemacher power plant. Job growth is expected to slow down in this MSA over the next two years with the Union Tank Car plant topping out at 100 new jobs in 2008. An increase of only 1,700 jobs are projected over 2008-09 (about 1.5% in 2008 and 1.0% in 2009). The construction of various projects, Cleco's Rodemacher power plant, 2 area hospitals, city and state infrastructure improvements and England Airpark, will boost Alexandria's economic growth for the upcoming years.

Monroe's MSA is still projected to show the weakest performance in the State. It has not bounced back from the closure of several manufacturing plants over the past four years, but stabilized somewhat by the attraction of the 550-person Accent Marketing call center at the old State Farm Building. That trend is projected to continue over 2008-09 with an additional 1,300 jobs (less than 1% per year).

The Honorable Kathleen Babineaux Blanco, et al.

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January 3, 2008

The employment rate in Louisiana's 35 "rural" parishes is projected to rise by more than 6,800 jobs in 2008 (1.8% increase) and more than 6,200 jobs in 2009 (1.6% increase). Most of that growth will be focused in two parishes: Tangipahoa with Capital One Bank adding a new 1,120-person check processing facility and St. Mary with the expansion at the J. Ray McDermott fabricating yard and the addition of the Amelia Belle Casino.

The State as a whole is projected to add 37,200 jobs in 2008 (1.9% increase) and another 37,800 jobs in 2009 (1.9% increase). If these forecasts hold up, Louisiana will begin to set new employment records sometime in 2008.

The economic discussion is an excerpt from The Louisiana Economic Outlook: 2008 and 2009, by Loren C. Scott, James A. Richardson, M. Dek Terrell, and Mary Jo Neathery, published in October 2007, and from the Governor's Executive Budget Fiscal Year 2007-2008.

ACKNOWLEDGEMENTS

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

Sincerely yours,



Jerry Luke LeBlanc
Commissioner of Administration

JLL:AA

State of Louisiana

PRINCIPAL STATE OFFICIALS

Executive (Elected)

Kathleen Babineaux Blanco
Governor
Mitchell J. Landrieu
Lieutenant Governor
Jay Dardenne
Secretary of State
Charles C. Foti, Jr.
Attorney General
John Neely Kennedy
Treasurer
Bob Odom
Commissioner of Agriculture and Forestry
James J. Donelon
Commissioner of Insurance

Legislative (Elected)

Joe R. Salter
Speaker of the House of Representatives
Donald E. Hines, M.D.
President of the Senate

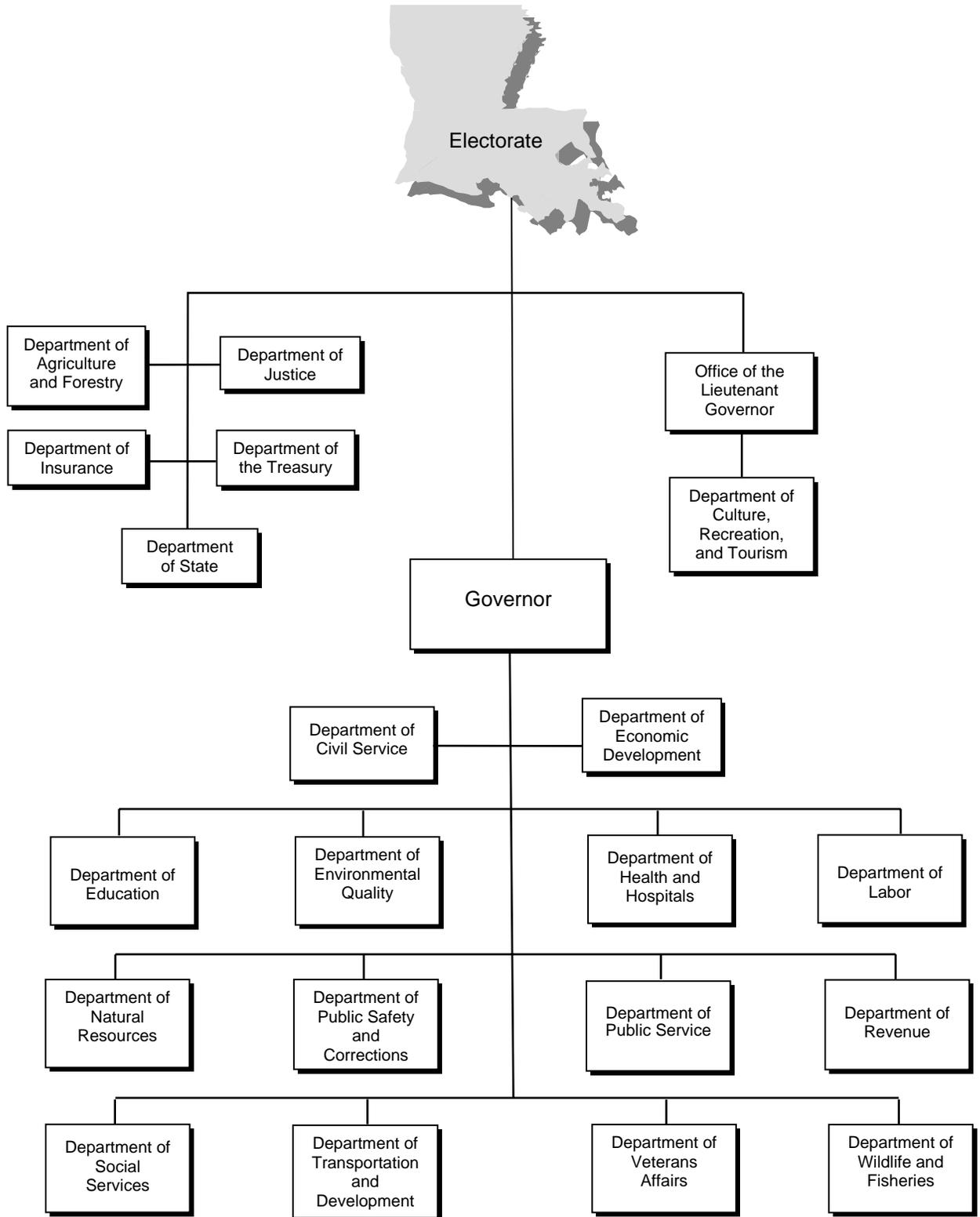
Judicial (Elected)

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

Executive (Appointed)

Anne S. Soileau
Director of Civil Service
Angèle Davis
Secretary of Culture, Recreation, and Tourism
Michael J. Olivier
Secretary of Economic Development
Paul G. Pastorek
State Superintendent of Education
Dr. Mike D. McDaniel, Ph.D.
Secretary of Environmental Quality
Frederick P. Cerise, MD, MPH
Secretary of Health and Hospitals
John Warner Smith
Secretary of Labor
Scott A. Angelle
Secretary of Natural Resources
Richard L. Stalder
Secretary of Public Safety and Corrections
Colonel Stanley Griffin
Deputy Secretary of Public Safety and Corrections
Superintendent, Office of State Police
Lawrence C. St. Blanc
Secretary of Public Service Commission
Cynthia Bridges
Secretary of Revenue
Ann S. Williamson
Secretary of Social Services
Johnny B. Bradberry
Secretary of Transportation and Development
Hunt Downer, Major General ARNG
Secretary of Veterans Affairs
Bryant Hammett
Secretary of Wildlife and Fisheries

STATE ORGANIZATIONAL CHART





II. FINANCIAL SECTION



STEVE J. THERIOT, CPA
LEGISLATIVE AUDITOR

OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
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TELEPHONE: (225) 339-3800
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January 3, 2008

Independent Auditor's Report

Honorable Kathleen B. Blanco, Governor
Honorable Donald E. Hines, President, and
Members of the Senate
Honorable Joe R. Salter, Speaker, and
Members of the House of Representatives
State of Louisiana

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, 2007, which collectively comprise the state's basic financial statements as listed in the table of contents. These financial statements are the responsibility of management of the State of Louisiana. 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</u>	<u>Percentage of Net Assets or Fund Balance</u>	<u>Percentage of Revenues (including Additions)</u>
General Fund	0.6%	1.3%	0.1%
Business-Type Activities	2.3%	1.7%	11.3%
Aggregate Discretely Presented Component Units	15.3%	18.0%	6.8%
Aggregate Remaining Funds	70.1%	70.1%	61.4%

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

LEGISLATIVE AUDITOR

January 3, 2008

Page Two

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 of material misstatement. The financial statements of the LSU Foundation and the Pennington Medical Foundation, both component units of the Louisiana State University System (major component unit); the University Facilities, Inc., the University of Louisiana Monroe Facilities, Inc., NSU Facilities Corporation, and the Black and Gold Facilities, Inc., all component units of the University of Louisiana System (major component unit); and the Southern University System Foundation, a component unit of the Southern University System (major component unit), which were audited by other auditors, were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

Management has not included the Louisiana Citizens Property Insurance Corporation (Corporation), a legally separate component unit of the State of Louisiana, as part of the State of Louisiana's basic financial statements. Accounting principles generally accepted in the United States of America require the Corporation to be part of the state's aggregate discretely presented component units, thus increasing that opinion unit's assets, liabilities, revenues, and expenses and changing its net assets. The amount by which this departure would affect the assets, liabilities, net assets, revenues, and expenses of the aggregate discretely presented component units is not reasonably determinable.

In our opinion, based on our audit and the reports of the other auditors, except for the effects of not including the Louisiana Citizens Property Insurance Corporation as part of the aggregate discretely presented component units, the financial statements referred to previously present fairly, in all material respects, the financial position of the aggregate discretely presented component units of the State of Louisiana, as of June 30, 2007, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, based on our audit and the reports of the other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the State of Louisiana, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

LEGISLATIVE AUDITOR

January 3, 2008

Page Three

The Louisiana Citizens Property Insurance Corporation's financial information for the year ended December 31, 2005 (unaudited) was previously included as a major discretely presented component unit in the State of Louisiana's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2006. However, the Corporation's financial information for the year ended December 31, 2006, was not available for inclusion in the State of Louisiana's CAFR for the current fiscal year ended June 30, 2007, and the Corporation's financial audit for the year ended December 31, 2005, is still outstanding. As disclosed previously in note 12 of the State of Louisiana's CAFR for the fiscal year ended June 30, 2006, the Corporation issued bonded debt to cover its costs from hurricanes Katrina and Rita. The Corporation's fiscal agent confirmed a balance of \$978,205,000 (unaudited) for the total outstanding bonded debt of the Corporation at June 30, 2007. Furthermore, although required by Governmental Accounting Standards Board Statement No. 14 to be reported as a discrete component unit of the State of Louisiana, the enabling legislation for the Corporation, Louisiana Revised Statute 22:1430.2 states, in part, ". . . the debts, claims, obligations, and liabilities of the corporation shall not be considered to be a debt of the state or a pledge of its credit."

The State of Louisiana suffered considerable damage from two major hurricanes, Katrina and Rita, during August and September of 2005, resulting in the President of the United States declaring Louisiana a major disaster area. Because of the severity of these two separate events and the resulting losses sustained, it is unknown exactly what economic impact recovery will have on state and local governmental operations in Louisiana. Although the State of Louisiana is taking steps to address recovery including executive and legislative initiatives, the long-term effects of these events on the State of Louisiana cannot be determined at this time.

As disclosed in note 11 to the financial statements, the State of Louisiana implemented Governmental Accounting Standards Board Statement No. 43, *Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans*, for the year ended June 30, 2007.

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, grants 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 the 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* and should be read in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis and the budgetary comparison information presented on pages 13 through 24 and 91 through 92, respectively, are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which

LEGISLATIVE AUDITOR

January 3, 2008

Page Four

consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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, the budgetary comparison schedule - major debt service fund, the combining and individual fund statements and schedule - nonmajor funds section, and the statistical section listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The budgetary comparison schedule - major debt service fund and the combining and individual fund statements and schedule - nonmajor funds section have been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, based on our audit and the reports of the other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,



Steve J. Theriot, CPA
Legislative Auditor

JMR:THC:DGP:sr

CAFR07

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, 2007. 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 - 5 and the financial statements of the State, which begin on page 25.

FINANCIAL HIGHLIGHTS

- **Government-wide:**

Net Assets – The assets of the State exceeded its liabilities at the close of the fiscal year by \$20.1 billion, a 20% increase from the prior fiscal year. This amount includes \$7 billion, which is restricted and not available to pay the general obligations of the State.

Changes in Net Assets – Net assets of governmental activities increased by \$2.9 billion (20%), while net assets of the business-type activities increased by \$507 million (27%).

- **Fund Level:**

As the State completed the year, its governmental funds (as presented in the balance sheet on page 29) reported a total fund balance of \$11.9 billion (a 57% increase from the prior year balance). Unreserved/undesignated fund balance constitutes 55% of this total, which is available for spending in the coming year. The remainder of this fund balance is reserved to indicate it is not available for spending because it has already been committed.

- **Long-term Debt:**

The State's long-term obligations for governmental activities increased by \$2.2 billion (31%). General obligation bonds were issued to provide funds for capital outlay projects and for the Debt Service Assistance Fund for loans to political subdivisions of the State affected by Hurricanes Katrina and Rita. Revenue bonds were issued to finance the construction of highway and bridge projects.

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 in addition to the Basic Financial Statements.

Government-wide Financial Statements – Reporting the State as a Whole

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 financial position of the State, which assist 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, methods that are similar to those used by most businesses by taking into account all revenues earned and expenses incurred in the fiscal year regardless of when cash is received or paid.

The government-wide financial statements include the following two statements:

The Statement of Net Assets (page 25) presents the current and long-term portions of the assets and liabilities of

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the State separately and is the basic government-wide statement of position at fiscal year end. Using the format of assets minus liabilities equal net assets, this statement reports the governmental activities separately from its business-type activities. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the State is improving or deteriorating.

The Statement of Activities (page 26) presents information showing how the net assets of the State changed as a result of current year operations and how those operations were financed. This statement presents expenses before revenues to emphasize the fact that revenues are generated expressly for providing services, rather than as an end in themselves. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, transactions are included that will not affect cash flows until future fiscal periods (e.g., uncollected taxes and earned but unused leave).

Both government-wide statements report three types of activities:

Governmental Activities – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal grants). Most services normally associated with State government fall into this section and they include general government; culture, recreation and tourism; transportation and development; public safety; health and welfare; corrections; conservation and environment; and education.

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, 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 Stadium and Exposition District, and the Southeast Louisiana Flood Protection Authority-East and West. For a list of some of the component units included in the government-wide statements, see Note 1 of the notes to the basic financial statements.

Fund Financial Statements

The fund financial statements begin on page 27 and provide more detailed information than the government-wide statements by providing information about the most significant funds of the State. A fund is a grouping of related accounts used to maintain control over resources, which are segregated for specific activities or objectives. The State of Louisiana uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. For governmental activities, fund financial statements indicate how these services were financed in the short-term as opposed to the government-wide statements, which present a long-term view of the State finances. 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 expendable resources and the balances of these resources available at fiscal year end. Such information may be useful in evaluating the current financing requirements of the State. Governmental funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash.

GASB Statement 34 has shifted the focus of governmental fund financial statements from fund types to major funds. Louisiana accounts for its activities in 250 active funds; of this total, 214 are governmental funds, 20 are proprietary funds, and 16 are fiduciary in nature. Information is presented separately on the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance for the funds determined to be major funds; the remaining governmental funds are presented in a single column on these statements. Combining statements for these funds are presented on pages 96 - 129 of this report.

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.

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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 purpose. 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 41-89 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 91 of this report.

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 in the following statements based on the information included in the government-wide financial statements:

Statement of Net Assets						
(in thousands)						
	Governmental		Business-type		Total	
	Activities		Activities		Primary	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Current and other assets	\$ 16,614,090	\$ 12,485,185	\$ 2,643,505	\$ 2,185,284	\$ 19,257,595	\$ 14,670,469
Capital assets	<u>13,763,230</u>	<u>12,795,826</u>	<u>81,142</u>	<u>28,500</u>	<u>13,844,372</u>	<u>12,824,326</u>
Total assets	30,377,320	25,281,011	2,724,647	2,213,784	33,101,967	27,494,795
Other liabilities	3,365,426	3,356,190	70,470	59,390	3,435,896	3,415,580
Long-term debt outstanding	<u>9,286,700</u>	<u>7,091,898</u>	<u>249,760</u>	<u>257,344</u>	<u>9,536,460</u>	<u>7,349,242</u>
Total liabilities	12,652,126	10,448,088	320,230	316,734	12,972,356	10,764,822
Invested in capital assets, net of related debt	11,841,240	11,304,859	22,290	22,353	11,863,530	11,327,212
Restricted	5,504,064	6,988,644	1,476,729	1,407,337	6,980,793	8,395,981
Unrestricted	<u>379,890</u>	<u>(3,460,580)</u>	<u>905,398</u>	<u>467,360</u>	<u>1,285,288</u>	<u>(2,993,220)</u>
Total net assets	<u>\$ 17,725,194</u>	<u>\$ 14,832,923</u>	<u>\$ 2,404,417</u>	<u>\$ 1,897,050</u>	<u>\$ 20,129,611</u>	<u>\$ 16,729,973</u>

State of Louisiana

Net Assets:

As noted earlier, the overall financial position for the State improved from the previous year as reflected in the increase in net assets to \$20.1 billion (20%). Net assets for governmental activities increased by \$2.9 billion (20%), while net assets for business-type activities increased by \$507 million (27%). The largest portion of the net assets of the State, \$11.9 billion (59%), reflects investment in capital assets (e.g., land, roads, buildings, machinery, and equipment). These assets are used to provide services to residents of the State, and consequently are not available for future spending. Capital assets increased by \$1 billion (8%), due mainly to infrastructure improvements under the Louisiana Transportation Infrastructure Model for Economic Development (TIMED) Program discussed in more detail in the capital asset section of the MD&A.

In contrast, current and other assets (e.g., cash, investments, receivables, and inventory) totaled \$19.3 billion (58% of total assets) at fiscal year end, and the State uses these resources to repay debt associated with capital assets. The current and other assets of the State at June 30, 2007 represent an increase of 31% from the prior fiscal year. Cash has increased by \$3 billion (50%), in part due to an increase in cash in the Capital Outlay Escrow fund of \$1.2 billion, which reflects the proceeds of a \$500 million bond sale during fiscal year 2007. The Coastal Protection and Restoration Fund (previously the Wetlands Conservation and Restoration Fund), with a cash balance of \$323 million, received additional funding during fiscal year 2007, in part from the proceeds of the tobacco settlement securitization, to further the development and implementation of a program to protect and restore Louisiana's coastal area which was severely damaged by the 2005 hurricanes. The 2004 Overcollections Fund, with a cash balance of \$553 million, received \$380 million from the FEMA Reimbursement Fund for State FEMA match funds which was forgiven by the U.S. Congress. In addition, the State has created the Louisiana Mega-Project Development Fund, with a cash balance of \$150 million, to provide for economic development mega-projects for the State.

Restricted net assets represent those assets not available for spending as a result of legislative or constitutional requirements, donor agreements, or grant requirements. Restricted net assets decreased by \$1.5 billion (21%) from the previous fiscal year for governmental activities, reflecting in part a decrease in the restricted for other purposes component of net assets of \$3.6 billion. This decrease reflects the guidance found in GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, which clarifies which assets should be restricted by enabling legislation. Enabling legislation authorizes a government to assess, levy, charge, or otherwise mandate payment of resources from external resource providers, and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Although GASB Statement 46 was implemented last year, additional research was performed and a more restrictive set of criteria now has to be met for an asset to be considered restricted by enabling legislation. As a result of the research, the State has classified net assets as unrestricted that previously were determined to be restricted. The decrease in restricted net assets was offset by an increase in restricted for capital projects of \$2 billion, reflecting increased funding in the Capital Outlay fund for the state's highway program.

Restricted net assets increased by \$69 million (5%) for business-type activities, caused by an increase in the Unemployment Trust Fund restricted for unemployment compensation over last year. Balances are higher this year as a result of a decrease in the number of unemployment claims compared to last year, and an increase in the tax rates on employers to build up the unemployment trust fund after depletion caused by the large increase in unemployment claims following Hurricanes Katrina and Rita.

For fiscal year 2007, unrestricted net assets increased by \$3.8 billion (111%) from 2006 for governmental activities. A significant portion of this increase is due to an increase in capital grants and contributions revenue of \$3 billion reflecting the large influx of federal Community Development Block Grant (CDBG) funds for the Road Home program. In addition, income tax revenue increased by \$1 billion, reflecting higher wages in response to labor shortages after the hurricanes. Unrestricted net assets increased by \$438 million (94%) for business-type activities, reflecting an unrestricted balance of \$399 million in the Louisiana Gulf Opportunity Zone Loan Fund. This fund was created to provide debt service assistance under the federal Gulf Opportunity Zone Act of 2005 for local government entities which suffered catastrophic losses of tax and other revenues after Hurricanes Katrina and Rita.

Changes in Net Assets:

See the following page.

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Changes in Net Assets

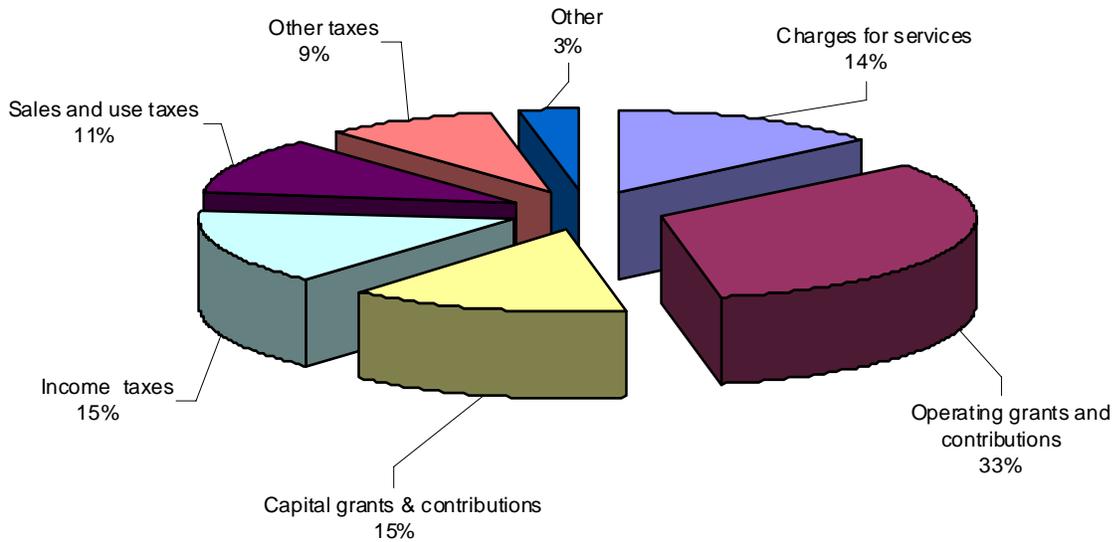
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 3,803,997	\$ 3,329,854	\$ 697,309	\$ 686,838	\$ 4,501,306	\$ 4,016,692
Operating grants and contributions	8,962,433	9,323,509	3,800	419,438	8,966,233	9,742,947
Capital grants & contributions	3,964,479	978,072	19,355	16,588	3,983,834	994,660
General revenues:						
Income taxes	4,140,496	3,129,906	--	--	4,140,496	3,129,906
Sales and use taxes	3,059,073	3,108,824	--	--	3,059,073	3,108,824
Other taxes	2,458,578	2,093,453	--	--	2,458,578	2,093,453
Other	812,694	811,143	9,568	13,505	822,262	824,648
Total revenues	<u>27,201,750</u>	<u>22,774,761</u>	<u>730,032</u>	<u>1,136,369</u>	<u>27,931,782</u>	<u>23,911,130</u>
Expenses:						
Governmental activities						
General government	7,492,929	4,806,262	--	--	7,492,929	4,806,262
Culture, recreation & tourism	100,246	66,927	--	--	100,246	66,927
Transportation and development	889,606	1,054,044	--	--	889,606	1,054,044
Public safety	337,962	301,338	--	--	337,962	301,338
Health and welfare	7,626,096	7,412,815	--	--	7,626,096	7,412,815
Corrections	540,284	550,627	--	--	540,284	550,627
Youth Services	121,335	116,975	--	--	121,335	116,975
Conservation and environment	331,891	283,692	--	--	331,891	283,692
Education	6,085,878	5,514,318	--	--	6,085,878	5,514,318
Other	40,008	26,251	--	--	40,008	26,251
Intergovernmental	182,741	1,037,043	--	--	182,741	1,037,043
Interest on long-term debt	296,223	230,976	--	--	296,223	230,976
Business-type activities:						
Unemployment Trust Fund	--	--	185,308	823,987	185,308	823,987
Other	--	--	307,483	298,879	307,483	298,879
Total expenses	<u>24,045,199</u>	<u>21,401,268</u>	<u>492,791</u>	<u>1,122,866</u>	<u>24,537,990</u>	<u>22,524,134</u>
Net increase before extraordinary items and transfers	3,156,551	1,373,493	237,241	13,503	3,393,792	1,386,996
Extraordinary Item - Gain (Loss) on impairment	--	(24,464)	--	186	--	(24,278)
Transfers	(270,126)	119,977	270,126	(119,977)	--	--
Net increase (decrease)	<u>2,886,425</u>	<u>1,469,006</u>	<u>507,367</u>	<u>(106,288)</u>	<u>3,393,792</u>	<u>1,362,718</u>
Net Assets—Beginning, as restated	14,838,769	13,363,917	1,897,050	2,003,338	16,735,819	15,367,255
Net Assets—Ending	<u>\$ 17,725,194</u>	<u>\$ 14,832,923</u>	<u>\$ 2,404,417</u>	<u>\$ 1,897,050</u>	<u>\$ 20,129,611</u>	<u>\$ 16,729,973</u>

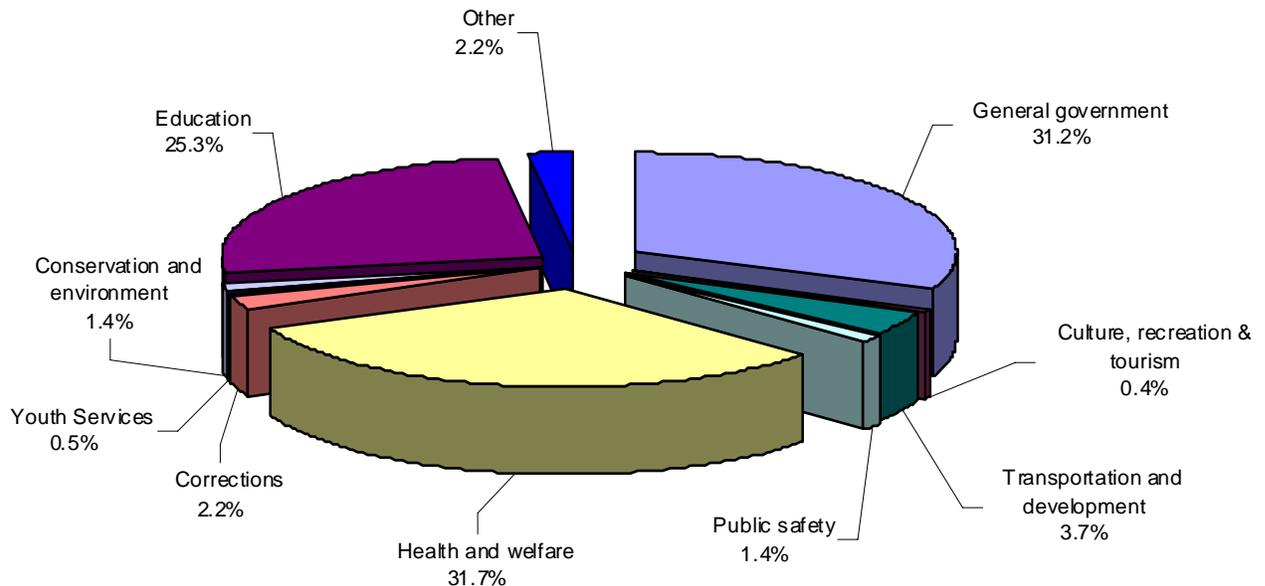
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Governmental Activities - Net assets increased by \$2.9 billion from prior year, with a \$4.4 billion increase in total revenue and a \$2.7 billion increase in total expenses. Approximately 33% of the total revenue came from operating grants and contributions, 14% from charges for services, and 35% from taxes (see chart below). Sales tax collections have decreased by \$50 million from the prior year. The largest expenses were for health and welfare (32%) and general government (31%) as depicted in the second chart below. In 2007, governmental activities expenses exceeded program revenues, requiring the use of approximately \$7.3 billion in general revenues to support governmental programs.

The following chart depicts the governmental activities' revenues by source for the fiscal year:

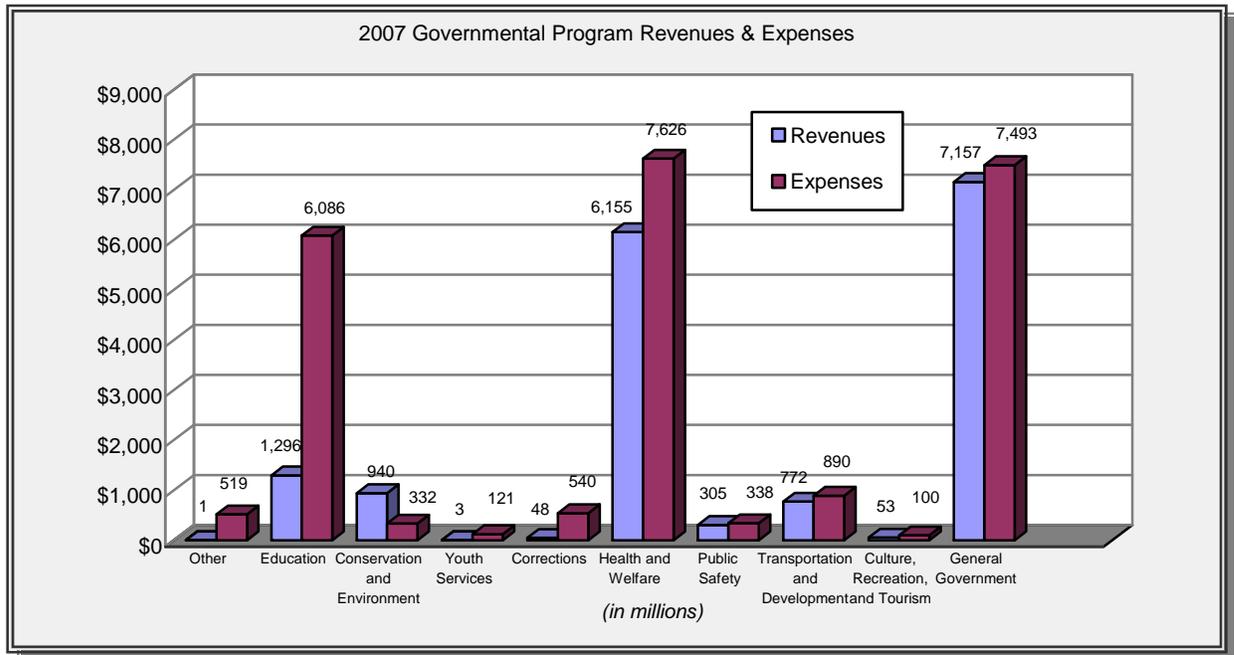


The following chart depicts the governmental activities' expenses for the fiscal year:



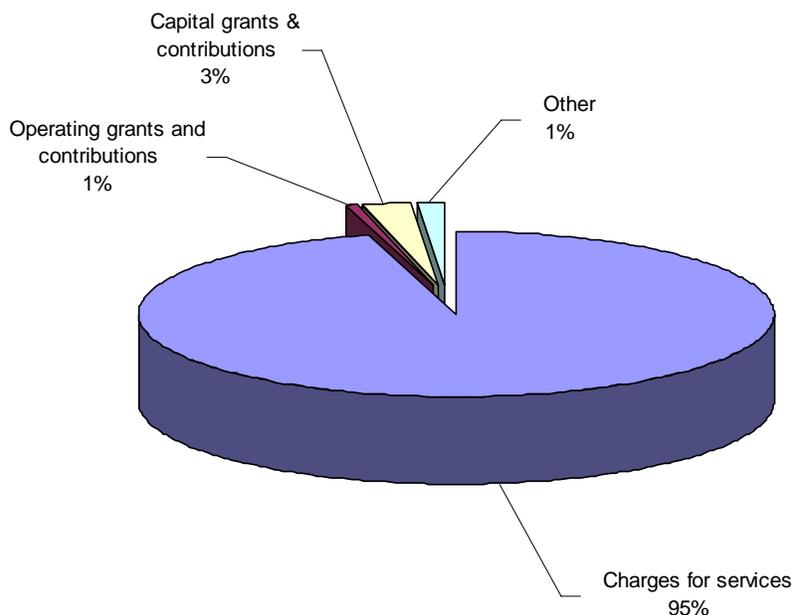
State of Louisiana

The following chart depicts the governmental activities' program revenues and expenses for the 2007 fiscal year:



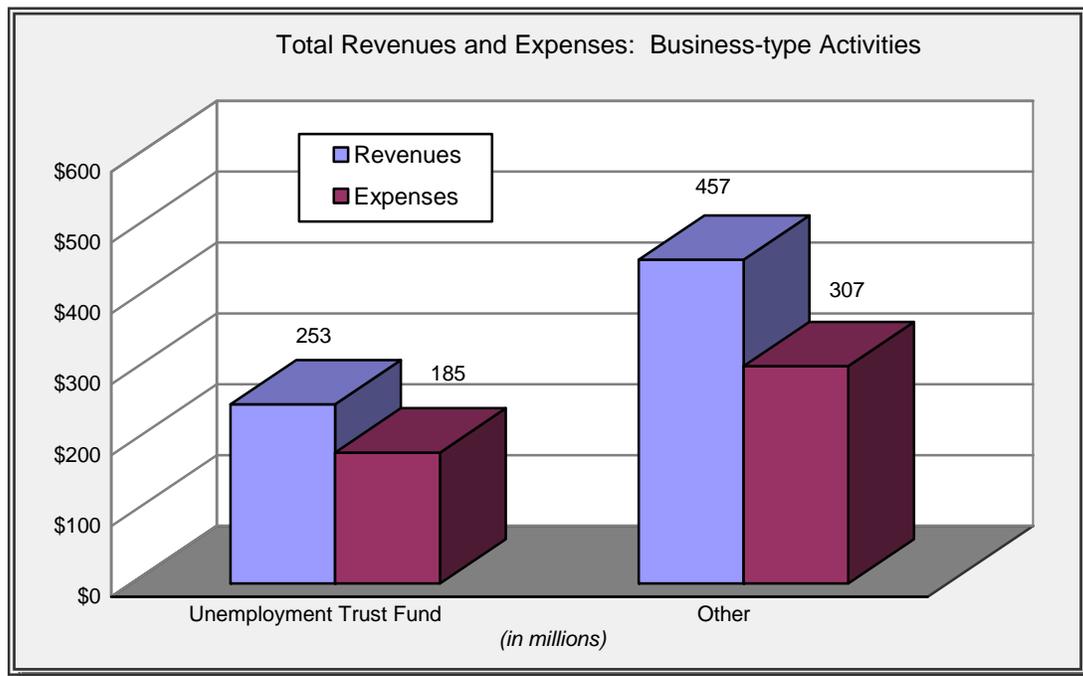
Business-Type Activities – Net assets increased by \$507 million (27%) from the prior year balance. Charges for Services of \$697 million accounted for much of the total revenue (95%), while Capital Grants and Contributions provided \$19 million (3%) of the total revenues. The largest component of business-type activity expenses was for Other Funds (62%), including the Boards and Commissions and Prison Enterprises. For fiscal year 2007, business-type activity revenues exceeded expenses by \$238 million (a 17% increase from last year).

The following chart depicts business-type activities' revenues for the 2007 fiscal year:



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The following chart depicts the business-type activities' revenues and expenses for fiscal year 2007:



In conclusion, the State government's financial position improved over last year, with an increase in the net assets of governmental activities of \$2.9 billion resulting mainly from increases in capital grants and contributions revenue and income taxes, and a \$507 million increase in the net assets of business-type activities. Information presented below provides further insight into the reasons behind these changes.

FINANCIAL ANALYSIS OF THE FUNDS OF THE STATE

As noted earlier, the State uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and to assist in the management of its budgetary operations.

Governmental Funds

The major governmental funds are the General Fund, Bond Security and Redemption Fund, and Louisiana Education Quality Trust Fund. The General Fund is the chief operating fund of the State. The Bond Security and Redemption Fund receives all money deposited into the State Treasury except federal funds, donations, or other forms of assistance when otherwise required, and out of this fund all obligations secured by the full faith and credit of the State which are due and payable in the current fiscal year are paid. The Louisiana Education Quality Trust Fund uses funds received from the federal government from mineral production or leases on the outer continental shelf for various purposes aimed at improving the quality of education in Louisiana.

The overall performance of the General Fund increased by \$996 million and the unreserved/undesignated fund balance increased by \$716 million to a balance of \$1.2 billion (162%). Most of the increase in revenues of \$3.6 billion (40%) resulted from the increased funding made available to the State as Community Development Block Grant Disaster funds for the Road Home program. In addition, the recovery and rebuilding effort steadily fueled sustained economic activity throughout fiscal year 2007, resulting in gains in individual and corporate income and general sales taxes. Higher than expected oil prices led to increases in severance taxes, royalties, and mineral bonuses. The increase in insurance premiums following the 2005 hurricanes resulted in higher insurance premium tax collections from the prior year. The following table ranks the revenue sources with the largest percentage growth and a \$10 million or higher increase over the prior year during fiscal year 2007:

Revenue Increases Greater than \$10 Million

Revenue Source	Growth in Million \$	Growth in %
Individual Income Tax	745.1	29.7
Corporate Income and Franchise Tax	283.8	36.9
Severance Tax	185.1	25.5
General Sales Tax	113.5	4.2
Royalties	92.1	21.7
General Fund Interest and Earnings	72.6	138.1
Insurance Premium Tax	71.3	33.3
Various Agency Income Not Available	27.2	86.6
Land-based Casino	23.7	39.5
Lottery Proceeds	22.8	21.4
Gasoline and Special Fuels Tax	13.6	2.3
Mineral Bonuses	13.6	41.1

General Fund expenditures have increased by \$2.8 billion (14%). The major portion of this increase can be attributed to expenditures relating to the Road Home program.

The Bond Security and Redemption Fund revenues increased by \$1.6 billion (14%) in fiscal year 2007, mainly because of an increase in tax revenue. The Louisiana Education Quality Trust Fund reported interest earnings of \$20.5 million (a 13% increase) and market gains of \$11.2 million.

Proprietary Funds

The only major enterprise fund of the State is the Unemployment Trust Fund. This fund accounts for 61% of the net assets of the enterprise funds. Combined net assets for the enterprise funds increased by \$507 million compared to the prior fiscal year's restated ending balance. In addition to this major fund, enterprise funds also include the Louisiana Lottery Corporation, the Municipal Facilities Revolving Loan Fund, the Drinking Water Revolving Loan Fund, and 8 other non-major enterprise funds.

The Unemployment Trust Fund accounts for the Unemployment Insurance Program in the State. Revenues decreased by over \$430 million (63%). The decrease is due to the reversion of revenues to the average fund levels after the issuance of a one time federal remittance of \$400 million used to pay unemployment claims, which had risen dramatically after Hurricanes Katrina and Rita. Expenses for the Unemployment Trust Fund decreased by approximately \$639 million (78%), due to the State reinstating unemployment claim requirements that were waived when the hurricanes hit, resulting in the ineligibility of many of the claimants. In addition, unemployment rates have dropped from 6.7% in calendar year 2005 to 4.0% in calendar year 2006.

GENERAL FUND BUDGETARY HIGHLIGHTS

Supplemental appropriations are usually passed before the end of the fiscal year based on revisions to estimated revenues by the Revenue Estimating Conference and the needs of various departments and programs. These supplemental appropriations are included in the final budget, but are not in the original budget, which is mainly the reason why final budgeted revenues and expenses exceed original budgeted revenues and expenses. Final budgeted revenues were approximately \$1.8 billion greater than originally budgeted and final budgeted expenditures were approximately \$4 billion greater than originally budgeted. Transfers in from other funds make up the difference between revenues and expenditures. Final budgeted revenues and expenditures in excess of original budgeted revenues and expenditures include \$537 million of additional federal funding for the state's Recovery School District, which has authority over the lowest-performing public schools in Orleans Parish with a mission of creating a world-class public education system in New Orleans and \$194 million in Social Services Block Grants for health care, mental health, and social services needs of the victims of Hurricanes Katrina and Rita, as well as for the repair, renovation, and construction of facilities providing those services. In addition, final budgeted revenues and expenditures in excess of original amounts include \$153 million in Community Development Block Grant funding for the Small Firm Recovery Loan and Grant Program to provide immediate financial relief to restart and sustain small and independent businesses in the areas of the State hardest hit by Katrina and Rita.

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Actual revenues were \$4 billion less than the final budgeted revenues and actual expenditures were \$6.8 billion less than final budgeted expenditures. Increases in budgeted levels of Community Development Block Grant funding to provide for obligations of the Road Home Program and FEMA reimbursement for the Recovery School District occurred during the fiscal year, and actual amounts were not received or expended by fiscal year end. In addition, budgeted amounts for the State Employees Group Benefits Program were based on enrollment projections prior to the annual enrollment period.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets						
(net of depreciation, in thousands)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Land	\$ 2,039,899	\$ 1,968,397	\$ 4,957	\$ 3,807	\$ 2,044,856	\$ 1,972,204
Buildings and Improvements	1,166,398	1,005,434	12,913	12,193	1,179,311	1,017,627
Equipment	190,568	143,317	6,323	6,176	196,891	149,493
Infrastructure	10,127,262	9,486,175	--	--	10,127,262	9,486,175
Construction-in-Progress	239,103	192,503	56,949	6,324	296,052	198,827
Total	\$ 13,763,230	\$ 12,795,826	\$ 81,142	\$ 28,500	\$ 13,844,372	\$ 12,824,326

Capital Assets

Investment in capital assets for governmental and business-type activities of the State as of June 30, 2007, totaled approximately \$13.8 billion and \$81.1 million (net of accumulated depreciation) respectively. Approximately 83.4% of the governmental capital assets are depreciable. Investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, roads, highways, and bridges. The increase in investment in governmental capital assets for the current fiscal year is \$967 million (7.6%). The majority of the increase in land and infrastructure can be attributed to the TIMED Program. This \$4.9 billion improvement program involves specific transportation projects that include widening over 500 miles of state highways from two to four lanes to make Louisiana more attractive for companies moving goods from, into, and through the State; widening and/or new construction on three major bridges to expand shipping options; and improvements to the Port of New Orleans and Louis Armstrong International Airport to promote increased trade with Central and South American markets. An additional benefit of the TIMED Program is the improvement of vital north-south evacuation routes for southeast and southwest Louisiana.

Construction-in-progress for governmental activities increased by \$46.6 million over last year, largely due to the addition of capital outlay for Military Affairs for the replacement of Military/National Guard facilities damaged by Hurricanes Katrina and Rita. Construction-in-progress additions included renovations and additions for the Elayn Hunt Skilled Nursing Facility, Bridge City Region One Training Facility, Northwest Louisiana Veterans Home, Old Governor's Mansion, and a number of other general government projects.

The investment in capital assets for business-type activities increased by \$52.6 million over fiscal year 2006 because of ongoing construction-in-progress by the Louisiana Transportation Authority for improvement of Louisiana Highway 1 to enhance road accessibility to the Gulf of Mexico, one of the nation's major offshore oil and gas fields. The Louisiana Transportation Authority was created for the purpose of developing, improving, and maintaining an efficient intermodal transportation system in the State to promote the State's economic growth and ability to compete in regional, national, and global markets.

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Refer to Note 5 – “Capital Assets” for more details of the changes in capital assets.

Outstanding Debt						
General Obligation and Revenue Bonds						
(in thousands)						
	Governmental		Business-type		Total	
	Activities		Activities		Primary	
					Government	
	2007	2006	2007	2006	2007	2006
General obligation bonds	\$ 2,778,140	\$ 2,038,810	\$ --	\$ --	\$ 2,778,140	\$ 2,038,810
Revenue bonds and notes	3,342,805	2,295,000	163,728	163,805	3,506,533	2,458,805
Total	\$ 6,120,945	\$ 4,333,810	\$ 163,728	\$ 163,805	\$ 6,284,673	\$ 4,497,615

Debt Administration

The State authorizes, issues, and sells debt obligations. General obligation bonds issued by the State are backed by the full faith and credit of the State. The State also issues revenue obligations, which are secured by a pledge of revenues or property derived from the operations of a program funded by the issuance of the obligations.

On September 21, 2006, the State issued General Obligation Bonds, Series 2006-C in the amount of \$500 million for lines of credit reimbursements that were used to finance approved capital outlay projects. In response to the need to assist local political subdivisions as the result of Hurricanes Katrina and Rita, the State issued General Obligation Gulf Tax Credit bonds, Series 2006-A, and General Obligation Match Bonds, Series 2006-B, in the amounts of \$200 million and \$194.5 million respectively, for the purpose of providing loans to political subdivisions of the State affected by Hurricanes Katrina and Rita. The State sold \$1.1 billion of Gasoline and Fuels Tax Revenue Bonds Series 2006-A in November 2006. In addition, the State entered into a forward delivery contract for a Gasoline and Fuels Tax Revenue Bond Series 2008-A in the amount of \$485 million in December 2006.

Debt authorization and limitations are discussed in Note 8. Bond ratings for general obligation debt remained at “A” as rated by Standard and Poor’s and Fitch and remained at “A2” by Moody’s. Refer to Note 8, Long-Term Obligations, for more details on long-term debt.

ECONOMIC FACTORS

(Selected excerpts under “Economic Factors” are taken from The Louisiana Economic Outlook: 2008 and 2009, by Loren C. Scott, James A. Richardson, M. Dek Terrell, and Mary Jo Neathery, published in October 2007.)

When Hurricanes Katrina and Rita struck in 2005, they suddenly changed the economic structure, altered potential revenue streams, and imposed new expenditures on both the state and local governments, leaving indelible marks on individuals, businesses, and the State as a whole. As a result of the devastation from the hurricanes, revenue estimates for fiscal year 2006 were lowered from \$9 billion to \$8.1 billion (a 10% decrease). However, the concerns for a reduction in revenues turned out to be false. Instead of hampering revenue collections, the degree of damage from the hurricanes actually exaggerated revenue increases. The recovery process accelerated the collection of sales taxes as people purchased new appliances, furniture, clothes, and vehicles. Personal income tax collections rose, as did gaming revenues, even though several gaming facilities were severely damaged. Oil and gas production was restored and energy prices stayed high throughout fiscal year 2007, resulting in a rise in oil and gas revenues.

State of Louisiana

Revenue estimates for fiscal year 2007 projected that the State would have more money in fiscal year 2007 than in fiscal year 2006, but initial estimates were much too low. State revenues have continued to increase because of the economic activity created by recovery from the storms. As a result, the state legislature had over \$3.8 billion to spend during the 2007 Regular Session. The State has an additional \$900 million that will be counted as non-recurring revenues to be appropriated during fiscal year 2008.

As the recovery from Hurricanes Katrina and Rita continues, Governor Kathleen Babineaux Blanco and the Louisiana Legislature are striving to strengthen and diversify the State's economy by providing tax relief and creating opportunity for its citizens. An exemption on the sales tax on manufacturing machinery and equipment and interstate trucks has been established, along with rebates of sales and use taxes on the purchases of machinery and equipment or materials used in the construction of buildings, creating new opportunities for increased investments, business expansion, and job growth.

The Louisiana Legislature appropriated \$150 million during the 2007 regular session to create the Louisiana Mega-Project Development Fund to allow Louisiana to compete for qualified large scale projects that create a minimum of 500 net new jobs and capital expenditures of \$100 million. Additional funding of \$38 million was appropriated for the Louisiana Cancer Research Consortium, a cancer research partnership between LSU Health Sciences Center and Tulane University Health Sciences Center. The Consortium and its new Cancer Research Center is expected to fuel economic development for the State and provide new career opportunities for graduates of Louisiana universities.

The oil and gas industry is a giant economic engine for Louisiana's economy, supporting \$70.2 billion in sales for Louisiana firms and thousands of jobs throughout all 64 parishes. Louisiana is once again an energy hub for the nation, ranking first in the production of crude oil and second in natural gas, as much of the damage in the Gulf of Mexico caused by the hurricanes has been repaired. Louisiana's academic community provides classes and programs designed to provide skilled workers for the State's oil and gas industry. The Board of Regents' website links to Louisiana's technical colleges, community colleges, and four-year institutions with energy focused programs, including the LSU School of Energy Studies, the ULL Energy Institute, and the UNO School of Energy Conservation and Management.

Louisiana's construction industry is experiencing an unprecedented boom and is on its way to becoming a global center of construction technology. It currently has 122,000 homes being built, with another 380,000 homes and rental units in need of repair. This residential construction will be spurred by Louisiana's \$9 billion Road Home Program, the single largest single housing recovery program in U.S. history, which was created to assist residents in returning to their homes and re-establishing their lives in Louisiana. Under this program, homeowners may receive up to a \$150,000 incentive grant for rebuilding their homes. In addition to rebuilding homes, Louisiana is focusing on projects to provide protection from future hurricanes, as the Corps of Engineers will spend \$1 billion a year for the next four years on levee improvements, and the Louisiana Legislature has appropriated \$200 million for coastal restoration and hurricane protection projects.

Louisiana is continuing to invest in infrastructure projects needed to stimulate economic development, including \$803 million on a new 6-lane twin span over Lake Ponchartrain between New Orleans East and Slidell and \$600 million appropriated for road and highway construction during fiscal year 2007. Milestones of the TIMED program for fiscal year 2007 include completion of the West Napoleon Avenue in Jefferson Parish, which included widening a five-mile corridor to a four-lane divided highway. Notable projects underway include construction of the new John James Audubon Bridge over the Mississippi River near St. Francisville and widening of the Huey P. Long Bridge in New Orleans.

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.la.gov/osrap/cafr-2.htm>.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

State of Louisiana

STATEMENT OF NET ASSETS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL PRIMARY GOVERNMENT	
ASSETS				
CASH AND CASH EQUIVALENTS	\$ 7,316,392	\$ 1,629,812	\$ 8,946,204	\$ 1,150,183
INVESTMENTS	4,590,823	243,205	4,834,028	1,736,410
RECEIVABLES (NET)	2,229,004	70,084	2,299,088	532,462
AMOUNTS DUE FROM PRIMARY GOVERNMENT	--	--	--	83,603
AMOUNTS DUE FROM COMPONENT UNITS	3,801	--	3,801	--
DUE FROM FEDERAL GOVERNMENT	2,262,124	148	2,262,272	49,701
INTERNAL BALANCES	13,199	(13,199)	--	--
INVENTORIES	77,064	5,948	83,012	49,431
PREPAYMENTS	32	476	508	15,034
NOTES RECEIVABLE	--	695,051	695,051	217,452
OTHER ASSETS	121,651	11,980	133,631	91,908
CAPITAL ASSETS (NOTE 5)				
LAND	2,039,899	4,957	2,044,856	328,917
BUILDINGS AND IMPROVEMENTS (NET OF DEPRECIATION)	1,166,398	12,913	1,179,311	2,385,443
MACHINERY AND EQUIPMENT (NET OF DEPRECIATION)	190,568	6,323	196,891	437,080
INFRASTRUCTURE (NET OF DEPRECIATION)	10,127,262	--	10,127,262	349,457
CONSTRUCTION IN PROGRESS	239,103	56,949	296,052	380,210
TOTAL ASSETS	30,377,320	2,724,647	33,101,967	7,807,291
LIABILITIES				
ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES	2,974,949	21,388	2,996,337	613,463
ACCRUED INTEREST ON BONDS	39,985	--	39,985	--
AMOUNTS DUE TO PRIMARY GOVERNMENT	--	--	--	3,801
AMOUNTS DUE TO COMPONENT UNITS	83,603	--	83,603	--
DUE TO FEDERAL GOVERNMENT	79,580	7	79,587	543
DUE TO LOCAL GOVERNMENTS	48,560	--	48,560	--
UNEARNED REVENUE	106,501	3,827	110,328	131,804
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	105	105	--
OTHER LIABILITIES	32,248	45,143	77,391	2,326
CURRENT PORTION OF LONG-TERM LIABILITIES (NOTE 8):				
COMPENSATED ABSENCES	14,535	841	15,376	19,363
CAPITAL LEASE OBLIGATIONS	9,853	146	9,999	7,687
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	15,542
NOTES PAYABLE	702	135	837	26,565
LIABILITIES PAYABLE FROM RESTRICTED ASSETS	--	--	--	10,532
BONDS PAYABLE	260,170	--	260,170	37,067
ESTIMATED LIABILITY FOR CLAIMS	265,498	--	265,498	464
UNAMORTIZED BOND PREMIUM	11,663	--	11,663	--
OTHER LONG-TERM LIABILITIES	3,922	--	3,922	11,065
NONCURRENT PORTION OF LONG-TERM LIABILITIES (NOTE 8):				
COMPENSATED ABSENCES	177,491	1,372	178,863	173,636
CAPITAL LEASE OBLIGATIONS	39,619	124	39,743	72,098
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	20,040
NOTES PAYABLE	1,195	2,131	3,326	79,894
BONDS PAYABLE	5,860,775	163,728	6,024,503	1,552,743
ESTIMATED LIABILITY FOR CLAIMS	2,419,149	50	2,419,199	27,218
UNAMORTIZED BOND PREMIUM	181,729	--	181,729	--
OTHER LONG-TERM LIABILITIES	40,399	81,233	121,632	23,716
TOTAL LIABILITIES	12,652,126	320,230	12,972,356	2,829,567
NET ASSETS				
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	11,841,240	22,290	11,863,530	2,508,840
RESTRICTED FOR:				
CAPITAL PROJECTS	2,681,629	--	2,681,629	9,940
DEBT SERVICE	135,513	--	135,513	12,100
UNEMPLOYMENT COMPENSATION	--	1,373,561	1,373,561	--
OTHER PURPOSES	351,504	103,168	454,672	128,316
PERMANENT FUNDS AND ENDOWMENTS:				
NONEXPENDABLE	987,305	--	987,305	643,936
EXPENDABLE	1,348,113	--	1,348,113	816,251
UNRESTRICTED	379,890	905,398	1,285,288	858,341
TOTAL NET ASSETS	\$ 17,725,194	\$ 2,404,417	\$ 20,129,611	\$ 4,977,724

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

State of Louisiana

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS							
	EXPENSES	PROGRAM REVENUES			PRIMARY GOVERNMENT			COMPONENT UNITS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
PRIMARY GOVERNMENT:								
GOVERNMENTAL ACTIVITIES:								
GENERAL GOVERNMENT	\$ 7,492,929	\$ 2,116,712	\$ 1,687,311	\$ 3,353,397	\$ (335,509)		\$ (335,509)	
CULTURE, RECREATION, AND TOURISM	100,246	34,932	12,112	5,547	(47,655)		(47,655)	
TRANSPORTATION AND DEVELOPMENT	889,606	197,283	17,288	557,694	(117,341)		(117,341)	
PUBLIC SAFETY	337,962	273,481	31,406	--	(33,075)		(33,075)	
HEALTH AND WELFARE	7,626,096	266,603	5,879,405	9,025	(1,471,063)		(1,471,063)	
CORRECTIONS	540,284	41,657	1,808	4,626	(492,193)		(492,193)	
YOUTH SERVICES	121,335	1,073	518	1,890	(117,854)		(117,854)	
CONSERVATION AND ENVIRONMENT	331,891	841,171	66,977	32,300	608,557		608,557	
EDUCATION	6,085,878	30,058	1,265,608	--	(4,790,212)		(4,790,212)	
OTHER	40,008	--	--	--	(40,008)		(40,008)	
INTERGOVERNMENTAL	182,741	1,027	--	--	(181,714)		(181,714)	
INTEREST ON LONG-TERM DEBT	296,223	--	--	--	(296,223)		(296,223)	
TOTAL GOVERNMENTAL ACTIVITIES	24,045,199	3,803,997	8,962,433	3,964,479	(7,314,290)		(7,314,290)	
BUSINESS-TYPE ACTIVITIES:								
UNEMPLOYMENT TRUST FUND	185,308	249,631	3,794	--	\$ 68,117		68,117	
NONMAJOR ENTERPRISE FUNDS	307,483	447,678	6	19,355	159,556		159,556	
TOTAL BUSINESS-TYPE ACTIVITIES	492,791	697,309	3,800	19,355	227,673		227,673	
TOTAL PRIMARY GOVERNMENT	\$ 24,537,990	\$ 4,501,306	\$ 8,966,233	\$ 3,983,834	(7,314,290)	227,673	(7,086,617)	
COMPONENT UNITS:								
STATE UNIVERSITIES:								
LOUISIANA STATE UNIVERSITY SYSTEM	\$ 2,907,897	\$ 1,588,039	\$ 497,236	\$ 71,344				\$ (751,278)
UNIVERSITY OF LOUISIANA SYSTEM	919,009	350,105	195,602	22,012				(351,290)
SOUTHERN UNIVERSITY SYSTEM	222,026	49,148	76,478	8,852				(87,548)
LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM	368,552	57,951	113,183	15,617				(181,801)
BOARD OF REGENTS	122,218	1,957	22,042	--				(98,219)
AUTHORITIES:								
LOUISIANA STADIUM AND EXPOSITION DISTRICT	79,374	22,530	--	75,922				19,078
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST AND WEST	41,483	6,269	1,043	15,118				(19,053)
OTHER COMPONENT UNITS	321,971	69,130	111,687	68,018				(73,136)
TOTAL COMPONENT UNITS	\$ 4,982,530	\$ 2,145,129	\$ 1,017,271	\$ 276,883				(1,543,247)
GENERAL REVENUES:								
INCOME TAXES					4,140,496		4,140,496	
SALES TAXES					3,059,073		3,059,073	
FRANCHISE TAXES					299,602		299,602	
GASOLINE TAXES, restricted for transportation					617,498		617,498	
TOBACCO TAXES					104,051		104,051	
MISCELLANEOUS TAXES					1,437,427		1,437,427	
TOBACCO SETTLEMENT, restricted for education, health and welfare					61,016		61,016	
GAMING					726,165		726,165	
UNRESTRICTED INVESTMENT EARNINGS					6,071		6,071	
MISCELLANEOUS					6,105		6,105	1,633,205
OTHER					13,337	9,568	22,905	551,997
EXTRAORDINARY ITEM - Gain on impairment of capital assets					--	--	--	893
TRANSFERS					(270,126)	270,126	--	--
TOTAL GENERAL REVENUES AND TRANSFERS					10,200,715	279,694	10,480,409	2,186,095
CHANGE IN NET ASSETS					2,886,425	507,367	3,393,792	642,848
NET ASSETS - BEGINNING AS RESTATED					14,838,769	1,897,050	16,735,819	4,334,876
NET ASSETS - ENDING					\$ 17,725,194	\$ 2,404,417	\$ 20,129,611	\$ 4,977,724

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 to be used for various educational purposes.

State of Louisiana

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	GENERAL FUND	BOND SECURITY AND REDEMPTION FUND	LOUISIANA EDUCATION QUALITY TRUST FUND	NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 1,192,061	\$ 272,453	\$ --	\$ 5,782,279	\$ 7,246,793
INVESTMENTS	30,519	--	1,012,338	3,515,020	4,557,877
RECEIVABLES (NET)	136,301	1,684,675	--	107,231	1,928,207
DUE FROM OTHER FUNDS	1,323,087	193,064	448	434,782	1,951,381
AMOUNT DUE FROM COMPONENT UNITS	3,801	--	--	--	3,801
DUE FROM FEDERAL GOVERNMENT	1,632,923	--	--	94,437	1,727,360
INVENTORIES	74,309	--	--	--	74,309
OTHER ASSETS	4,699	--	--	3,603	8,302
TOTAL ASSETS	\$ 4,397,700	\$ 2,150,192	\$ 1,012,786	\$ 9,937,352	\$ 17,498,030
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ 1,870,082	\$ 5	\$ --	\$ 221,719	\$ 2,091,806
OTHER PAYABLES	82,896	235,700	--	--	318,596
DUE TO OTHER FUNDS	200,406	1,264,357	40,104	432,811	1,937,678
AMOUNTS DUE TO COMPONENT UNITS	49,006	--	--	34,597	83,603
DUE TO FEDERAL GOVERNMENT	79,580	--	--	--	79,580
DUE TO LOCAL GOVERNMENTS	--	--	--	48,560	48,560
DEFERRED REVENUES	115,711	650,130	--	--	765,841
ESTIMATED LIABILITY FOR CLAIMS	221,498	--	--	--	221,498
OTHER LIABILITIES	--	--	--	1,167	1,167
TOTAL LIABILITIES	2,619,179	2,150,192	40,104	738,854	5,548,329
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	135,513	135,513
INVENTORIES	74,309	--	--	--	74,309
ENCUMBRANCES	197,662	--	--	448,078	645,740
CONTINUING PROJECTS	--	--	--	312,052	312,052
CONSTRUCTION	--	--	--	2,681,629	2,681,629
TRUST PRINCIPAL	--	--	972,682	14,623	987,305
OTHER SPECIFIC PURPOSES	348,569	--	--	89,228	437,797
UNRESERVED / DESIGNATED, REPORTED IN:					
SPECIAL REVENUE FUNDS					
DEBT SERVICE FUNDS	--	--	--	53,765	53,765
CAPITAL PROJECTS FUNDS	--	--	--	1,399	1,399
PERMANENT FUNDS	--	--	--	383	383
UNRESERVED / UNDESIGNATED, REPORTED IN:					
GENERAL FUND	1,157,981	--	--	--	1,157,981
SPECIAL REVENUE FUNDS	--	--	--	4,203,023	4,203,023
PERMANENT FUNDS	--	--	--	1,249,634	1,249,634
TOTAL FUND BALANCES	1,778,521	--	972,682	9,198,498	11,949,701
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,397,700	\$ 2,150,192	\$ 1,012,786	\$ 9,937,352	\$ 17,498,030

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 Assets

(Expressed in Thousands)

Total Fund Balances - Governmental Funds \$ 11,949,701

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

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

Land	\$ 2,039,598	
Buildings and Improvements	1,670,959	
Machinery and Equipment	709,793	
Infrastructure	18,818,026	
Construction in Progress	239,103	
Accumulated Depreciation	<u>(9,718,598)</u>	13,758,881

Net assets of the Internal Service Funds are reported separately in the proprietary funds, but are consolidated for the government-wide statements. 47,596

Commodities inventory is not reported in the funds. Ending inventory must be reported on the government-wide statements. 1,650

Bonds issued by the State have associated costs that are paid from current available financial resources in the funds. These costs are deferred on the Statement of Net Assets. 109,736

The annual required contributions of certain pension trust funds have been under-funded, creating a year-end liability, which is not reported in the funds. (31,081)

Some liabilities are not due and payable in the current period and are not reported in the funds. These liabilities consist of the following:

Compensated Absences	(191,299)	
Capital Lease Obligations	(49,472)	
Bonds Payable	(6,120,945)	
Estimated Liabilities for Claims	(2,463,149)	
Unamortized Bond Premium	(193,392)	
Accrued Interest Payable	<u>(39,985)</u>	(9,058,242)

Some of the State's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and are deferred or not reported in the funds. Those revenues consist of the following:

Accounts Receivable	289,317	
Due From Federal Government	534,764	
Deferred Revenues	<u>684,405</u>	1,508,486

Some payables do not meet the criteria for reporting under the modified accrual basis of accounting and are not reported in the fund level statements. (561,533)

Net Assets of Governmental Activities \$ 17,725,194

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, 2007

(EXPRESSED IN THOUSANDS)

	GENERAL FUND	BOND SECURITY AND REDEMPTION FUND	LOUISIANA EDUCATION QUALITY TRUST FUND	NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
INTERGOVERNMENTAL REVENUES	\$ 12,374,474	\$ 9,835	\$ --	\$ 1,005,252	\$ 13,389,561
TAXES	--	9,526,072	--	129,190	9,655,262
GAMING	--	730,812	--	--	730,812
TOBACCO SETTLEMENT	--	55,256	--	82,868	138,124
USE OF MONEY AND PROPERTY	66,204	984,454	11,205	180,844	1,242,707
LICENSES, PERMITS, AND FEES	--	545,887	--	58,317	604,204
SALES OF COMMODITIES AND SERVICES	--	1,074,537	--	--	1,074,537
OTHER	59,304	504,344	--	24,308	587,956
	<u>12,499,982</u>	<u>13,431,197</u>	<u>11,205</u>	<u>1,480,779</u>	<u>27,423,163</u>
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT	6,473,720	--	--	--	6,473,720
CULTURE, RECREATION, AND TOURISM	92,220	--	--	--	92,220
TRANSPORTATION AND DEVELOPMENT	385,408	--	--	--	385,408
PUBLIC SAFETY	321,763	--	--	--	321,763
HEALTH AND WELFARE	7,564,017	--	--	--	7,564,017
CORRECTIONS	535,772	--	--	--	535,772
YOUTH SERVICES	120,926	--	--	--	120,926
CONSERVATION AND ENVIRONMENT	274,861	--	--	--	274,861
EDUCATION	5,940,907	--	--	--	5,940,907
OTHER	19,663	3,234	--	241,248	264,145
INTERGOVERNMENTAL	465,047	--	--	107,316	572,363
CAPITAL OUTLAY	--	--	--	1,696,915	1,696,915
DEBT SERVICE:					
PRINCIPAL RETIREMENT	27,570	96,320	--	90,669	214,559
INTEREST AND FISCAL CHARGES	21,624	79,074	--	195,733	296,431
	<u>22,243,498</u>	<u>178,628</u>	<u>--</u>	<u>2,331,881</u>	<u>24,754,007</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(9,743,516)</u>	<u>13,252,569</u>	<u>11,205</u>	<u>(851,102)</u>	<u>2,669,156</u>
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN	13,525,737	138,473	20,540	7,093,579	20,778,329
TRANSFERS OUT	(2,785,187)	(13,391,042)	--	(4,872,226)	(21,048,455)
LONG-TERM DEBT ISSUED	--	--	--	1,927,456	1,927,456
OTHER	4,681	--	--	--	4,681
	<u>10,745,231</u>	<u>(13,252,569)</u>	<u>20,540</u>	<u>4,148,809</u>	<u>1,662,011</u>
NET CHANGE IN FUND BALANCES	1,001,715	--	31,745	3,297,707	4,331,167
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	770,406	--	940,937	5,900,791	7,612,134
INCREASE IN RESERVES FOR INVENTORIES	6,400	--	--	--	6,400
FUND BALANCES AT END OF YEAR	<u>\$ 1,778,521</u>	<u>\$ --</u>	<u>\$ 972,682</u>	<u>\$ 9,198,498</u>	<u>\$ 11,949,701</u>

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

State of Louisiana

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

(Expressed in Thousands)

Net Change in Fund Balances - Total Governmental Funds \$ 4,331,167

Amounts reported for governmental activities in the Statement of

Activities are different due to the following:

Governmental funds report capital outlays as expenditures. In the Statements of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. Those capital outlay expenditures consist of the following:

	Land	\$ 71,491	
	Buildings and Improvements	4,074	
	Machinery and Equipment	37,327	
	Infrastructure	633,237	
	Construction in Progress	<u>182,748</u>	928,877

Revenues and expenses in the statement of activities that do not provide current financial resources are not reported as revenues and expenditures in the funds.

(233,945)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term bonded debt in the Statement of Net Assets.

	Bond Proceeds and Premiums Received	(2,033,816)	
	Repayment of Bond Principal	<u>214,829</u>	(1,818,987)

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.

6,113

Certain expenditures are reported in the funds. However, they either increase or decrease long-term liabilities reported on the Statement of Net Assets and have been eliminated from the Statement of Activities. Those expenditures consists of:

	Compensated Absences	(4,586)	
	Capital Lease Obligations	2,667	
	Estimated Liabilities for Claims	(338,516)	
	Unamortized Bond Premium	12,348	
	Deferred Charges - Issuance Costs	<u>(3,811)</u>	(331,898)

Revenues and expenses relating to changes in inventory are not reported in the funds. Current year inventory activity must be reported on the government-wide statements.

5,098

Change in Net Assets of Governmental Activities \$ 2,886,425

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

**PROPRIETARY FUND
FINANCIAL STATEMENTS**

PROPRIETARY FUND FINANCIAL STATEMENTS

Major Fund

UNEMPLOYMENT TRUST FUND

This fund accounts primarily for the unemployment contributions from employers for the payment of unemployment benefits to eligible claimants.

State of Louisiana

BALANCE SHEET

PROPRIETARY FUNDS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	UNEMPLOYMENT TRUST FUND	OTHER ENTERPRISE FUNDS	TOTAL	
ASSETS				
CURRENT ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 1,437,884	\$ 190,567	\$ 1,628,451	\$ 69,599
INVESTMENTS	--	44,075	44,075	--
RECEIVABLES (NET)	52,888	17,127	70,015	11,480
DUE FROM FEDERAL GOVERNMENT	106	42	148	--
INVENTORIES	--	5,948	5,948	1,105
PREPAYMENTS	--	476	476	32
NOTES RECEIVABLE	--	13,272	13,272	--
OTHER CURRENT ASSETS	--	87	87	803
TOTAL CURRENT ASSETS	<u>1,490,878</u>	<u>271,594</u>	<u>1,762,472</u>	<u>83,019</u>
NONCURRENT ASSETS:				
RESTRICTED ASSETS				
CASH	--	1,361	1,361	--
INVESTMENTS	--	198,930	198,930	32,946
RECEIVABLES	--	69	69	--
INVESTMENTS	--	200	200	--
NOTES RECEIVABLE	--	681,779	681,779	--
CAPITAL ASSETS (NOTE 5)				
LAND	--	4,957	4,957	301
BUILDINGS AND IMPROVEMENTS (NET OF DEPRECIATION)	--	12,913	12,913	7
MACHINERY AND EQUIPMENT (NET OF DEPRECIATION)	--	6,323	6,323	4,041
CONSTRUCTION IN PROGRESS	--	56,949	56,949	--
OTHER NONCURRENT ASSETS	--	11,893	11,893	2,810
TOTAL NONCURRENT ASSETS	<u>--</u>	<u>975,374</u>	<u>975,374</u>	<u>40,105</u>
TOTAL ASSETS	<u>\$ 1,490,878</u>	<u>\$ 1,246,968</u>	<u>\$ 2,737,846</u>	<u>\$ 123,124</u>
LIABILITIES				
CURRENT LIABILITIES:				
ACCOUNTS PAYABLE AND ACCRUALS	\$ 2,512	\$ 18,876	\$ 21,388	\$ 3,014
DUE TO OTHER FUNDS	--	13,199	13,199	504
DUE TO FEDERAL GOVERNMENT	--	7	7	--
DEFERRED REVENUES	--	3,697	3,697	25,065
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	105	105	--
OTHER CURRENT LIABILITIES	14,216	30,927	45,143	--
CURRENT PORTION OF LONG-TERM LIABILITIES:				
COMPENSATED ABSENCES PAYABLE	--	841	841	63
CAPITAL LEASE OBLIGATIONS	--	146	146	--
NOTES PAYABLE	--	135	135	702
OTHER LONG-TERM LIABILITIES	--	--	--	3,922
TOTAL CURRENT LIABILITIES	<u>16,728</u>	<u>67,933</u>	<u>84,661</u>	<u>33,270</u>
NONCURRENT LIABILITIES:				
NON-CURRENT PORTION OF LONG-TERM LIABILITIES:				
COMPENSATED ABSENCES PAYABLE	--	1,372	1,372	664
CAPITAL LEASE OBLIGATIONS	--	124	124	--
DEFERRED REVENUES	--	130	130	--
CLAIMS AND LITIGATION PAYABLE	--	50	50	--
NOTES PAYABLE	--	2,131	2,131	1,195
BONDS PAYABLE (NET OF UNAMORTIZED DISCOUNTS)	--	163,728	163,728	--
OTHER LONG-TERM LIABILITIES	--	81,233	81,233	40,399
TOTAL NONCURRENT LIABILITIES	<u>--</u>	<u>248,768</u>	<u>248,768</u>	<u>42,258</u>
TOTAL LIABILITIES	<u>16,728</u>	<u>316,701</u>	<u>333,429</u>	<u>75,528</u>
NET ASSETS				
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	--	22,290	22,290	2,452
RESTRICTED FOR DEBT SERVICE	--	--	--	36,406
RESTRICTED FOR UNEMPLOYMENT COMPENSATION	1,373,561	--	1,373,561	--
RESTRICTED FOR OTHER SPECIFIC PURPOSES	100,589	2,579	103,168	--
UNRESTRICTED	--	905,398	905,398	8,738
TOTAL NET ASSETS	<u>1,474,150</u>	<u>930,267</u>	<u>2,404,417</u>	<u>47,596</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,490,878</u>	<u>\$ 1,246,968</u>	<u>\$ 2,737,846</u>	<u>\$ 123,124</u>

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

State of Louisiana

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	UNEMPLOYMENT TRUST FUND	OTHER ENTERPRISE FUNDS	TOTAL	
OPERATING REVENUES:				
SALES OF COMMODITIES AND SERVICES	\$ --	\$ 401,187	\$ 401,187	\$ 63,632
INTERGOVERNMENTAL REVENUES	3,794	--	3,794	--
ASSESSMENTS	184,301	2,821	187,122	--
USE OF MONEY AND PROPERTY	65,330	17,711	83,041	22,887
LICENSES, PERMITS, AND FEES	--	24,975	24,975	--
OTHER	--	2,065	2,065	15
TOTAL OPERATING REVENUES	253,425	448,759	702,184	86,534
OPERATING EXPENSES:				
COST OF SALES AND SERVICES	--	246,026	246,026	50,412
ADMINISTRATIVE	--	50,959	50,959	33,585
DEPRECIATION	--	1,922	1,922	1,645
AMORTIZATION	--	46	46	131
UNEMPLOYMENT INSURANCE BENEFITS	185,308	--	185,308	--
TOTAL OPERATING EXPENSES	185,308	298,953	484,261	85,773
OPERATING INCOME	68,117	149,806	217,923	761
NONOPERATING REVENUES (EXPENSES):				
STATE APPROPRIATIONS	--	--	--	1
INTERGOVERNMENTAL EXPENSES	--	(1,269)	(1,269)	--
USE OF MONEY AND PROPERTY	--	4,342	4,342	21,591
GAIN ON DISPOSAL OF FIXED ASSETS	--	30	30	--
LOSS ON DISPOSAL OF FIXED ASSETS	--	(456)	(456)	(116)
FEDERAL GRANTS	--	6	6	--
INTEREST EXPENSE	--	(3,066)	(3,066)	(16,991)
OTHER REVENUES	--	4,115	4,115	871
OTHER EXPENSES	--	(3,739)	(3,739)	(4)
TOTAL NONOPERATING REVENUES (EXPENSES)	--	(37)	(37)	5,352
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	68,117	149,769	217,886	6,113
CAPITAL CONTRIBUTIONS	--	19,355	19,355	--
TRANSFERS IN	--	398,788	398,788	--
TRANSFERS OUT	--	(128,662)	(128,662)	--
CHANGE IN NET ASSETS	68,117	439,250	507,367	6,113
TOTAL NET ASSETS - BEGINNING	1,406,033	491,017	1,897,050	41,483
TOTAL NET ASSETS - ENDING	\$ 1,474,150	\$ 930,267	\$ 2,404,417	\$ 47,596

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, 2007

(EXPRESSED IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	UNEMPLOYMENT TRUST FUND	OTHER ENTERPRISE FUNDS	TOTAL	
CASH FLOWS FROM OPERATING ACTIVITIES:				
CASH RECEIVED FROM CUSTOMERS	\$ 192,953	\$ 246,196	\$ 439,149	\$ 86,761
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	--	(71,919)	(71,919)	(74,879)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	--	(30,484)	(30,484)	(9,908)
CLAIMS PAID TO OUTSIDERS	(175,886)	(427,323)	(603,209)	--
OTHER OPERATING REVENUES (EXPENSES)	64,572	8,129	72,701	(13)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>81,639</u>	<u>(275,401)</u>	<u>(193,762)</u>	<u>1,961</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
STATE APPROPRIATIONS	--	--	--	1
PROCEEDS FROM SALE OF BONDS	--	5,429	5,429	--
PRINCIPAL PAID ON BONDS	--	(5,500)	(5,500)	--
INTEREST PAID ON BOND MATURITIES	--	(2)	(2)	--
PRINCIPAL PAID ON NOTES PAYABLE	--	(23)	(23)	--
OPERATING GRANTS RECEIVED	--	6	6	--
TRANSFERS IN	--	398,788	398,788	5,945
TRANSFERS OUT	--	(127,434)	(127,434)	--
OTHER	--	(1,127)	(1,127)	13
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>--</u>	<u>270,137</u>	<u>270,137</u>	<u>5,959</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
PRINCIPAL PAID ON BONDS	--	--	--	(21,655)
INTEREST PAID ON BOND MATURITIES	--	(6,624)	(6,624)	(17,100)
PROCEEDS FROM ISSUANCE OF NOTES PAYABLE	--	2,235	2,235	114
PRINCIPAL PAID ON NOTES PAYABLE	--	(190)	(190)	(724)
INTEREST PAID ON NOTES PAYABLE	--	(94)	(94)	(76)
ACQUISITION/CONSTRUCTION OF CAPITAL ASSETS	--	(46,126)	(46,126)	(10,847)
PROCEEDS FROM SALE OF CAPITAL ASSETS	--	823	823	--
CAPITAL CONTRIBUTIONS	--	19,935	19,935	--
OTHER	--	266	266	32,822
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>--</u>	<u>(29,775)</u>	<u>(29,775)</u>	<u>(17,466)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
PURCHASES OF INVESTMENT SECURITIES	--	(6,396)	(6,396)	(44,887)
PROCEEDS FROM SALE OF INVESTMENT SECURITIES	--	66,118	66,118	47,472
INTEREST AND DIVIDENDS EARNED ON INVESTMENT SECURITIES	--	8,204	8,204	5,250
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>--</u>	<u>67,926</u>	<u>67,926</u>	<u>7,835</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	81,639	32,887	114,526	(1,711)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR AS RESTATED	<u>1,356,245</u>	<u>159,041</u>	<u>1,515,286</u>	<u>71,310</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,437,884</u>	<u>\$ 191,928</u>	<u>\$ 1,629,812</u>	<u>\$ 69,599</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
OPERATING INCOME	\$ 68,117	\$ 149,806	\$ 217,923	\$ 761
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
DEPRECIATION/AMORTIZATION	--	1,968	1,968	1,776
PROVISION FOR UNCOLLECTIBLE ACCOUNTS	--	88	88	--
OTHER	--	(1,273)	(1,273)	1
CHANGES IN ASSETS AND LIABILITIES:				
(INCREASE)DECREASE IN ACCOUNTS RECEIVABLE	8,692	(399,511)	(390,819)	30
(INCREASE)DECREASE IN DUE FROM OTHER FUNDS	(40)	(14)	(54)	--
(INCREASE)DECREASE IN PREPAYMENTS	--	97	97	(14)
(INCREASE)DECREASE IN INVENTORIES	--	584	584	23
(INCREASE)DECREASE IN OTHER ASSETS	--	(9,651)	(9,651)	--
INCREASE(DECREASE) IN ACCOUNTS PAYABLE AND ACCRUALS	5,634	(2,701)	2,933	(316)
INCREASE(DECREASE) IN COMPENSATED ABSENCES PAYABLE	--	32	32	22
INCREASE(DECREASE) IN DUE TO OTHER FUNDS	(764)	1,108	344	--
INCREASE(DECREASE) IN DEFERRED REVENUES	--	(94)	(94)	(322)
INCREASE(DECREASE) IN OTHER LIABILITIES	--	(15,840)	(15,840)	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 81,639</u>	<u>\$ (275,401)</u>	<u>\$ (193,762)</u>	<u>\$ 1,961</u>

(Continued)

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, 2007

(EXPRESSED IN THOUSANDS)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

	2007
LOUISIANA LOTTERY CORPORATION	
NET INCREASE IN FAIR VALUE OF INVESTMENTS	31
INTEREST ACCRUED ON DEPOSITS WITH MULTI-STATE LOTTERY ASSOCIATION	520

(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. The Louisiana Asset Management Pool is the only investment trust fund of the State.
- *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.

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 ASSETS

FIDUCIARY FUNDS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	PENSION TRUST FUNDS	INVESTMENT TRUST FUND *	PRIVATE PURPOSE TRUST FUND	AGENCY FUNDS
ASSETS				
CASH AND CASH EQUIVALENTS	\$ 99,474	\$ 6,766	\$ 10,557	\$ 320,045
RECEIVABLES:				
EMPLOYER CONTRIBUTIONS	116,239	--	--	--
MEMBER CONTRIBUTIONS	72,874	--	--	--
INVESTMENT PROCEEDS	213,180	--	--	--
INTEREST AND DIVIDENDS	88,339	955	--	--
OTHER	9,297	--	619	150,844
TOTAL RECEIVABLES	499,929	955	619	150,844
INVESTMENTS (AT FAIR VALUE):				
SHORT TERM INVESTMENTS	1,558,140	342,062	--	--
U. S. GOVERNMENT AND AGENCY OBLIGATIONS	1,699,324	53,862	65,143	--
BONDS - DOMESTIC	1,970,073	--	--	--
BONDS - INTERNATIONAL	1,347,376	--	--	--
MARKETABLE SECURITIES - DOMESTIC	10,540,587	--	--	--
MARKETABLE SECURITIES - INTERNATIONAL	6,213,618	--	--	--
ALTERNATIVE INVESTMENTS	3,995,025	--	--	--
COLLATERAL HELD UNDER SECURITIES LENDING PROGRAM	3,941,677	--	--	--
REPURCHASE AGREEMENTS	--	830,901	--	--
OTHER	47,000	--	76,306	210,432
TOTAL INVESTMENTS	31,312,820	1,226,825	141,449	210,432
OTHER ASSETS	--	66	--	634
PROPERTY, PLANT AND EQUIPMENT (NET)	21,597	51	--	--
TOTAL ASSETS	31,933,820	1,234,663	152,625	681,955
LIABILITIES				
ACCOUNTS PAYABLE	27,012	126	1,099	--
INVESTMENT COMMITMENTS PAYABLE	335,936	--	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	516,772
OBLIGATIONS UNDER SECURITIES LENDING PROGRAM	3,941,677	--	--	--
REFUNDS PAYABLE AND OTHER	14,417	28	--	--
OTHER LIABILITIES	--	--	--	165,183
TOTAL LIABILITIES	4,319,042	154	1,099	681,955
NET ASSETS				
HELD IN TRUST FOR:				
EMPLOYEES' PENSION BENEFITS	27,614,778	--	--	--
INVESTMENT POOL PARTICIPANTS	--	1,234,509	--	--
INDIVIDUALS, PRIVATE ORGANIZATIONS, AND OTHER GOVERNMENTS	--	--	151,526	--
TOTAL NET ASSETS	\$ 27,614,778	\$ 1,234,509	\$ 151,526	\$ --

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

* Louisiana Asset Management Pool has a December 31 fiscal year end.

State of Louisiana

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	PENSION TRUST FUNDS	INVESTMENT TRUST FUND *	PRIVATE PURPOSE TRUST FUND
ADDITIONS			
CONTRIBUTIONS:			
EMPLOYER	\$ 1,050,151	\$ --	\$ --
MEMBERS	473,563	--	--
POOL PARTICIPANTS (DEPOSITS)	--	1,649,503	--
TOTAL CONTRIBUTIONS	<u>1,523,714</u>	<u>1,649,503</u>	<u>--</u>
INVESTMENT INCOME:			
NET INCREASE IN FAIR			
VALUE OF INVESTMENTS	3,576,621	9	8,576
INTEREST AND DIVIDENDS	643,001	43,679	4,715
ALTERNATIVE INVESTMENT INCOME	246,770	--	--
LESS ALTERNATIVE INVESTMENT EXPENSES	(34,273)	--	--
GAIN ON SALE OF INVESTMENT	--	5	--
SECURITIES LENDING INCOME	67,278	--	--
LESS SECURITIES LENDING EXPENSES	(57,678)	--	--
OTHER INVESTMENT INCOME	1,547	16,252	--
LESS INVESTMENT EXPENSE OTHER THAN			
SECURITIES LENDING	(67,284)	--	--
NET INVESTMENT INCOME	<u>4,375,982</u>	<u>59,945</u>	<u>13,291</u>
OTHER INCOME	<u>69,839</u>	<u>--</u>	<u>37,996</u>
TOTAL ADDITIONS	<u>5,969,535</u>	<u>1,709,448</u>	<u>51,287</u>
DEDUCTIONS			
RETIREMENT BENEFITS	2,129,856	--	--
REFUNDS OF CONTRIBUTIONS	91,302	--	--
ADMINISTRATIVE EXPENSES	32,505	1,701	--
DEPRECIATION EXPENSE	1,259	--	--
DISTRIBUTIONS TO POOL PARTICIPANTS	--	1,418,871	--
OTHER	334	--	5,636
TOTAL DEDUCTIONS	<u>2,255,256</u>	<u>1,420,572</u>	<u>5,636</u>
CHANGE IN NET ASSETS HELD IN TRUST FOR:			
EMPLOYEES' PENSION BENEFITS	3,714,279	--	--
INVESTMENT POOL PARTICIPANTS	--	288,876	--
INDIVIDUALS, PRIVATE ORGANIZATIONS, AND OTHER GOVERNMENTS	--	--	45,651
NET ASSETS - BEGINNING OF YEAR	<u>23,900,499</u>	<u>945,633</u>	<u>105,875</u>
NET ASSETS - END OF YEAR	<u>\$ 27,614,778</u>	<u>\$ 1,234,509</u>	<u>\$ 151,526</u>

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

* Louisiana Asset Management Pool has a December 31 fiscal year end.

**COMPONENT UNIT
FINANCIAL STATEMENTS**

COMPONENT UNIT FINANCIAL STATEMENTS

Major Component Units

COLLEGES AND UNIVERSITIES

The College and University Funds are used to account for all transactions relating to public institutions of higher education. The public institutions of higher education are reported in the following systems:

- Louisiana State University System includes Louisiana State University and A&M College at Baton Rouge, 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, University of New Orleans at New Orleans, Paul M. Hebert Law Center at Baton Rouge, and Pennington Biomedical Research Center at Baton Rouge. The Board of Supervisors of Louisiana State University also operates the general medical facilities in the state.
- Southern University System includes Southern University and A&M College at Baton Rouge, Southern University at New Orleans, and Southern University at Shreveport.
- University of Louisiana System includes the regional colleges and universities of Grambling State University at Grambling, Louisiana Tech University at Ruston, McNeese State University at Lake Charles, Nicholls State University at Thibodaux, University of Louisiana at Monroe, Northwestern State University at Natchitoches, Southeastern Louisiana University at Hammond, and University of Louisiana at Lafayette.
- Board of Regents is the policy making board for Louisiana State University Board of Supervisors, Louisiana State University Systems, Southern University Board of Supervisors, Southern University Systems, University of Louisiana System Board of Supervisors, University of Louisiana Systems, Board

of Supervisors of the Louisiana Community and Technical Colleges and Louisiana Community and Technical College System.

- Louisiana Community and Technical College System includes seven community colleges, two technical community colleges and one technical college with forty campuses.

LOUISIANA STADIUM AND EXPOSITION DISTRICT

The purpose of the district is to plan, finance, construct, develop, maintain, and operate an enclosed and covered stadium, as well as coliseums, sports arenas, sports pavilions, exposition sites, field houses, or other buildings or structures for holding sports events, athletic contests, contests of skill, exhibitions, spectacles, and other public meetings. The District is responsible for servicing and retiring the principal and interest on all bonds issued.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST AND WEST

These are two authorities reported together. They were created to provide regional coordination of flood protection. They exercise all authority, have management, oversight, and control of the Board of Commissioners East and West, the following levee districts and portions of parishes lying east of the Mississippi River: East Jefferson Levee District; Lake Borgne Basin Levee District; Orleans Levee District; St. Tammany Levee District; Tangipahoa Levee District; West Jefferson Levee District; St. Charles Parish and St. John the Baptist Parish. St. Charles Parish and St. John the Baptist Parish Levee Districts are included in the authorities for voting purposes only. Their financial information is reported in the Pontchartrain Levee District which is reported as a nonmajor component unit.



State of Louisiana

COMBINING BALANCE SHEET

COMPONENT UNITS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	LOUISIANA STATE UNIVERSITY SYSTEM	UNIVERSITY OF LOUISIANA SYSTEM	SOUTHERN UNIVERSITY SYSTEM
ASSETS			
CURRENT ASSETS:			
CASH AND CASH EQUIVALENTS	\$ 445,984	\$ 189,433	\$ 25,379
INVESTMENTS	377,000	33,414	--
RECEIVABLES (NET)	287,376	59,349	8,413
PLEDGES RECEIVABLE (NET)	10,353	1,591	123
AMOUNTS DUE FROM PRIMARY GOVERNMENT	4,216	--	1,082
DUE FROM FEDERAL GOVERNMENT	--	2,133	15,245
INVENTORIES	36,017	6,953	338
PREPAYMENTS	5,055	6,724	1,812
NOTES RECEIVABLE	7,039	4,465	160
OTHER CURRENT ASSETS	15,718	5,895	861
TOTAL CURRENT ASSETS	<u>1,188,758</u>	<u>309,957</u>	<u>53,413</u>
NONCURRENT ASSETS:			
RESTRICTED ASSETS:			
CASH	70,385	71,904	25,449
INVESTMENTS	666,601	269,192	65,370
RECEIVABLES (NET)	16	602	--
NOTES RECEIVABLE	25,223	23,973	--
OTHER	18,929	6	--
INVESTMENTS	18,836	23,882	--
NOTES RECEIVABLE	--	17	--
PLEDGES RECEIVABLE (NET)	31,907	2,334	25
CAPITAL ASSETS (NOTE 5)			
LAND	120,041	39,325	7,172
BUILDINGS AND IMPROVEMENTS (NET OF DEPRECIATION)	1,012,302	665,756	105,657
MACHINERY AND EQUIPMENT (NET OF DEPRECIATION)	294,336	62,945	12,333
INFRASTRUCTURE (NET OF DEPRECIATION)	38,163	1,973	2,278
CONSTRUCTION IN PROGRESS	178,163	73,023	23,158
OTHER NONCURRENT ASSETS	21,528	10,945	--
TOTAL NONCURRENT ASSETS	<u>2,496,430</u>	<u>1,245,877</u>	<u>241,442</u>
TOTAL ASSETS	<u>\$ 3,685,188</u>	<u>\$ 1,555,834</u>	<u>\$ 294,855</u>
LIABILITIES			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE AND ACCRUALS	\$ 403,223	\$ 46,371	\$ 10,489
AMOUNTS DUE TO PRIMARY GOVERNMENT	540	5	--
DUE TO FEDERAL GOVERNMENT	--	--	--
DEFERRED REVENUES	81,272	21,526	7,913
OTHER CURRENT LIABILITIES	--	76	--
CURRENT PORTION OF LONG-TERM LIABILITIES:			
CONTRACTS PAYABLE	--	623	--
COMPENSATED ABSENCES PAYABLE	10,838	3,546	658
CAPITAL LEASE OBLIGATIONS	3,913	296	--
ESTIMATED LIABILITY FOR CLAIMS	464	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	8,990	4,911	803
NOTES PAYABLE	17,428	674	38
LIABILITIES PAYABLE FROM RESTRICTED ASSETS	--	--	--
BONDS PAYABLE	15,246	6,910	1,244
OTHER LONG-TERM LIABILITIES	3,500	1,793	3,948
TOTAL CURRENT LIABILITIES	<u>545,414</u>	<u>86,731</u>	<u>25,093</u>
NONCURRENT LIABILITIES:			
NONCURRENT PORTION OF LONG-TERM LIABILITIES:			
COMPENSATED ABSENCES PAYABLE	112,962	28,491	11,932
CAPITAL LEASE OBLIGATIONS	54,961	661	--
ESTIMATED LIABILITY FOR CLAIMS	--	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	15,476	4,564	--
NOTES PAYABLE	26,907	3,896	200
BONDS PAYABLE	524,260	317,814	60,191
OTHER LONG-TERM LIABILITIES	18,753	1,211	--
TOTAL NONCURRENT LIABILITIES	<u>753,319</u>	<u>356,637</u>	<u>72,323</u>
TOTAL LIABILITIES	<u>1,298,733</u>	<u>443,368</u>	<u>97,416</u>
NET ASSETS:			
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	1,129,368	548,864	142,535
RESTRICTED FOR:			
CAPITAL PROJECTS	--	--	--
DEBT SERVICE	--	--	--
NONEXPENDABLE	432,769	194,974	10,972
EXPENDABLE	473,623	260,632	38,127
OTHER PURPOSES	--	--	--
UNRESTRICTED	350,695	107,996	5,805
TOTAL NET ASSETS	<u>2,386,455</u>	<u>1,112,466</u>	<u>197,439</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,685,188</u>	<u>\$ 1,555,834</u>	<u>\$ 294,855</u>

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

State of Louisiana

LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM	BOARD OF REGENTS	LOUISIANA STADIUM AND EXPOSITION DISTRICT	SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY- EAST AND WEST	NONMAJOR COMPONENT UNITS	TOTAL COMPONENT UNITS
\$ 53,792	\$ 2,274	\$ 29,019	\$ 25,882	\$ 140,483	\$ 912,246
--	--	--	51,510	129,842	591,766
46,144	160	8,996	10,916	25,594	446,948
--	--	--	--	--	12,067
5,812	41,588	1,168	--	29,737	83,603
18,684	10,384	--	--	3,255	49,701
1,568	--	46	411	4,098	49,431
559	--	63	365	456	15,034
--	--	--	--	1,633	13,297
--	--	--	571	4,563	27,608
<u>126,559</u>	<u>54,406</u>	<u>39,292</u>	<u>89,655</u>	<u>339,661</u>	<u>2,201,701</u>
15,113	--	35,696	5,294	14,096	237,937
3,666	--	--	--	24,411	1,029,240
--	--	139	--	38,424	39,181
24	--	--	--	154,918	204,138
--	--	--	--	--	18,935
--	--	--	--	72,686	115,404
--	--	--	--	--	17
--	--	--	--	--	34,266
16,222	--	13,944	42,946	89,267	328,917
189,599	--	266,043	30,768	115,318	2,385,443
25,417	13,516	5,105	4,478	18,950	437,080
--	--	--	159,037	148,006	349,457
3,931	--	62,426	17,579	21,930	380,210
1,287	--	--	266	11,339	45,365
<u>255,259</u>	<u>13,516</u>	<u>383,353</u>	<u>260,368</u>	<u>709,345</u>	<u>5,605,590</u>
<u>\$ 381,818</u>	<u>\$ 67,922</u>	<u>\$ 422,645</u>	<u>\$ 350,023</u>	<u>\$ 1,049,006</u>	<u>\$ 7,807,291</u>
\$ 36,929	\$ 54,237	\$ 31,140	\$ 3,930	\$ 24,099	\$ 610,418
5	--	270	--	2,981	3,801
406	--	--	--	137	543
12,804	--	6,295	442	1,552	131,804
--	--	--	--	2,250	2,326
--	--	--	2,422	--	3,045
1,813	22	211	364	1,911	19,363
1,781	1,460	--	--	237	7,687
--	--	--	--	--	464
838	--	--	--	--	15,542
--	--	--	--	8,425	26,565
--	--	--	781	9,751	10,532
2,307	--	--	6,074	5,286	37,067
116	--	--	3	1,705	11,065
<u>56,999</u>	<u>55,719</u>	<u>37,916</u>	<u>14,016</u>	<u>58,334</u>	<u>880,222</u>
14,251	827	--	976	4,197	173,636
6,183	9,979	--	--	314	72,098
--	--	--	24,632	2,586	27,218
--	--	--	--	--	20,040
--	--	7,500	18,201	23,190	79,894
133,794	--	271,390	55,003	190,291	1,552,743
--	--	--	881	2,871	23,716
<u>154,228</u>	<u>10,806</u>	<u>278,890</u>	<u>99,693</u>	<u>223,449</u>	<u>1,949,345</u>
<u>211,227</u>	<u>66,525</u>	<u>316,806</u>	<u>113,709</u>	<u>281,783</u>	<u>2,829,567</u>
102,205	2,077	103,364	193,730	286,697	2,508,840
--	--	--	8,671	1,269	9,940
--	--	10,674	239	1,187	12,100
5,221	--	--	--	--	643,936
34,357	9,512	--	--	--	816,251
--	--	3,085	5,312	119,919	128,316
28,808	(10,192)	(11,284)	28,362	358,151	858,341
<u>170,591</u>	<u>1,397</u>	<u>105,839</u>	<u>236,314</u>	<u>767,223</u>	<u>4,977,724</u>
<u>\$ 381,818</u>	<u>\$ 67,922</u>	<u>\$ 422,645</u>	<u>\$ 350,023</u>	<u>\$ 1,049,006</u>	<u>\$ 7,807,291</u>

State of Louisiana

COMBINING STATEMENT OF ACTIVITIES

COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	PROGRAM REVENUES				
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE
COMPONENT UNITS:					
LOUISIANA STATE UNIVERSITY SYSTEM	\$ 2,907,897	\$ 1,588,039	\$ 497,236	\$ 71,344	\$ (751,278)
UNIVERSITY OF LOUISIANA SYSTEM	919,009	350,105	195,602	22,012	(351,290)
SOUTHERN UNIVERSITY SYSTEM	222,026	49,148	76,478	8,852	(87,548)
LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM	368,552	57,951	113,183	15,617	(181,801)
BOARD OF REGENTS	122,218	1,957	22,042	--	(98,219)
LOUISIANA STADIUM AND EXPOSITION DISTRICT	79,374	22,530	--	75,922	19,078
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST AND WEST	41,483	6,269	1,043	15,118	(19,053)
NONMAJOR COMPONENT UNITS	321,971	69,130	111,687	68,018	(73,136)
TOTAL COMPONENT UNITS	\$ 4,982,530	\$ 2,145,129	\$ 1,017,271	\$ 276,883	\$ (1,543,247)

	GENERAL REVENUES		EXTRAORDINARY ITEM	NET ASSETS		
	PAYMENTS FROM PRIMARY GOVERNMENT	OTHER GENERAL REVENUES	GAIN ON IMPAIRMENT OF CAPITAL ASSETS	CHANGE IN NET ASSETS	NET ASSETS BEGINNING OF YEAR AS RESTATED	NET ASSETS END OF YEAR
COMPONENT UNITS:						
LOUISIANA STATE UNIVERSITY SYSTEM	\$ 762,488	\$ 286,109	\$ --	\$ 297,319	\$ 2,089,136	\$ 2,386,455
UNIVERSITY OF LOUISIANA SYSTEM	354,151	66,485	--	69,346	1,043,120	1,112,466
SOUTHERN UNIVERSITY SYSTEM	88,502	16,630	--	17,584	179,855	197,439
LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM	193,108	14,730	--	26,037	144,554	170,591
BOARD OF REGENTS	99,912	903	--	2,596	(1,199)	1,397
LOUISIANA STADIUM AND EXPOSITION DISTRICT	--	33,603	--	52,681	53,158	105,839
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST AND WEST	2,439	37,029	893	21,308	215,006	236,314
NONMAJOR COMPONENT UNITS	132,605	96,508	--	155,977	611,246	767,223
TOTAL COMPONENT UNITS	\$ 1,633,205	\$ 551,997	\$ 893	\$ 642,848	\$ 4,334,876	\$ 4,977,724

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	Interfund Accounts and Transfers
Note 5	Capital Assets
Note 6	Employee Benefits
Note 7	Leases
Note 8	Long-Term Obligations
Note 9	Contingencies
Note 10	Fund Balance/Net Assets Disclosures
Note 11	Other Disclosures
Note 12	Subsequent Events

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the State of Louisiana (State) have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The basic financial statements present the financial position and results of operations of the various funds of the State and the cash flows of the proprietary funds as of and for the year ended June 30, 2007.

A. REPORTING ENTITY

The State reporting entity consists of the various departments, agencies, activities, and organizational units that are within the control and authority of the Louisiana Legislature and/or constitutional officers of the State. The State, like that of the United States, has three branches of government – legislative (bicameral), executive, and judicial.

As required by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, a legally separate entity is considered to be 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.
- 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 or incomplete.

Depending upon the closeness of their relationship with the State, some component units are blended with the State reporting entity, while others are discretely reported.

The following potential component units were evaluated to identify those entities whose financial activities should be blended with the primary government, discretely reported, disclosed in the Notes to the Basic Financial Statements as a related organization, or excluded from the State reporting entity:

Blended Component Units

A component unit is considered blended and therefore would be included in the reporting entity's financial statements if the component unit's governing body is substantively the same as the governing body of the primary government, or if 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 it. The following blended component units provide services almost exclusively to the primary government: Louisiana Lottery Corporation, Tobacco Settlement Financing Corporation, Louisiana Correctional Facilities Corporation, Louisiana Office Building Corporation, Office Facilities Corporation, Louisiana Recovery Authority, and the various retirement systems.

Louisiana Lottery Corporation, 555 Laurel Street, Baton Rouge, LA 70801-1813, 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.

Tobacco Settlement Financing Corporation, P.O. Box 44154, Baton Rouge, LA 70804-4154, a special purpose, public corporate entity, is responsible for financing, purchasing, owning, and managing 60% of the tobacco assets and related incidental activities for the State of Louisiana. The board of directors consists of thirteen members, seven appointed by the Governor.

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.

Louisiana Office Building Corporation, P.O. Box 94095, Baton Rouge, LA 70804-9095, a nonprofit quasi-public corporation, was created to construct, acquire and lease buildings and facilities on behalf of and for the benefit of the State and may finance such acquisitions by issuing revenue bonds. The board of directors consists of a designee of the Governor, the Commissioner of Administration, and the director of the Office of Facility Planning and Control.

Office Facilities Corporation, P.O. Box 94095, Baton Rouge, LA 70804-9095, a nonprofit corporation, finances the acquisition or construction of public facilities for lease to the State through the issuance of revenue bonds. The board of directors consists of five members appointed by the Governor.

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Louisiana Recovery Authority, 150 Third Street, Suite 200, Baton Rouge, LA 70801, is the planning and coordinating body created in the aftermath of hurricanes Katrina and Rita to plan for the recovery and rebuilding of Louisiana.

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 except those excluded by statute.

Louisiana State Police Retirement System, 3100 Brentwood Drive, Suite B, Baton Rouge, LA 70809-1752, 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.

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.

Discretely Presented Component Units

Discretely presented component units are reported in separate columns to emphasize that they are legally separate from the State. The voting majority of the following major discretely presented component units' board members are appointed by the State and the State is able to impose its will on the organizations through budgetary oversight.

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, 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
- University of New Orleans at New Orleans
- 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 following general medical facilities in the State:

- Dr. Walter O. Moss Regional Medical Center at Lake Charles
- Earl K. Long Medical Center at Baton Rouge
- Huey P. Long Medical Center at Pineville
- Lallie Kemp Regional Medical Center at Independence
- Medical Center of Louisiana at New Orleans including Charity Hospital and University Hospital
- Leonard J. Chabert Medical Center at Houma
- University Medical Center at Lafayette
- Bogalusa Medical Center at Bogalusa
- University Hospital Shreveport
- E.A. Conway Medical Center in Monroe

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
- University of Louisiana at Monroe
- Northwestern State University at Natchitoches
- Southeastern Louisiana University at Hammond
- University of Louisiana at Lafayette

Board of Supervisors of the Southern University System, P.O. Box 10878, Baton Rouge, LA 70813, is the managing and supervising board of the Southern University System, which includes the following campuses:

- Southern University and A&M College at Baton Rouge
- Southern University at New Orleans
- Southern University at Shreveport
- Southern University Law Center at Baton Rouge
- Southern University Agricultural Research and Extension Center at Baton Rouge

Board of Supervisors of the Louisiana Community and Technical Colleges, 265 S. Foster Drive, Baton Rouge, LA 70806, is the managing and supervising board of seven community colleges, two technical community colleges, and one technical college with 40 branch campuses.

The board of the following major discretely presented component unit is appointed by and serves at the pleasure of the governor.

Louisiana Stadium and Exposition District, Sugar Bowl Drive, New Orleans, LA 70112-1010, is responsible for financing and operating an enclosed covered stadium, as

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well as other related facilities and structures for holding sporting events, athletic contests, exhibitions, and other events of public interest.

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

Capital Area Human Services District, 4615 Government Street, Bldg. 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.

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.

Levee Districts provide services necessary to ensure adequate drainage control and to protect lands within their respective districts from damage by flood and include:

- Amite River Basin Drainage and Water Conservation District, 3535 S. Sherwood Forest Blvd., Suite 135 Baton Rouge, LA 70816
- Atchafalaya Basin Levee District, P.O. Box 170, Port Allen, LA 70767
- Bayou D'Arbonne Lake Watershed District, P.O. Box 1613, Ruston, LA 71273-1613. The district has a December 31 fiscal year end.
- Bossier Levee District, P.O. Box 8279, Bossier City, LA 71113
- Caddo Levee District, P.O. Box 78282, Shreveport, LA 71137-8282
- Fifth Louisiana Levee District, 102 Burnside Drive, Tallulah, LA 71282
- 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 1209, Natchitoches, LA 71458
- Nineteenth Louisiana Levee District, P.O. Box 267, Colfax, LA 71417
- North Lafourche Conservation, Levee and Drainage District, P.O. Box 230, Raceland, LA 70394. 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

- 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

Louisiana Agricultural Finance Authority, P.O. Box 3481, Baton Rouge, LA 70821-3481, was created to alleviate the severe shortage of capital and credit available for investment in agriculture in the State and to promote agriculture and forestry in Louisiana.

Louisiana 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 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 Recreational and Used Motor Vehicle Commission, 3132 Valley Creek Dr., Baton Rouge, LA 70808, administers and enforces statutory provisions regarding the sale of used motor vehicles and parts.

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.

Poverty Point Reservoir District, P.O. Box 811, Delhi, LA 71232, was created to develop a multi-faceted water resource and recreation lake.

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.

Road Home Corporation, P.O. Box 94095, Baton Rouge, LA 70802, was created for the acquisition, disposition, purchase, renovation, leasing, or expansion of housing stock to help Louisiana residents displaced by the hurricanes 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.

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Although the State does not appoint a voting majority of the boards of the entities listed below, they are fiscally dependent on the State.

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.

Florida Parishes Human Services Authority, 11236 Hwy. 16 West, Amite, LA 70422, 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.

Jefferson Parish Human Services Authority, 3300 W. Esplanade Avenue, Metairie, LA 70002, was established to provide administration, management, and operation of mental health, developmental disabilities, and addictive disorders services for the residents of Jefferson parish.

Metropolitan Human Services District, 400 Poydras Street, Suite 1800, New Orleans, LA 70130, 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.

Louisiana Economic Development Corporation, P.O. Box 94185, Baton Rouge, LA 70804-9185, 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.

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

Louisiana Asset Management Pool (LAMP), 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130-9957, is a cooperative endeavor to establish an external local government investment pool administered by the State Treasurer. LAMP has a December 31 fiscal year end.

Louisiana Cancer Research Center, 1615 Poydras St., Suite 1000, New Orleans, LA 70112, conducts research and promotes education in the diagnosis, detection, and treatment of cancer.

Louisiana Housing Finance Agency, 2415 Quail Drive, Baton Rouge, LA 70808, is authorized to undertake various programs to assist in financing housing needs of persons of low and moderate incomes and may issue

bonds or other evidence of indebtedness to accomplish its purposes.

Southeast Louisiana Flood Protection Authority-East, 203 Plaque Court, Suite B, Harahan, LA 70123, 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 2007 include the Board of Commissioners-SLFPA-East, Board of Commissioners-SLFPA-West, East Jefferson Levee District, Lake Borgne Basin Levee District, Orleans Levee District, and West Jefferson Levee District. Financial statements for these entities can be found in the [Supplementary Information to the Comprehensive Annual Financial Report](#). Portions of St. Charles and St. John the Baptist parishes are included within the territorial jurisdiction of the SLFPA-East for purposes of regional projects, but remain a part of Pontchartrain Levee District for flood protection purposes.

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.

- Algiers Park Commission
- Allen Parish Reservoir District
- Ascension-St. James Airport and Transportation Authority
- Associated Branch Pilots of the Port of Lake Charles
- Associated Branch Pilots of the Port of New Orleans
- Bayou Desiard Restoration Commission
- Bayou Lafourche Fresh Water District
- Castor Creek Reservoir District
- Crescent River Port Pilots' Association
- Ernest N. Morial New Orleans Exhibition Hall Authority
- Fourteenth and Sixteenth Wards Neighborhood Development District
- Grand Isle Independent Levee District
- Greater New Orleans Biosciences Economic Development District
- Greater Ouachita Port Commission
- Jackson Parish Dugdemona Watershed Reservoir Authority
- John K. Kelly Grand Bayou Reservoir District
- Louisiana Airport Authority
- Louisiana Disaster Recovery Foundation, Inc.
- Louisiana Research and Development Council
- New Orleans and Baton Rouge Steamship Pilots' Association

- Parish Hospital Service Districts
- River Parishes Transit Authority
- River Region Cancer Screening and Early Detection District
- St. Bernard Port Harbor and Terminal District
- Seventh Ward Neighborhood Development District
- South Tangipahoa Parish Port Commission
- Southwest Acadiana Parishes Public Housing Rehabilitation District
- Terrebonne Levee and Conservation District
- Twelfth and Thirteenth Wards Neighborhood Development District
- West Ouachita Parish Reservoir Commission

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 participates equally with the Sabine River Authority of Texas in the Sabine River Compact Administration (Compact), 15091 Texas Highway, Many, LA 71449-5718, and, through the Sabine River Authority, with the Sabine River Authority of Texas in the Toledo Bend Joint Operation (Joint Operation), Rt. 1, Box 270, Burkeville, TX 75932. 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 administers 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.

Act 706 of the 2006 Regular Session authorized the State to forgive the debt due from the Sabine River Authority of Louisiana. The debt owed was in connection with the State of Louisiana General Obligation Bonds issued in 1975 for constructing, acquiring, or improving a Diversion Channel and Water Distribution System for water from the Sabine River to the Lake Charles industrial area and other areas of Calcasieu Parish. This Act was effective on July 1, 2006.

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 2007, the Sabine River Authority of Louisiana reported an increase in net assets of \$5,650,197 from fiscal year 2006.

Jointly Governed Organizations

A jointly governed organization is one governed by representatives from each of the governments creating it and 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 Rapid Rail Transit Commission, Interstate Commission for Adult Offender Supervision, and Interstate Commission for Juveniles.

B. BASIS OF PRESENTATION

The financial report consists of Management's Discussion and Analysis (MD&A), basic financial statements, notes to the basic financial statements, and required supplementary information other than the MD&A. The MD&A provides an analytical overview of the financial activities of the State. The basic financial statements include the **government-wide financial statements**, **fund financial statements**, and **notes to the basic financial statements**.

The government-wide statements consist of a Statement of Net Assets and a Statement of Activities. These statements are prepared using the economic resources measurement focus and accrual basis of accounting. Major revenues such as sales tax, general severance tax, gasoline tax, and tobacco tax are assessed, collected, and susceptible to accrual. Assets, liabilities, revenues, and expenses of the government are reported in the financial statements. The statements distinguish between the governmental and business-type activities of the primary government and between the total primary government and its component units by reporting each in separate columns. Fiduciary activities and component units that are fiduciary in nature, whose resources are not available to finance the government's programs, are excluded from the

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government-wide statements.

All capital (long-lived) assets, receivables, and long-term obligations are reported in the Statement of Net Assets. The Statement of Activities reports revenues and expenses in a format that allows the reader to focus on the net cost of each function of the State. Both the gross and net cost per function, which are otherwise being supported by general government revenues, are compared to the revenues generated directly by the function. In the Statement of Activities, gross expenses, including depreciation, are reduced by related program revenues, comprised of charges for services, operating grants, and capital grants. Direct and indirect expenses are reported as program expenses for individual functions and activities. The program revenues must be directly associated with the function or a business-type activity. The types of transactions included in program revenues are sales of commodities, licenses, permits, and fees. The operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The fund financial statements report the State as a collection of major and nonmajor funds presented on separate schedules by fund category – governmental, proprietary, and fiduciary funds.

- The governmental fund statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances, with one column for the General Fund, one for each of the other major funds, and one column combining all the nonmajor governmental funds. The statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period, generally considered 45 days after the end of the fiscal year, except federal grants, which generally are considered available 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, except for unmatured interest payments on general long-term liabilities, which are recognized when due.
- The proprietary fund statements include a balance sheet, a statement of revenues, expenses, and changes in fund net assets, and a statement of cash flows. Each statement has a column for the major enterprise fund, one that combines all the nonmajor enterprise funds, and one column that reports all internal service funds. The proprietary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting, in order to make a determination of net income, financial position, and cash flows. Internal

service funds are included in governmental activities for government-wide reporting purposes, and the excess revenues or expenses from the funds are allocated to the appropriate functional activity.

- The fiduciary fund statements include a statement of fiduciary net assets and a statement of changes in fiduciary net assets, 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.

Although the financial statements presented in each of these three schedules contain “total” columns, they merely combine rather than consolidate the funds. Hence, interfund transactions that generate receivables and payables or transfers from one fund to another are not eliminated.

Major funds are those whose revenues, expenditures/expenses, assets, or liabilities are at least 10 percent of the total for their fund category or type (governmental or enterprise) and at least 5 percent of the corresponding element total for all governmental and enterprise funds combined.

The data on the face of the three sets of financial statements must be accompanied by certain disclosures to ensure accurate information is presented in the financial report. This additional information is presented in the form of a single set of **notes to the basic financial statements**.

Governmental Funds

The major governmental funds of the State are the General Fund, the Bond Security and Redemption 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 originate from the direct deposit of federal grants and the transfer of state revenues from the Bond Security and Redemption Fund after debt requirements and obligations to other funds are met.

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 money is held in a trustee capacity to be used for various educational purposes.

Proprietary Funds

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the State has elected to follow GASB statements issued after November 30, 1989, rather than the Financial Accounting Standards Board statements, in accounting for enterprise funds and business-type activities. These funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services as their principal operation. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The State has two types of proprietary funds:

- *Internal service funds* account for the provision of services, primarily to internal customers, on a cost reimbursement basis. The activities accounted for in internal service funds include copy and mail services, aircraft services, regional laundry service, 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 major enterprise fund of the State is the Unemployment Trust Fund.

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

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. These funds are presented in the fund financial statements, but are not incorporated into the government-wide statements. 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.
- *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. This method of reporting is consistent with GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, paragraph 111.

C. ASSETS, LIABILITIES, AND NET ASSETS, EQUITY, OR NET FUND BALANCES

Cash and Investments

The State Treasurer pools those cash resources for which he is responsible and invests them accordingly. State policy describes cash equivalents as all highly liquid investments with a maturity date of three months or less when purchased and all negotiable certificates of deposit, regardless of maturity date. These highly liquid investments (including restricted assets) are reported as cash equivalents in the accompanying basic financial statements.

Investments are reported at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Cash and investment earnings are recorded in the General Fund unless statutorily dedicated to specific funds. Cash and investment limitations are discussed in Note 2 (Deposits and Investments).

In accordance with bond resolution requirements, the trustee for Transportation Trust Fund debt service invests in principal-only strips. These investments are included in the disclosure of custodial credit risk as U.S. Government Obligations (see Note 2).

Receivables and Payables

Activity between funds that is outstanding at the end of the fiscal year is referred to as either "due to or due from other funds" or "advances to or advances from other funds." Any

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residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” Amounts reported in the funds as receivable from or payable to fiduciary funds are included in the statement of net assets as receivable from and payable to external parties rather than as “internal balances.” All internal balances are eliminated in the total primary government column. Receivables of the primary government and its component units or between those components include all amounts susceptible to accrual that have not been collected at June 30, but will be collected soon enough after the end of the year to pay liabilities of that year. They include all amounts earned, but not collected, at June 30. Receivables (net of any uncollectible amounts) and payables are reported on separate lines.

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.

Derivatives

In accordance with their investment authority, certain blended component units invest in derivative financial instruments. These derivatives are held in part to maximize yields on investments and in part to hedge against changes in interest rates. Risks associated with derivative instruments include the potential for credit loss in the event of nonperformance by other parties to the contracts, market risk as a result of possible future changes in market prices, and legal risk, the risk that a transaction will be prohibited by law, regulation, or contract.

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. 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; fixed assets of enterprise, internal service, and permanent trust 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 assets' lives 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. It is depreciated using the straight-line method, 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 and 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.
- Historical treasures and works of art are items held for public exhibition, educational purposes, or research in enhancement of public service instead of financial gain, and therefore are not capitalized or depreciated.
- Donated fixed assets are valued at their estimated fair market value at the time of donation.

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

year of depreciation in the year of acquisition and final year of useful life.

Compensated Absences

Classified and unclassified state employees earn annual leave and sick leave at various rates depending on the number of years of service. The amount of annual and sick leave that may be accrued by each employee is unlimited. An employee is compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Louisiana Revised Statutes (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 for all employees under the supervision of the Board of Elementary and Secondary Education, or other boards of control of publicly supported educational institutions.

Upon a member's retirement, annual leave balances in excess of 300 hours and the number of hours of unused sick leave are converted to 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 transfer from the department in which it was earned.

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental or business-type activities. In the fund financial statements, proprietary fund long-term obligations are reported as liabilities in the proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds.

Fund Balances and Net Assets

In the fund financial statements, governmental funds report

reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Proprietary funds report an all-inclusive change in fund net assets that includes capital contributions, contributions to term and permanent endowments, special and extraordinary items, and transfers. Net assets are segregated into three categories on the government-wide statement of net assets: 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted. Net assets are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net assets. The State first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. It may defer the use of restricted assets based on a review of the specific transaction.

D. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental fund balance sheet includes a reconciliation which reconciles 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 prepaids, long-term debt, accrued interest, long-term liabilities, assets and liabilities of internal service funds, and deferred revenue, which are shown on the government-wide but not the governmental fund statements.

E. BUDGETS AND BUDGETARY ACCOUNTING

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

LRS 39:73 authorizes the transfer of funds between

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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 cash 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.

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 budget. For fiscal year 2007, there are no major special revenue funds. The accompanying Required Supplementary Information includes notes and a schedule making this comparison for the General Fund.

Each year, the Legislature enacts an appropriation bill to establish and re-establish ancillary funds to include the following enterprise and internal service funds: Administrative Services, Central Regional Laundry, Drinking Water Revolving Loan Fund, Donald J. Thibodeaux Training Complex, Jackson Regional Laundry, Louisiana Federal Property Assistance Agency, Louisiana Gulf Opportunity Zone Loan Fund, Louisiana Property Assistance Agency, Municipal Facilities Revolving Loan Fund, Office of Aircraft Services, Office of Telecommunications Management, Prison Enterprises, and Public Safety Services Cafeteria. Re-established funds are allowed to retain any fund equity resulting from prior year operations. These and all monies from self-generated revenues are available for expenditure in the amounts appropriated. 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 expenditures.

NOTE 2: DEPOSITS AND INVESTMENTS

A. DEPOSITS

Included as deposits are bank accounts and short-term investments, especially certificates of deposit. In accordance with LRS 49:321, state depositing authorities shall require as security for deposit of state funds authorized bonds or other interest-bearing notes; authorized promissory notes, warrants, or certificates of indebtedness unmaturing 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 its component units as of June 30, 2007. Deposits are listed in terms of whether they are exposed to custodial credit risk, the risk that in the event of a bank failure, the state's deposits may not be returned. 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.

Bank Deposit Balances (Expressed in Thousands)
Deposits Exposed to Custodial Credit Risk

	Uninsured and Uncollateralized	Uninsured and Collateralized with Securities Held by Pledging 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	Total Carrying Value – All Deposits
Primary Government:					
Cash	\$ 331	\$ 4,253	\$ 17,901	\$ 1,816,036	\$ 1,566,260
Certificates of Deposit		1,094	655	299,815	299,286
Other	57,567	2,282	261	100,694	100,218
Total Primary Government	<u>\$ 57,898</u>	<u>\$ 7,629</u>	<u>\$ 18,817</u>	<u>\$ 2,216,545</u>	<u>\$ 1,965,764</u>
Component Units:					
Cash	7,712	29,089	29,339	775,231	645,227
Certificates of Deposit	473	1,562	24,366	202,321	211,071
Other	1,307	48,611	25,684	95,599	137,196
Total Component Units	<u>\$ 9,492</u>	<u>\$ 79,262</u>	<u>\$ 79,389</u>	<u>\$ 1,073,151</u>	<u>\$ 993,494</u>
Total Bank Balances	<u><u>\$ 67,390</u></u>	<u><u>\$ 86,891</u></u>	<u><u>\$ 98,206</u></u>	<u><u>\$ 3,289,696</u></u>	<u><u>\$ 2,959,258</u></u>

B. INVESTMENTS

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 maturity dates 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. In each case, all funds must be fully insured or collateralized by the pledge of securities. Funds not on deposit in the State Treasury are authorized to be invested in time certificates of deposit of specified banks, in savings accounts or shares of specified savings and loan associations and savings banks, or in share accounts and share certificate accounts of specified credit unions. Funds determined to be available for investment for less than 30 days are authorized to be invested in direct United States Treasury obligations that mature in not more than 29 days after the date of purchase. These funds are also required to be fully insured or collateralized.

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

LRS 11:263 directs Louisiana's pension systems to invest in accordance with the prudent man rule. As used in this statute, the rule means that the systems ". . . 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.

Generally, investment of funds by colleges and universities are subject to the same provisions of LRS 49:327 that govern the State Treasurer and State agencies. However, investment of funds of state colleges and universities derived from private sources such as gifts, grants, and endowments are governed by the "Uniform Management of Institutional Funds Act," LRS 9:2337.1 - 2337.8. If a donor has not provided specific instructions, state law permits the colleges and universities to authorize expenditure of the net appreciation (realized and unrealized) of the investments of endowment funds. Any net appreciation that is spent is required to be spent for the purposes for which the endowment was established. For the fiscal year ended June 30, 2007, \$18,234,586 net appreciation of investments of endowment funds was available to be spent, all of which were restricted for specific purposes. These amounts are reported in the financial statements of the colleges and universities as restricted expendable net assets.

Authorized investments include "mortgages, stocks, bonds, debentures, and other securities of profit or nonprofit corporations, shares in or obligations of associations, partnerships, or individuals, and obligations of any government or subdivision or instrumentality thereof." In investing funds, the governing board of the college or

university must exercise ordinary business care and prudence under the facts and circumstances prevailing at the time of the investment action or decision.

Management of the cash and investments held by the State Treasurer is independent of the automated accounting system of the state. The vast majority of the cash reported on the financial statements within all fund types is reported by the State Treasurer as investments for this note disclosure. In order to accurately compare the cash and investments shown on the accompanying financial statements with the carrying values of deposits and investments in the schedules presented as part of this note disclosure, the following reconciliation is provided (amounts expressed in thousands):

Carrying Value of Deposits per Note	\$ 2,959,258	
Carrying Value of Investments per Note		<u>46,793,926</u>
		\$ <u>49,753,184</u>
Cash per Financial Statements	\$ 10,293,931	
Investments per Financial Statements		38,200,848
Restricted Cash per Financial Statements		239,298
Restricted Investments per Financial Statements		1,261,116
Reconciling Items between Note and Financial Statements		<u>(242,009)</u>
		\$ <u>49,753,184</u>

C. INVESTMENTS - CUSTODIAL CREDIT RISK

The following chart presents the investment position of the State at June 30, 2007, unless otherwise noted. The various types of investments are listed and presented by whether they are exposed to custodial credit risk by the State. 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 investment 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.

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Schedule of Investments Carrying Amount (Expressed in Thousands)

	Investments Exposed to Custodial Credit Risk			
	Uninsured, Unregistered, and Held by Counterparty	Uninsured, Unregistered, and Held by Counterparty's Trust Dept. or Agent but not in the State's Name	All Investments Reported Amount	All Investments Fair Value
General Government:				
Repurchase Agreements		\$17,940	\$2,504,543	\$2,504,543
U.S. Government Obligations:				
Not on Securities Loan	\$1,714	43,844	826,572	826,572
On Securities Loan			6,899,071	6,899,071
Common & Preferred Stock			106,059	106,059
Domestic & Foreign Bonds		110,067	1,969,475	1,969,475
Mortgages, Notes and Other			107,750	107,750
Miscellaneous Short Term			25,790	25,790
Mutual Funds			581,753	581,753
Miscellaneous			2,051	2,051
Real Estate			1,850	1,850
Bond Issue Trustee Accounts			19,486	19,486
Miscellaneous Alternative Investments			4,952	4,952
Total General Government	1,714	171,851	13,049,352	13,049,352
Retirement Systems and Other Trusts:				
Repurchase Agreements			830,901	830,901
U.S. Government Obligations:				
Not on Securities Loan			1,587,842	1,587,842
On Securities Loan			151,612	151,612
Common & Preferred Stock:				
Not on Securities Loan			13,729,854	13,729,854
On Securities Loan			2,958,716	2,958,716
Domestic & Foreign Bonds:				
Not on Securities Loan			2,469,995	2,469,995
On Securities Loan			783,726	783,726
Mortgages, Notes and Other			713,898	713,898
Miscellaneous Short Term			1,558,140	1,558,140
Mutual Funds			154,692	154,692
Miscellaneous			69,056	69,056
Real Estate			1,259,390	1,259,390
Stock			63,852	63,852
Private Equity Investments			2,455,943	2,455,943
Collateral Held Under Securities Lending Program			3,941,677	3,941,677
Total Retirement Systems and Other Trusts			32,729,294	32,729,294
Total Primary Government	1,714	171,851	45,778,646	45,778,646
Component Units:				
Repurchase Agreements		57,051	57,051	57,051
U.S. Government Obligations	6,635	8,715	436,740	436,740
Common & Preferred Stock			36,817	36,817
Domestic & Foreign Bonds			8,822	8,822
Mortgages, Notes & Other		21	64,624	64,624
Miscellaneous Short Term			37,042	37,042

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Schedule of Investments Carrying Amount (Expressed in Thousands)

Investments Exposed to Custodial Credit Risk

	Uninsured, Unregistered, and Held by Counterparty	Uninsured, Unregistered, and Held by Counterparty's Trust Dept. or Agent but not in the State's Name	All Investments Reported Amount	All Investments Fair Value
Real Estate			495	495
Mutual Funds			69,973	69,973
External Investment Pool			5,950	5,950
Guaranteed Investment Contracts	19,915		22,211	22,211
Miscellaneous Other	344	1,046	24,580	24,580
Investments Held in Private Foundations	4,258		250,975	250,975
Total Component Units	31,152	66,833	1,015,280	1,015,280
TOTAL INVESTMENTS	\$32,866	\$238,684	\$46,793,926	\$46,793,926

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.

State Treasury

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 risks of the Louisiana Education Quality Trust Fund (LEQTF), Millennium Trust Funds, and the Medicaid Trust Fund portfolios are limited by managing their duration using fixed income indices as benchmarks to gauge and limit such risk. Further, these portfolios' durations are limited by policy to 15 years or less for LEQTF, and 10 years or less for the Millennium Trust Funds and the Medicaid Trust Fund to minimize interest rate risk. The State Treasury has no investments with fair values that are highly sensitive to changes in interest rates due to their terms or characteristics.

As of June 30, 2007, the State Treasury had the following debt investments and maturities (amounts expressed in thousands).

Investment Maturities (in Years)

Investment Type	Fair Value	Less Than 1	1-5	6-10	Greater Than 10
U.S. Government Obligations	\$4,740,589	\$2,821,848	\$1,847,347	\$23,758	\$47,636
U.S. Agency Obligations	2,857,891	1,418,670	726,802	395,662	316,757
Corporate Bonds	993,292	40,439	342,984	193,413	416,456
Municipal Bonds	843,023	127,960	46,589	438,016	230,458
Foreign Bonds	4,903		4,903		
Total	\$9,439,698	\$4,408,917	\$2,968,625	\$1,050,849	\$1,011,307

Retirement Systems and Other Trusts

At June 30, 2007, the Louisiana School Employees' Retirement System (LSERS) held \$421,538,527 in total debt investments, \$96,666,259 with maturities of 1 to 5 years, \$60,236,337 with maturities of 6 to 10 years, and \$264,635,931 with maturities of more than 10 years. The

Louisiana State Employees' Retirement System (LASERS) held \$2,233,391,357 in total debt investments, \$551,999,164 with maturities of less than 1 year, \$338,333,018 with maturities of 1 to 5 years, \$638,474,122 with maturities of 6 to 10 years, and \$704,585,053 with maturities of more than 10 years. The Teachers' Retirement System of Louisiana (TRSLA) held

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\$3,663,170,179 in total debt investments, \$114,095,914 with maturities of less than 1 year, \$744,689,000 with maturities of 1 to 5 years, \$918,088,202 with maturities of 6 to 10 years, and \$1,886,297,063 with maturities of more than 10 years. The Louisiana State Police Retirement System (LASPRS) held \$37,144,457 in total debt investments, \$987,880 with maturities of less than 1 year, \$6,750,593 with maturities of 1 to 5 years, \$8,540,812 with maturities of 6 to 10 years, and \$20,865,172 with maturities of more than 10 years.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the LSERS investment

policy allows no more than 3% of the plan's investment portfolio to have stated maturities in excess of 30 years. The TRSLA and LASPRS investment policies require its fixed income managers to approximate the portfolio's duration to established benchmarks for fixed income investments. Although LASERS has no official investment policy relating to limiting its exposure to interest rate risk, its fixed income managers monitor the duration of its portfolios to the benchmarks for fixed income investments.

The table below displays the state retirement systems' and other trusts' debt investments by type and maturities (amounts expressed in thousands) as of June 30, 2007.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Agency obligations	\$30,023		\$133	\$827	\$29,063
U.S. Government obligations	1,020,078	\$4,504	140,187	124,582	750,805
U.S. Treasury obligations	67,196	15	2,163	32,560	32,458
Mortgage backed securities	185,411		9,314	3,981	172,116
Collateralized mortgage obligations	579,326	157	5,279	44,378	529,512
Corporate bonds	1,648,327	8,416	477,205	957,444	205,262
Foreign bonds	1,261,185	162,101	524,399	420,983	153,702
Yankee bonds	48,895	4,487	12,134	26,722	5,552
Other bonds	29,252	3,988	10,430	8,993	5,841
Other	1,487,588	484,623	5,205	4,886	992,874
Total	\$6,357,281	\$668,291	\$1,186,449	\$1,625,356	\$2,877,185

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).

State Treasury

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 corporate 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. Of the State Treasury's total investments, 8.93% are issues of the Federal National Mortgage Association (FannieMae) and 8.22% of the Federal Home Loan Mortgage Corporation (FreddieMac).

The following table illustrates the State Treasury's investments exposure to credit risk as of June 30, 2007 (expressed in thousands):

<u>Rating</u>	<u>Fair Value</u>
AAA	\$2,224,498
AA	336,762
A	444,627
BBB	360,028
BB	68,727
B	4,506
Not Rated	4,211,499
Total	\$7,650,647

Retirement Systems and Other Trusts

The investment policies of the state's retirement systems and other trusts prescribe the level of credit risk to which their investments in debt securities are exposed. In addition, the Louisiana Asset Management Pool (LAMP, an investment trust fund) had investments in debt securities with a fair value of \$53,861,530, all of which were rated AAA by S&P.

None of the state's retirement systems or other trusts had investments in any one issuer (other than those issued or

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guaranteed by the U.S. government) that represented more than 5% of its total investments.

The table below details the total fair market value of investments in debt securities exposed to credit risk at June 30, 2007 for each of the state's retirement systems.

Rating	Fair Value (in thousands)			
	LSERS	LASERS	TRSLA	LASPRS
AAA	\$26,797	\$1,067,549	\$488,191	\$1,018
AA+		18,566		
AA	4,455			700
AA-	3,514			2,200
A+	20,731	64,337		5,148
A	18,408			6,806
A-	12,192			3,586
A-1			5,715	
A-2			180,538	
A-3			28,018	
AA1			9,353	
AA2			8,087	
AA3			16,162	
BBB+	12,685	79,309		1,245
BBB	33,816			
BBB-	13,511			
BB+	5,415	157,608		
BB	6,044			
BB-	2,550			
B+	1,500	244,688		
B	1,505			
B-	1,586			
B1			163,695	
B2			138,444	
B3			156,805	
BA1			41,155	
BA2			81,057	
BA3			109,734	
BAA1			26,427	
BAA2			13,109	
BAA3			20,972	
CAA1			52,169	
CAA2			2,644	
CCC+		42,504		
C		479		
NA			8,901	
VMIG1-3			3,431	
Not Rated	225,883	642,451	2,108,563	
Total	\$390,592	\$2,317,491	\$3,663,170	\$20,703

F. FOREIGN CURRENCY RISK

State Treasury

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 allows the Plan to invest in foreign marketable securities up to a target of 7% of total investments which totals \$126,229,365 at June 30, 2007. The Louisiana State Employees' Retirement System (LASERS) held foreign marketable securities with a fair value of \$1,881,524,546 at June 30, 2007, the Teachers' Retirement System of Louisiana (TRSLA) held \$3,068,744,211, and the Louisiana State Police Retirement System (LASPRS), \$60,609,266. LASPRS's investment policy targets 12.5% of their system's portfolio to be international equities, not to exceed 15%. The following table illustrates the total exposure to foreign currency risk at June 30, 2007 of \$5,137,107,388 by currency denomination and investment type:

Currency	Fair Value (U.S. dollars) (in thousands)	
	Bonds	Stocks & Other
Australian dollar	\$60,581	\$225,155
Brazilian real	18,765	4,191
British pound sterling	102,344	678,793
Canadian dollar	19,448	75,693
Danish krone	4,118	8,660
European euro	223,158	575,949
Hong Kong dollar	224,278	934,257
Hungarian forint		152,560
Iceland krona	1,281	
Indonesian rupiah		25
International pooled funds		60,232
Israeli shekel	13,212	311
Japanese yen	220,980	298,978
Malaysian ringgit	116,898	469,357
Mexican new peso	40,572	4,917
New Turkish lira	18,660	1,169
New Zealand dollar		5,233
Norwegian krone	19,741	8,612
Philippines peso		24,145
Polish zloty	42,659	
Singapore dollar	29,522	49,292
South African rand	19,522	7,657
South Korean won		50,330
Swedish krona	16,398	76,186
Swiss franc	3,916	226,348
Thailand baht		3,004
Total	\$1,196,053	\$3,941,054

G. SECURITIES LENDING

State Treasury

The State Treasurer operated two separate securities lending programs during the 2007 fiscal year. One arrangement, authorized by LRS 49:321.1, entails the lending of its pooled assets comprising treasury and agency securities. In return for the lending transaction, the broker/dealer provides cash or securities of a similar nature and maturity to those lent valued at 102% of the

securities involved. The State agrees to hold as collateral securities for which it has no negotiation rights but for which it does have ownership. The State Treasurer has neither actual nor constructive receipt of the collateral. The State Treasurer has the right to receive or sell the collateral only upon a default of the borrower as defined in the contracts. The cash collateral is invested in an overnight investment pool of the safekeeping agent. Securities lent are not considered to have been sold nor are the securities received as collateral considered to have been purchased. The safekeeping agent has agreed to indemnify the State Treasurer for certain conditions, the two most important of which are default on the part of the borrower and failure to maintain the daily marking to market on the pledged collateral. The State had no credit risk at the balance sheet date because the value of the U.S. Government Sponsored Entity collateral exceeded the value of the securities on loan by \$149,700,774.

The Louisiana Education Quality Trust Fund (LEQTF) also participated in a securities lending program as authorized by LRS 17:3803(E)(1) during the 2007 fiscal year. Under the program, the State receives cash or securities as collateral equal to the market value plus interest on the securities lent or collateral of a similar type and maturity to those lent, collateralized at 102%. Securities purchased with cash collateral are included in an overnight repurchase investment pool, which is not categorized, and generally match loan maturities. The State Treasurer agrees to transfer lendable LEQTF securities (lendable securities are defined in the contract, but generally consist of treasury and agency fixed-income instruments) to the agent bank. The broker/dealer agrees to utilize securities as market opportunities arise, with the income from the transaction resulting in a split of 60/40, the 60% accruing directly to the LEQTF. The State Treasurer has the right to sell the pledged collateral only upon default of the borrower as defined in the contract. The securities lending agent has agreed to indemnify the State Treasurer as agent for the LEQTF for broker default and failure to maintain the market value on the collateral. The State discontinued its participation in the securities lending for LEQTF in June, 2007.

At June 30, 2007, the value of securities on loan was \$6,899,070,880 for the Treasurer's pooled investments. No losses on securities lending transactions occurred during the 2007 fiscal year.

Retirement Systems and Other Trusts

The Teachers' Retirement System of Louisiana (TRSLA), the Louisiana State Police Retirement System (LASPRS), 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 and LASPRS lend their securities for cash or cash collateral. The LASERS and LSERS lend their securities for cash, U.S. government securities, and irrevocable letters of credit. In addition, LSERS lends its securities for sovereign debt. 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 Assets. The TRSLA, LASPRS, LSERS and LASERS cannot pledge or sell securities unless the borrower defaults.

The TRSLA lends domestic securities for cash collateral of 100%, domestic securities for non-cash collateral at 102%, and international securities for cash collateral of 105%. The LASPRS, LSERS and LASERS lend U.S. securities for collateral valued at 102% of the market value of the securities plus any accrued interest (for LSERS only). For the LSERS and LASERS, non-U.S. securities are loaned for collateral valued at 105% of the market value of the securities plus any accrued interest (for LSERS only). In instances where LASPRS, TRSLA and LSERS loans are for term, the reinvestment of the cash is matched to the maturity of the loan. LASERS loans are terminable at will. Therefore, their duration will not generally match the duration of the investments made with cash collateral.

At June 30, 2007, neither the LASERS, LASPRS, TRSLA nor the LSERS had any credit risk exposure to borrowers at year end because the amount the plan owes the borrowers exceeds the amount the borrowers owe the plan. Securities loans of all four systems may be terminated on demand by either party within a period specified in the related agreement. There were neither significant violations of legal or contractual provisions, nor borrower or lending agent default losses known to the securities lending agents of the LSERS and LASERS. The LASPRS, LASERS and LSERS have indemnification agreements with their securities lending agents in case of borrower default. Securities on loan at June 30, 2007 totaled \$1,122,153,233 for LASERS, \$22,023,736 for LASPRS, \$2,507,324,241 for TRSLA, and \$242,552,158 for LSERS.

H. INVESTMENTS IN DERIVATIVES

As of June 30, 2007, LASERS, TRSLA, and LSERS held investments in various derivative financial instruments (derivatives) including interest-only strips, principal-only strips, collateralized mortgage obligations, options, forward contracts, and futures contracts. TRSLA invests in interest-only strips and principal-only strips which are

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mortgage-backed securities that involve the separation of the interest and principal components of a security. These derivatives are held in part to maximize yields and in part to hedge against changes in interest rates. Interest-only strips are based on cash flows from interest payments on mortgages, whereas principal-only strips are based on cash flows from principal payments on mortgages. The return on these investments is related to changes in interest rates. LASERS and TRSLA invest in collateralized mortgage obligations (CMO's) which are collateralized by whole loan mortgages, mortgage pass-through securities, or stripped mortgage-backed securities. Additionally, LASERS and TRSLA invest in forward foreign exchange

contracts which are entered into in order to hedge risks from exposure to foreign currency fluctuation. Also, TRSLA invests in option contracts which bear the risks of an unfavorable change in the price of the financial instruments underlying the option and counterparties failing to meet the terms of the option contract. TRSLA and LSERS invest in futures contracts to maintain market exposure for excess cash or for security hedging. The risks associated with futures contracts are the potential for credit loss in the event of nonperformance by other parties to the contracts and market risk as a result of possible future changes in market prices.

NOTE 3: ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

Balances receivable and payable have been aggregated for presentation in the accompanying financial statements. Therefore, the following schedules provide additional detail information concerning balances receivable and payable by category and fund type.

A. Receivables

Receivable balances at June 30, 2007, are as follows (expressed in thousands):

	Governmental Funds			
	General Fund	Bond Security and Redemption Fund	Nonmajor Funds	Total Governmental Funds
Corporate/Individual Tax	\$	\$ 701,795	\$	\$ 701,795
Excise Tax		52,855		52,855
Federal Revenues	114,289		29,930	144,219
Gaming		16,097		16,097
Licenses Permits and Fees		15,488		15,488
Mineral Resources		117,534		117,534
Motor Fuel Tax		91,362	39,903	131,265
Public Assistance		10,927		10,927
Tobacco Products Tax		13,832		13,832
Sales of Commodities and Services		33,475		33,475
Sales Tax		132,365		132,365
Severance Tax		95,553		95,553
Other Tax		388,090		388,090
Other	22,012	38,125	37,398	97,535
Total Receivables	136,301	1,707,498	107,231	1,951,030
Allowance for Uncollectibles	--	(22,823)	--	(22,823)
Receivables, Net	\$ 136,301	\$ 1,684,675	\$ 107,231	\$ 1,928,207
Amounts Not Expected to be Collected Within One Year	\$ --	\$ 527,555	\$ --	\$ 527,555

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Proprietary Funds

	Business-Type Activities - Enterprise Funds			Governmental Activities -
	Unemployment Trust Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	\$	\$	\$	\$
Employer Contributions	99,284		99,284	
Gaming		9,925	9,925	
Other		7,202	7,202	11,480
Total Receivables	99,284	17,127	116,411	11,480
Allowance for Uncollectibles	(46,396)	--	(46,396)	--
Receivables, Net	<u>\$ 52,888</u>	<u>\$ 17,127</u>	<u>\$ 70,015</u>	<u>\$ 11,480</u>
Amounts Not Expected to be Collected Within One Year	<u>\$ --</u>	<u>\$ 69</u>	<u>\$ 69</u>	<u>\$ --</u>

B. Accounts Payable and Accruals

Accounts Payable and Accruals at June 30, 2007, are as follows (expressed in thousands):

	Governmental Funds			
	General Fund	Bond Security and Redemption Fund	Nonmajor Funds	Total Governmental Funds
Community Development	243,990			243,990
Economic Development	10,223			10,223
Emergency Preparedness and Disaster Recovery	266,254			266,254
Engineering and Operations	17,898			17,898
General Administration	25,116			25,116
Highway Operation and Maintenance			211,784	211,784
Inmate Housing	13,051			13,051
Job Training and Placement Programs	6,674			6,674
Public Safety and Law Enforcement	20,210			20,210
Medicaid	394,459			394,459
Personal Health	24,995			24,995
Public Assistance	99,911			99,911
Recovery School District	91,386			91,386
School and Community Educational Support	138,724			138,724
Disadvantaged Student	182,691			182,691
School, Student, and Educator Performance	75,558			75,558
Aid to Local Government	48,623			48,623
Other State Programs	210,319	5	9,935	220,259
Total Accounts Payable and Accruals	<u>\$ 1,870,082</u>	<u>\$ 5</u>	<u>\$ 221,719</u>	<u>\$ 2,091,806</u>

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	Proprietary Funds			Governmental Activities
	Business-Type Activities - Enterprise Funds			
	Unemployment Trust Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
Gaming	\$	\$ 1,967	\$ 1,967	\$
Other		2,512	16,909	3,014
Total Accounts Payable and Accruals	\$	2,512	18,876	\$ 21,388
				3,014

NOTE 4: INTERFUND ACCOUNTS AND TRANSFERS

A. RECEIVABLES AND PAYABLES

A summary of interfund receivables and payables at June 30, 2007 is shown below (expressed in thousands):

	Primary Government	
	Due From	Due To
GOVERNMENTAL FUNDS:		
General Fund	\$ 1,323,087	\$ 200,406
Bond Security and Redemption Fund	193,064	1,264,357
Louisiana Educational Quality Trust Fund	448	40,104
Nonmajor Funds	434,782	432,811
Total Governmental Funds	<u>1,951,381</u>	<u>1,937,678</u>
PROPRIETARY FUNDS:		
Nonmajor Funds	--	13,199
Internal Service Funds	--	504
Total Proprietary Funds	<u>--</u>	<u>13,703</u>
GRAND TOTALS	\$ <u>1,951,381</u>	\$ <u>1,951,381</u>

B. TRANSFERS IN AND OUT

A summary of transfers in and out at June 30, 2007, is shown below (expressed in thousands):

	Primary Government	
	Transfers In	Transfers Out
GOVERNMENTAL FUNDS:		
General Fund	\$ 13,525,737	\$ 2,785,187
Bond Security and Redemption Fund	138,473	13,391,042
Louisiana Educational Quality Trust Fund	20,540	--
Nonmajor Funds	7,093,579	4,872,226
Total Governmental Funds	<u>20,778,329</u>	<u>21,048,455</u>
PROPRIETARY FUNDS:		
Nonmajor Funds	398,788	128,662
Total Proprietary Funds	<u>398,788</u>	<u>128,662</u>
GRAND TOTALS	\$ <u>21,177,117</u>	\$ <u>21,177,117</u>

C. DETAILS OF INTERFUND BALANCES AND TRANSFERS

Per the Louisiana Constitution, most State revenues are deposited into the Bond Security and Redemption Fund (BSRF). The major exception is federal revenues, which are deposited directly into the General Fund. The BSRF was designed to protect the bond holders, so general obligation debt is paid from the BSRF. This set up results in an extremely large number of transfers in and out of BSRF from and to a majority of the other funds, including the General Fund. At the end of the accrual period, a transfer is made to move the remaining monies in BSRF to the General Fund. Louisiana is unique in the way its debt service fund operates and parts A and B of this note provide the total amounts flowing through the BSRF.

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The General Fund receives a large number of transfers from statutorily dedicated (special) funds. Since the special funds do not report expenditures, monies warranted in these funds are reclassified as transfers to the General Fund and the General Fund reports all expenditures for the special funds. This reclassification of warrants along with the transfers reported in the BSRF account for the large volume of transfers from reported in the General Fund. The interfund balances and transfers are due to the regular functions of government in the Louisiana environment and, in general, all interfund balances are paid within the statutorily required close period.

Below is a discussion of the larger, more significant interfund transfers of the nonmajor funds.

- Budget Stabilization Fund – This fund was created in 1998 to restructure and rename the Revenue Stabilization/Mineral Trust Fund (Rainy Day Fund). Its funding is derived in several ways including twenty-five percent of non-recurring revenues, money available for appropriation from the state general fund and dedicated funds in excess of certain expenditure limits, and mineral revenues in excess of cap. For fiscal year 2007, transfers in totaled \$580 thousand.
- Capital Outlay Escrow Fund – This fund was established in 1974 to provide for the capital outlay expenditures of the State as appropriated in the annual capital outlay appropriations act. The activity in this fund for fiscal year 2007 was primarily for the repairs and renovations being made due to the damage caused by Hurricanes Katrina and Rita. The fund reported transfers out of \$14.5 million and transfers in of \$2 billion.
- FEMA Reimbursement Fund – This fund was established in 2006 for the purpose of providing funds to pay the state's portion of any amount due the United States under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. Monies in this fund may also be transferred to the State Emergency Response Fund with the proper approval. During fiscal year 2007, transfers out totaled \$418 million and transfers in were \$345 million.
- Louisiana Medical Assistance Trust Fund – This fund was established in 1992 to assist in the operation and maintenance of the Medicaid program in the state. In fiscal year 2007, transfers out amounted to \$489 million and transfers in were \$531 million.
- Transportation Infrastructure Model for Economic Development (TIMED) – This fund was established in 1989 to be used exclusively for specific road and bridge projects with portions designated for the Port of New Orleans and the New Orleans International Airport. During fiscal year 2007, this fund had transfers out of \$448 million and transfers in totaled \$72 million.
- Transportation Trust Fund – This fund, established in 1989, was created to receive the excess revenues on gasoline, motor fuels, and special fuels taxes. Purposes of the fund include highway construction and maintenance, statewide flood control, ports and airports priority programs, among others. During fiscal year 2007, transfers out amounted to \$1.2 billion and transfers in were \$572 million.
- Video Draw Poker Device Fund – This fund was created in 1991 to receive an allocation of the revenues collected by the Gaming Division of the Office of State Police for fees, fines, penalties, and all other monies collected. During fiscal year 2007, this fund had transfers out of \$210 million and transfers in totaling \$211 million.

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NOTE 5: CAPITAL ASSETS

A. PRIMARY GOVERNMENT (in thousands)

	<u>Capital Assets</u> <u>July 1, 2006 *</u>	<u>Additions</u>	<u>Deletions</u>	<u>Capital Assets</u> <u>June 30, 2007</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,968,397	\$ 73,617	\$ 2,115	\$ 2,039,899
Construction in progress	<u>*191,485</u>	<u>190,265</u>	<u>142,647</u>	<u>239,103</u>
Total capital assets not being depreciated	<u>2,159,882</u>	<u>263,882</u>	<u>144,762</u>	<u>2,279,002</u>
Other capital assets historical cost:				
Buildings and improvements	*1,470,816	200,796	535	1,671,077
Machinery and equipment	*662,336	109,238	47,144	724,430
Infrastructure	<u>*17,769,481</u>	<u>1,048,545</u>	<u>--</u>	<u>18,818,026</u>
Total other capital assets historical cost	<u>19,902,633</u>	<u>1,358,579</u>	<u>47,679</u>	<u>21,213,533</u>
Less accumulated depreciation:				
Buildings and improvements	*465,711	39,431	463	504,679
Machinery and equipment	*508,077	72,809	47,024	533,862
Infrastructure	<u>*8,263,543</u>	<u>427,221</u>	<u>--</u>	<u>8,690,764</u>
Total accumulated depreciation	<u>9,237,331</u>	<u>539,461</u>	<u>47,487</u>	<u>9,729,305</u>
Other capital assets, net of depreciation	<u>10,665,302</u>	<u>819,118</u>	<u>192</u>	<u>11,484,228</u>
Governmental activities capital assets, net	<u>\$ 12,825,184</u>	<u>\$ 1,083,000</u>	<u>\$ 144,954</u>	<u>\$ 13,763,230</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 3,807	\$ 1,150	\$ --	\$ 4,957
Construction in progress	<u>6,324</u>	<u>50,872</u>	<u>247</u>	<u>56,949</u>
Total capital assets not being depreciated	<u>10,131</u>	<u>52,022</u>	<u>247</u>	<u>61,906</u>
Other capital assets historical cost:				
Buildings and improvements	26,079	1,348	53	27,374
Machinery and equipment	<u>23,712</u>	<u>3,011</u>	<u>2,552</u>	<u>24,171</u>
Total other capital assets historical cost	<u>49,791</u>	<u>4,359</u>	<u>2,605</u>	<u>51,545</u>
Less accumulated depreciation:				
Buildings and improvements	13,886	622	47	14,461
Machinery and equipment	<u>17,536</u>	<u>1,626</u>	<u>1,314</u>	<u>17,848</u>
Total accumulated depreciation	<u>31,422</u>	<u>2,248</u>	<u>1,361</u>	<u>32,309</u>
Other capital assets, net of depreciation	<u>18,369</u>	<u>2,111</u>	<u>1,244</u>	<u>19,236</u>
Business-type activities capital assets, net	<u>\$ 28,500</u>	<u>\$ 54,133</u>	<u>\$ 1,491</u>	<u>\$ 81,142</u>

* Restated Beginning Balances

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Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$	43,173
Culture, recreation, and tourism		2,946
Transportation and development		446,888
Public safety		15,553
Health and welfare		8,304
Corrections		9,885
Youth Services		965
Conservation		6,289
Education		5,458
Total governmental activities depreciation expense	\$	<u>539,461</u>

B. COMPONENT UNITS (in thousands)

	Capital Assets			Capital Assets
	July 1, 2006 *	Additions	Deletions	June 30, 2007
Capital assets not being depreciated:				
Land	\$ *259,305	\$ 69,821	\$ 209	\$ 328,917
Construction in progress	<u>*354,433</u>	<u>277,808</u>	<u>252,031</u>	<u>380,210</u>
Total capital assets not being depreciated	<u>613,738</u>	<u>347,629</u>	<u>252,240</u>	<u>709,127</u>
Other capital assets historical cost:				
Buildings and improvements	*4,090,547	297,598	161,256	4,226,889
Machinery and equipment	*1,556,869	155,626	94,941	1,617,554
Infrastructure	<u>*541,941</u>	<u>43,006</u>	<u>--</u>	<u>584,947</u>
Total other capital assets historical cost	<u>6,189,357</u>	<u>496,230</u>	<u>256,197</u>	<u>6,429,390</u>
Less accumulated depreciation:				
Buildings and improvements	*1,886,057	106,898	151,509	1,841,446
Machinery and equipment	*1,148,329	115,931	83,786	1,180,474
Infrastructure	<u>*223,542</u>	<u>11,948</u>	<u>--</u>	<u>235,490</u>
Total accumulated depreciation	<u>3,257,928</u>	<u>234,777</u>	<u>235,295</u>	<u>3,257,410</u>
Other capital assets, net of depreciation	<u>2,931,429</u>	<u>261,453</u>	<u>20,902</u>	<u>3,171,980</u>
Component units capital assets, net	\$ <u>3,545,167</u>	\$ <u>609,082</u>	\$ <u>273,142</u>	\$ <u>3,881,107</u>

* Restated Beginning Balances

C. IMPAIRMENT OF CAPITAL ASSETS

In fiscal year 2006, State capital assets were impaired as a result of physical damage incurred from Hurricanes Katrina and Rita. An impairment loss was calculated for this damage as required by GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*.

Additional impairment losses associated with Hurricanes Katrina and Rita calculated in fiscal year

2007 for Governmental Activity assets are \$346,532 for buildings and \$943,809 for infrastructure. These amounts are reported as part of the adjustment to beginning net assets in the government-wide Statement of Activities.

For the discrete component units' assets, the Louisiana Housing Finance Agency calculated an additional impairment loss of \$599,329 from Hurricane Katrina for a building that sustained more extensive damage than

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was previously known. This additional impairment loss is reported as an expense for non-major component units on the government-wide Statement of Activities and in the Statement of Activities for Component Units. The Agency has buildings impaired by damage received from the hurricanes with a carrying value of \$697,303 that still remain idle at the end of fiscal year 2007.

Orleans Levee District received \$893,396 in additional insurance recoveries during the year for assets impaired by Hurricanes Katrina and Rita. These insurance recoveries are reported as an "Extraordinary item – gain on impairment of capital assets" on the government-wide Statement of Activities and in the Statement of Activities for Component Units.

The State's college systems have assets impaired as a result of damage received from Hurricanes Katrina and Rita that remain idle at the end of fiscal year 2007. The carrying value of these idle impaired assets is as follows:

	<u>Buildings</u>	<u>Machinery and Equipment</u>
Louisiana State University System	\$ 4,498,025	\$ 2,142,856
Southern University System	7,443,923	185,473
University of Louisiana System	<u>1,246,038</u>	<u>--</u>
	<u>\$ 13,187,986</u>	<u>\$ 2,328,329</u>

Insurance recoveries of \$50,000,000 received during fiscal year 2007 by the Office of Risk Management (ORM) for property damage from Hurricane Katrina are reported as Governmental Activity Program Revenues – Charges for Services in the government-wide Statement of Activities. Insurance recoveries of \$33,518,090 for discrete entities were paid during the year by ORM as property and automobile claims for damage from Hurricanes Katrina and Rita.

Other entities reporting insignificant impairment losses not related to Hurricanes Katrina and Rita include Jackson Regional Laundry for machinery and equipment destroyed by fire and the University of Louisiana System for a building that was closed prior to the end of its original useful life.

NOTE 6: EMPLOYEE BENEFITS

A. RETIREMENT SYSTEMS

Background

The State of Louisiana maintains four defined benefit pension plans (DBP) that are considered component units of the State and are included in the Comprehensive Annual Financial Report (CAFR) as a part of the primary government. Those plans are administered by four public employee retirement systems. The Louisiana State Employees' Retirement System (LASERS) established July 1, 1947, includes classified and unclassified employees of the State. The Teachers' Retirement System of Louisiana (TRSLA) was established August 1, 1936, for the benefit of public school teachers and, effective July 1, 1983, includes school lunch employees. TRSLA offers a defined contribution plan to a relatively small, select group of employees in higher education. The Louisiana School Employees' Retirement System (LSERS) was established on July 1, 1947, for persons employed as school bus drivers, school janitors, school custodians, and school maintenance employees. The Louisiana State Police Retirement System (LSPRS) was established by Act 293 of 1938. Its members include commissioned law enforcement officers of the Office of State Police and the Superintendent of the Office of State Police.

In 1987, a constitutional amendment was ratified by the electorate that added subsection (E) to Article 10, Section 29, mandating the actuarial soundness of state and statewide retirement systems. In compliance with that amendment, the Legislature enacted Louisiana Revised Statute (LRS) 11:1-127 in its 1988 regular session to consolidate the public retirement law. LASERS and TRSLA must use the projected unit credit cost method to determine their actuarially required contributions; LSERS and LSPRS must use the entry age normal cost method for this determination.

LRS 11:42B (4), (5), (10), and (11) establish requirements for the amortization of unfunded accrued liabilities of these Public Employees Retirement Systems (PERS). LRS 11:42B(4) requires the unfunded accrued liability of LSERS as of June 30, 1988, be amortized over a forty-year period, beginning in fiscal year 1989-1990, with level dollar payments annually.

LASERS and TRSLA requirements before LRS 11:42B (5) and (11) were amended are as follows:

The unfunded accrued liability as of June 30, 1988, determined under the projected unit credit funding method "...shall be amortized over a forty year period, commencing with the fiscal year 1989-1990 with the series of forty annual payments forming an increasing annuity, increasing initially at 4% per annum for the first five years, with the

percent of increase reduced one-half of one percent over each successive five year period, so that the payments are increasing at the rate of one-half of one percent over the last five-year period."

LRS 11:42B(5) and (11) were amended in 1992 to require that the outstanding balance of the unfunded accrued liability as of June 30, 1992, for LASERS and TRSLA, "...shall be amortized over the remaining thirty-seven year period with payments forming an annuity at four and one half percent annually."

LRS 11:42B(10) specifies that the unfunded accrued liability of the LSPRS as of June 30, 1988, be amortized over a twenty year period, beginning in fiscal year 1989-1990, with level dollar payments annually.

LRS 11:62 specifies employee contribution rates each year for each system, while LRS 11:102 details the calculation of the employer contribution rate each year for each system.

Act 588 of the 2004 Regular Session made significant changes to prospective funding for LASERS, TRSLA, and LSERS. As a result of the Act, the outstanding balances of changes in liabilities prior to 1999 were re-amortized using level dollar method until 2029. The remaining amortization periods for changes in liabilities beginning with 1999 through 2003 were extended to a thirty year period from the date of occurrence and amortized as a level percentage of projected payroll. Bases established after June 30, 2004, are amortized over a thirty year period as level dollar payments. In addition, the Act authorizes the Legislature to set employer contribution rates based on specific criteria but no less than fifteen and one-half percent for LASERS and TRSLA.

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

Plan Description

Louisiana State Employees' Retirement System. Although there are 362 contributing employers in this system, LASERS is considered a single employer plan because the material portion of its activity is with one employer - the State of Louisiana. The system is established and provided for within Title 11, Subtitle II, Chapter 1, of the Louisiana Revised Statutes. Benefit provisions are authorized within LRS 11:441-501.

Those employees considered eligible for membership in LASERS include all employees of the State (except those specifically excluded by statute) and are eligible

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immediately upon employment. Members are vested after 10 years of service.

A member is eligible to retire after at least 10 years of service at age 60, 25 years at age 55, or after 30 years at any age. Effective January 1, 1996, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The system does provide for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches retirement age, benefits are payable at 2.5% of the average of the highest three consecutive years of compensation, multiplied by the number of years of creditable service. Once an employee has accumulated 10 years of service, disability benefits apply based on the regular benefit formula without age restrictions. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average earned compensation for the highest 60 consecutive months of employment. Act 835 of the 2006 Regular Session increases the maximum retirement allowance for peace officers employed by the Department of Public Safety and Corrections, Office of State Police, other than state troopers to 3.33% for each year of qualifying service. Act 353 of the 2007 Regular Session, effective June 30, 2007, increases the maximum retirement allowance for personnel employed by the Department of Revenue, Office of Alcohol and Tobacco Control to 3.33% for each year of qualifying service. All other benefit provisions remain the same as those for regular members.

Act 672 of the 2006 Regular Session provides for any member of LASERS an early retirement, provided the member has attained at least age 50 and has at least 10 years of service credited to this retirement, exclusive of any military service credit. The member shall receive an annual retirement allowance consisting of an actuarially reduced benefit and shall not be eligible to participate in the Deferred Retirement Option Plan (DROP) or the Initial Benefit Option (IBP). This act is intended to encourage voluntary early retirement by the temporary lessening of retirement eligibility requirements and by restricting the hiring of new employees. The effective date of the act is January 1, 2007 through December 31, 2008. Act 194 of the 2004 Regular Session, also an early retirement and payroll reduction act, ended on December 31, 2006.

In 1990, the Legislature created the DROP with Act 14. When members enter DROP, they continue to work at their regular job and draw their regular salary for a period of up to three years. While on DROP, the retiree's retirement benefits are paid into a special account. The election is

irrevocable once participation begins. Interest is credited after participation ends; at which time, the member must choose a distribution option for benefits that have accumulated in the DROP account. The DROP program was designed to have no actuarial effect on LASERS' unfunded liability. Currently, there are 2,624 members in the program.

Act 678 of the 2006 Regular Session made provisions for any employee who is a member of LASERS, and has not retired, but whose participation in the DROP was interrupted or ceased upon being terminated due to a reduction-in-force necessitated by Hurricane Katrina and/or Rita to have the time period applicable to his plan participation adjusted upon his reemployment and resumption of membership in LASERS to which the employee belonged before being terminated. However, the act does not apply to an employee who becomes reemployed more than one year after being furloughed or terminated, whichever occurs first, or to employees reemployed on or after December 31, 2006.

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

The word "plan" as used below does not carry the same definition as referred to in GASB Statements 25, 26, and 27. Our use of the word "plan" in this context refers to individual benefit options. Those employees considered eligible for membership in TRSLA include teachers and eligible school lunch employees and are eligible immediately upon employment. Under the Teachers' Regular Plan, as amended by Act 1055 of 2001, members are vested after 5 years of service. A teacher member who becomes a member prior to July 1, 1999, is eligible to retire after at least 5 years of service at age 60, or after 20 years at any age, and will receive benefits based on a formula of 2%; a teacher member who retires with 25 years of service at age 55, 20 years at age 65, or 30 years at any age will receive benefits based on a formula of 2.5%. A teacher member who becomes a member on or after July 1, 1999, is eligible to retire after at least 5 years of service at age 60, 20 years at any age (actuarially reduced), 25 years of service at age 55, or 30 years at any age and will receive benefits based on a formula of 2.5%. In 1983 the Louisiana School Lunch Employees' Retirement System was merged into this system. The Louisiana School Lunch Employees' Retirement System contained two plans that were acquired by TRSLA: Plan A for members who are employed by the school system and are not covered by the Social Security system, and Plan B for members who are employed by the school system and are covered by Social Security. Plan A members are

eligible to receive benefits based on a 3% benefit formula after 5 years of service at age 60, 25 years at age 55, or after 30 years service at any age. A 2% benefit formula accrues to Plan B members after 5 years service at age 60 and after 30 years service at age 55. These benefits are calculated on a percentage of the member's average salary for the thirty-six highest successive months.

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

The Optional Retirement Plan (ORP), in LRS 11:921-931, provides a defined contribution program for academic employees in higher education. Eligible members have the option of making an irrevocable election to participate in the ORP rather than the TRSLA and purchase annuity contracts for benefits payable at retirement. Monthly contributions based on percentages of salary are made by the employee and the employer to companies selected as providers of the plan. ORP provides for portability of assets and full and immediate vesting of all contributions submitted to the participating companies on behalf of the employees. In accordance with LRS 11:927(B), the system retains 9.1599% of the 15.8% ORP employer contributions to be applied to the unfunded accrued liability of the system. Thus, the amount transferred to the carrier is the employer's portion of the normal cost contribution, which has been determined by the Public Retirement Systems' Actuarial Committee to be 6.6401%. The number of employers participating in the ORP program is currently 120. Current membership in the program is 21,731. The ORP is not an obligation of the State or TRSLA, and is therefore not included in the CAFR.

Members of TRSLA also have the option of participating in a three-year DROP program. Although Act 1055 of 2001 changes the vesting requirements, members must still have 10 years of service credit to participate in DROP. Current membership in the program is 3,715. The election is irrevocable once participation begins.

Act 17 of the 2006 First Extraordinary Session made provisions for any employee who is a member of TRSLA, and has not retired, but whose participation in the DROP was interrupted or ceased upon being terminated due to a reduction-in-force necessitated by Hurricane Katrina and/or Rita to have the time period applicable to his plan

participation adjusted upon his reemployment and resumption of membership in TRSLA to which the employee belonged before being terminated. However, the act does not apply to an employee who becomes reemployed more than one year after being furloughed or terminated, whichever occurs first, or to employees reemployed on or after December 31, 2006.

The Initial Lump-Sum Benefit (ILSB) became effective January 1, 1996. Under this program, a retiring member who did not participate in DROP could select an ILSB alternative. This alternative provides the retiree with a one-time payment of up to 36 months of a regular maximum monthly retirement benefit with a reduced regular monthly retirement benefit for life.

On January 1, 2000, TRSLA established the Excess Benefit Plan. This plan is an unfunded, non-qualified plan intended to be a qualified excess benefit arrangement. It is designed to pay excess benefits to those members who retired on July 1, 1988, or later. The excess benefit is the portion of the TRSLA benefit that exceeds the maximum benefit allowed under Section 415 of the Internal Revenue Code.

Louisiana School Employees' Retirement System. Although the LSERS is considered part of the State of Louisiana financial reporting entity, it is not a part of the State payroll. LSERS is the administrator of a cost-sharing, multiple-employer, defined-benefit pension plan. The system was established and provided for by LRS 11:1001-1206. LRS 11:1116 mandates that specified employees become members of the system as a condition of employment. Benefit provisions are authorized in LRS 11:1141-1153.

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

A member is eligible to retire after at least 10 years of service at age 60, 25 years at age 55, or after 30 years at any age. The system does provide for deferred benefits for vested members who terminate before being eligible for retirement. Benefits become payable once the member reaches retirement age. The maximum retirement benefit is an amount equal to 3.33% of the average compensation for the 3 highest consecutive years of membership service, multiplied by the number of years of service limited to 100% of final average compensation, plus a supplementary allowance of \$2 per month for each year of service. For members who join the system on or after July 1, 2006, the average compensation used to calculate benefits consist of the 5 highest consecutive years'

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average salary. Once an employee has accumulated 5 years of service, disability benefits apply based on the normal benefit formula without age restrictions. A member who joins the system on or after July 1, 2006, must have at least 10 years of service to qualify for disability benefits. Other benefits have resulted from legislative changes and include cost-of-living benefits.

Effective July 1, 1992, members of the LSERS may elect to participate in the DROP and defer receipt of benefits. The election may be made one time only and is limited to three years. Monthly retirement benefits are paid into the plan and credited to a subaccount for that individual. Interest credited and payments from the DROP account are made in accordance with LRS 11:1152(F)(3). Upon termination of participation in both the plan and employment, a participant may receive either a lump sum payment from the account or systematic disbursements. All employers are eligible to participate in DROP. The number of employers currently having plan members participating in the DROP program is 72. As of June 30, 2007, there were 673 members participating in the program.

Act 17 of the 2006 First Extraordinary Session made provisions to any employee who is a member of LSERS, and has not retired, but whose participation in the DROP was interrupted or ceased upon being terminated due to a reduction-in-force necessitated by Hurricane Katrina and/or Rita to have the time period applicable to his plan participation adjusted upon his reemployment and resumption of membership in LSERS to which the employee belonged before being terminated. However, the act does not apply to an employee who becomes reemployed more than one year after being furloughed or terminated, whichever occurs first, or to employees reemployed on or after December 31, 2006.

Effective January 1, 1996, the Legislature authorized the Plan to establish the Initial Benefit Retirement Plan (IBRP). IBRP is available to members who have not participated in DROP and who select the maximum benefit, Option 2 benefit, Option 3 benefit or Option 4 benefit. Thereafter, these members are ineligible to participate in DROP. IBRP provides both a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from the IBRP account are made in accordance with LRS 11:1152(F)(3).

Louisiana State Police Retirement System. The LSPRS was established by Act 293 of 1938 and is the administrator of a single employer plan. Benefit provisions are authorized within LRS 11:1307-1322.

Those employees considered eligible for membership in LSPRS include commissioned law enforcement officers of

the Office of State Police and the Superintendent of State Police, and are eligible immediately upon employment.

After 10 years of service at age 50, benefits are determined by multiplying the years of service credit by 3.33% to compute a retirement percentage factor (not to exceed 100%), which is then multiplied by the member's average salary. For those plan members employed before September 8, 1978, with 20 years of service at any age, benefits are determined by multiplying the years of service by 3.33% to compute retirement percentage factor (not to exceed 100%), which is then multiplied by the member's average salary. For those plan members employed on or after September 8, 1978, with 25 years of service at any age, benefits are determined by multiplying the years of service by 3.33% to compute retirement percentage factor (not to exceed 100%), which is then multiplied by the member's average salary.

The following Acts of the 2003 Regular Legislative Session affect LSPRS as described. Act 211 provides a retroactive (to January 1, 1999) benefit to a surviving spouse of less than two years of any member who died of terminal cancer diagnosed prior to April 1, 2003. Act 538 provides a benefit of 100% of final average compensation or \$36,000 annually, whichever is greater, for certain catastrophic disability retirees as of June 30, 2003. Act 748 provides a 20% longevity bonus or benefits as provided by LRS 11:1307.1, whichever is greater, for members who participated in DROP on or before June 30, 2003 and who continued in employment after DROP. Act 876 amended the plan to make it eligible for tax-shelter qualification with the Internal Revenue Service effective January 1, 2004. Disability benefits equal 50% of average salary plus one and one-half percent of average salary for each year in excess of 10 years. Disability benefits shall be modified whenever a non-service disability retiree is engaged in gainful employment. Non-duty disability rates vary depending on length of service, but begin after 5 years of service credit. Death benefits vary whether cause was in the line of duty and whether there is a surviving spouse and/or number of minor children. The system does provide for deferred benefits for vested members who terminate before being eligible for retirement.

Any active member who is eligible to receive a service retirement allowance is eligible to participate in the DROP and defer receipt of benefits. The participation period shall not exceed 3 years. Upon termination of employment at the end of the DROP period, a participant may receive benefits in a lump sum payment, by a true annuity or in any other manner approved by the Board. Current membership in the program is 32.

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A summary of government employers participating in the plans at June 30, 2007 is as follows:

		<u>Number of Employers</u>
<u>LASERS</u>	State Agencies	223
	Other Public Employers	<u>139</u>
	Total	<u>362</u>
<u>TRSLA</u>	School Boards	69
	Colleges and Universities	28
	State Agencies	53
	Charter Schools	20
	Other	<u>18</u>
	Total	<u>188</u>
<u>LSERS</u>	School Boards	67
	Other Agencies	<u>36</u>
	Total	<u>103</u>
<u>LSPRS</u>		<u>1</u>

Summary of Significant Accounting Policies

All four systems use the accrual basis of accounting for operating income and operating expenses. Within this context, interest income is recognized when earned, as are employer and employee contributions. Dividends are recognized when declared. State fund appropriations are recognized when earned by LASERS, TRSLA, and LSPRS. LASERS, LSERS, and TRSLA use the trade date basis to record investment purchases and sales. In addition, contributions are recognized in the period in which the amounts are due pursuant to formal commitments. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

As required by GASB Statement 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, investments are reported at fair value. Investments are reported as follows:

LASERS. Short-term investments are reported at market value when published prices are available, or at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgage securities are valued on the basis of estimated future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Fair values of the limited partnership investments are based on valuations reported by the general partner. Investments that do not have an established market are reported at estimated fair value.

LASERS has no investments in any single organization (other than those issued or guaranteed by the U.S. Government) that represents more than 5% of the plan net assets nor does LASERS hold more than 5% of any corporation's stock available for benefits.

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

TRSLA. Investments are reported at fair value, which is the market value on the last business day of the fiscal year. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at the current exchange rate. Securities purchased pursuant to agreements to resell are carried at the contract price, exclusive of interest, at which the securities will be sold. Corporate bonds are valued based on yields currently available on comparable securities from issuers of similar credit ratings.

TRSLA has no investments of any single organization (other than those issued or guaranteed by the U.S. Government) that represents more than 5% of the plan net asset, available for pension benefits nor does TRSLA hold more than 5% of any corporation's outstanding stock.

Land, building, equipment, and furniture are carried at historical cost. Depreciation is computed by the straight-line method based on useful lives of 40 years for the building and 3 to 10 years for equipment and furniture.

LSERS. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

LSERS has no investments of any one organization (other than those issued or guaranteed by the U.S. Government) that represent more than 5% of the plan net assets, nor does LSERS hold more than 2% of a companies' outstanding equity. There are no investments in loans to or leases with parties related to the pension plan. The investment activity of LSERS is subject to an investment policy adopted by the Board of Trustees and to oversight by the Board of Trustees.

Land, building, equipment, and furniture are carried at historical cost. Depreciation is computed by the straight-line method based on useful lives of 40 years for the building and 3 to 10 years for equipment and furniture.

LSPRS. Investments are reported at fair value. Fair value is determined by the last reported sales price.

LSPRS has no investments of any single organization (other than those issued or guaranteed by the U.S. Government) that represent more than 5% of the plan net assets, nor does LSPRS hold more than 5% of any corporation's stock available for benefits.

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

Contributions

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

LASERS. The vast majority of employees of the State who are members before July 1, 2006 contribute 7.5% of their salaries. Act 75 of the 2005 Regular Session increases the member contribution rate from 7.5% to 8.0% for new members hired after June 30, 2006. Act 835 of the 2006 Regular Session increases the contribution rate of peace officers employed by the Department of Public Safety and Corrections, Office of State Police, other than state troopers to 9.0%. Act 353 of the 2007 Regular Session increases the contribution rate of personnel employed by the Department of Revenue, Office of Alcohol and Tobacco Control, to 9%. Other exceptions include: judges, court officers, the governor, lieutenant governor, and legislators, who contribute 11.5% of their respective salaries; the Clerk of the House of Representatives and the Secretary of the Senate who contribute 9.5% of their salaries; correctional officers, security personnel, and probation officers who contribute 9.0%; wildlife agents who contribute 9.5%; and Bridge Police employees for the Crescent City Connection who contribute 8.5% of their salaries. The employers of each group listed contributed 19.1% of the employees' salaries toward future benefits for fiscal year 2007.

Act 340 of the 2004 Regular Session amends the purchase of service credit provisions enacted by the Act 289 of the 1992 Regular Session. Effective July 1, 2004, Act 340 establishes that any LASERS member with at least one year of service credit in the system would be eligible to obtain up to five years of service credit in one-year increments (referred to as "Airtime" service credit purchases) provided that application for the purchase of service was made on or before June 30, 2005. However, Act 75 of the 2005 Regular Session amended Act 340 and provided that purchases of service credit made on or after July 1, 2005, will be used solely for the calculation of retirement benefits, and may not be used for the attainment of additional years of retirement eligibility.

TRSLA. Contributions required of TRSLA members and their employers are based on the plan in which the

employee participates. During the year ended June 30, 2007, members of the system's Regular Plan contributed 8.0% of their earned compensation, with the employer contributing 15.8%. Members of the TRSLA Plan A contributed 9.1% of their salary and the employer contributed 15.8%. Members of TRSLA Plan B contributed 5.0% of their compensation and the employer made a 15.8% contribution. The sources of employer contributions are appropriated state funds and tax proceeds collected in the parishes and remitted by the respective parishes' sheriff's office.

LSERS. Member contributions are established by statute and are currently 7.5% of earned compensation. Employer contributions, provided by the Board of Trustees, were increased to 19.6% for fiscal year 2007.

Act 278 of the 1999 Regular Session provides for the establishment of an Employer Credit Account consisting of the accumulated excess employer contributions which exceeded the actuarially required employer rate. The account has a balance of \$0 for the last three fiscal years.

LSPRS. Member contributions are 8.0% of earned compensation and are deducted from the member's salary. The employer's contribution includes various fees collected by the Office of Motor Vehicle, and appropriations from the State.

Act 45 of the 2005 First Extraordinary Session amended retirement service and salary credit for public employees on involuntary furlough without pay, or placed on leave without pay on or after August 29, 2005, due to a gubernatorially declared disaster or emergency to be entitled to purchase service and salary credit for each day of service during the period beginning August 29, 2005, and ending on June 30, 2006. The remittance of payment shall be made to the system on or before December 31, 2006. The purchased service and salary credit may not be used for the purpose of meeting the minimum service requirements for disability retirement.

As required by GASB Statement 27, paragraph 20b(3), the LSERS and the TRSLA, both cost-sharing employers, disclose the following information:

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
<u>LSERS</u>		
6/30/05	\$46,187,680	61.0%
6/30/06	\$50,768,224	85.6%
6/30/07	\$46,711,648	108.1%
<u>TRSLA</u>		
6/30/05	\$555,169,630	105.6%
6/30/06	\$555,342,400	103.1%
6/30/07	\$578,895,501	106.5%

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As required by GASB Statement 27, paragraph 21, the LASERS and LSPRS, both single employers, disclose the following information.

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

	<u>LASERS</u>	<u>LSPRS</u>
Annual required contribution	\$ 434,796,738	\$ 18,482,551
Interest on net pension obligation	4,341,903	246,593
Adjustment to annual required contribution	<u>(18,772,024)</u>	<u>(113,231)</u>
Annual pension cost	420,366,617	18,615,913
Contributions made	<u>(421,899,682)</u>	<u>(41,919,040)</u>
Increase (Decrease) in net pension obligation	(1,533,065)	(23,303,127)
Net pension obligation beginning of year	<u>52,629,148</u>	<u>3,287,896</u>
Net pension obligation end of year	<u>\$ 51,096,083</u>	<u>\$ (20,015,231)</u>

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

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
<u>LASERS</u>			
6/30/05	\$404,460,067	100.9 %	\$31,552,169
6/30/06	\$415,185,175	94.9 %	\$52,629,148
6/30/07	\$420,366,617	100.4 %	\$51,096,083
<u>LSPRS</u>			
6/30/05	\$35,886,584	82.0 %	\$3,149,715
6/30/06	\$37,621,412	99.6 %	\$3,287,896
6/30/07	\$18,615,913	225.2 %	\$(20,015,231)

Actuarial Methods and Assumptions

The following table provides information concerning actuarial methods and assumptions.

	<u>LASERS</u>	<u>TRSLA</u>	<u>LSERS</u>	<u>LSPRS</u>
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Entry Age	Entry Age
Amortization Method	Level Percentage of Projected Payroll	Level Dollar	Level Dollar	Level Dollar
Remaining Amortization Period (Open or Closed Period)	23-30 years Closed	30 years Closed	22 years Closed	0 years Closed
Asset Valuation Method	All assets valued at 4-year weighted market average	All assets valued at 4-year weighted market average	All assets valued at 4-year weighted market average	All assets valued at 4-year weighted market average
Actuarial Assumptions:				
Investment Rate of Return*	8.25%	8.25%	7.5%	7.5%
Projected Salary Increases*	4.25 – 14%**	3.2 – 9.0%	4.5 – 8.0%	4.5 – 15%
Cost of Living Adjustment	None	3.0%	None	None
*Includes inflation at:	3%	3.2%	3.25%	3.25%

**The listed rates do not include those for judges, correction officers and wildlife agents.

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Funding Status and Progress

Because the purpose of each system is to provide specific benefits to groups of employees at various times in the future, actuarial valuations and assumptions are made regularly. The most recent actuarial valuation for the four statewide retirement systems is as of June 30, 2007. The Schedule of Funding Progress for the six* most recent actuarial valuations are as follows:

Schedule of Funding Progress (Expressed in Thousands)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<u>LASERS</u>						
Actuarial Valuation Date	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
Actuarial Value of Assets	\$8,345,495	\$7,430,784	\$6,673,500	\$6,097,815	\$6,487,538	\$6,460,594
Actuarial Accrued Liability	\$12,421,907	\$11,548,680	\$10,847,062	\$10,237,574	\$9,796,306	\$9,206,734
Unfunded AAL	\$4,076,411	\$4,117,896	\$4,173,562	\$4,139,759	\$3,308,768	\$2,746,140
Funded Ratio	67.2%	64.3%	61.5%	59.6%	66.2%	70.2%
Annual Covered Payroll	\$2,175,367	\$1,979,705	\$2,100,043	\$2,017,726	\$1,924,680	\$1,861,887
UAAL as a Percentage of Covered Payroll	187.4%	208.0%	198.7%	205.2%	171.9%	147.5%
<u>TRSLA</u>						
Actuarial Valuation Date	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
Actuarial Value of Assets	\$14,812,298	\$13,088,358	\$12,082,682	\$11,409,404	\$11,826,926	\$12,019,552
Actuarial Accrued Liability	\$20,772,330	\$19,390,781	\$18,699,765	\$18,067,486	\$17,196,812	\$16,263,239
Unfunded AAL	\$5,960,032	\$6,302,423	\$6,617,083	\$6,658,082	\$5,369,886	\$4,243,687
Funded Ratio	71.3%	67.5%	64.6%	63.1%	68.8%	73.9%
Annual Covered Payroll	\$3,224,566	\$2,892,959	\$3,132,169	\$3,017,087	\$2,977,885	\$2,777,667
UAAL as a Percentage of Covered Payroll	184.8%	217.9%	211.3%	220.7%	180.3%	152.8%
<u>LSERS</u>						
Actuarial Valuation Date	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
Actuarial Value of Assets	\$1,558,328	\$1,480,748	\$1,423,207	\$1,381,154	\$1,369,601	\$1,433,859
Actuarial Accrued Liability	\$1,947,603	\$1,872,594	\$1,889,445	\$1,820,958	\$1,730,796	\$1,582,071
Unfunded AAL	\$389,275	\$391,846	\$466,238	\$439,804	\$361,195	\$148,212
Funded Ratio	80.0%	79.1%	75.3%	75.8%	79.1%	90.6%
Annual Covered Payroll	\$259,045	\$239,321	\$259,232	\$259,698	\$268,656	\$258,876
UAAL as a Percentage of Covered Payroll	150.3%	163.7%	179.9%	169.4%	134.4%	57.3%
<u>LSPRS</u>						
Actuarial Valuation Date	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03	6/30/02
Actuarial Value of Assets	\$428,880	\$379,704	\$322,482	\$288,865	\$271,062	\$271,694
Actuarial Accrued Liability	\$587,527	\$546,238	\$516,427	\$477,085	\$447,694	\$386,698
Unfunded AAL	\$158,646	\$166,534	\$193,945	\$188,220	\$176,631	\$115,004
Funded Ratio	73.0%	69.5%	62.4%	60.6%	60.6%	70.3%
Annual Covered Payroll	\$49,763	\$49,256	\$49,290	\$47,923	\$44,148	\$31,695
UAAL as a Percentage of Covered Payroll	318.8%	338.1%	393.5%	392.8%	400.1%	362.8%

(* GASB 25, paragraph 34, requires only three years of valuations for single employer plans. We chose to show six years for all statewide retirement systems.)

Unfunded Actuarial Accrued Liability (UAAL) differs from the Unfunded Funding Actuarial Liability (UFAL) for funding purposes. UFAL for funding purposes excludes the Texaco Settlement Fund Assets. The UFAL amounts reported for LASERS and TRSLA on June 30, 2007, are \$4,129,688,441 and \$6,250,577,714, respectively. The UFAL dollar amounts for LSERS and LSPRS in FY 2007 are the same amounts as the UAAL.

The Actuarial Value of Assets for TRSLA also has a deficit in the LSU Agriculture and Extension Service Fund of \$409,216 which is not included. Considering this deficit, TRSLA's funded ratio would be reduced to 69.9%. Act 588 of the 2004 Regular Legislative Session reset the Employee Experience Account balance to zero and thereafter limited the account balance to no more than the reserve for two COLAs. The Employee Experience Account had balances for LASERS and TRSLA of \$243,547,257 and \$617,106,814 respectively at June 30, 2007. The Experience account can only be used to fund retiree cost-of-living adjustments.

B. LOUISIANA LOTTERY CORPORATION RETIREMENT PLANS

Pursuant to LRS 47:9015(A), the Louisiana Lottery Corporation provides two defined contribution retirement plans for its employees.

1. Basic Retirement

The Basic Retirement Plan was established effective September 1, 1993, with all employees eligible except those who elect coverage under a State retirement plan and those who are either independent contractors or leased employees. Eligible employees may participate in the Plan immediately upon employment. Employer contributions for fiscal year 2007 were 5% of the participant's compensation. Employee contributions were 6.2% of their compensation. Participants are fully vested immediately. Plan assets do not revert for the benefit of the employer. Benefit distributions commence as of the date designated by the participant (annuity starting date) after termination of employment, but not later than April 1st of the year following the calendar year in which the participant attains age seventy and one half. The participant must make a qualified election to receive the distribution in the form of a single-sum payment or in the form of a qualified joint and survivor annuity or single life annuity contract. Employee and employer contributions for fiscal year 2007 were \$252,784 and \$314,113, respectively.

2. Supplemental Retirement

Substantially all full-time employees are eligible to participate in the Supplemental Retirement Plan. The Louisiana Lottery Corporation contributed 4.5% of each participant's compensation for fiscal year 2007. Generally, participants are not permitted to contribute to the Plan; however, participants may contribute proceeds from a qualified rollover distribution as allowed by IRS Section 402. Effective July 1, 1991, all eligible employees employed by the Corporation on or before that date participate in the Plan. Thereafter, an eligible employee participates in the Plan as of the entry date that coincides with or immediately follows the date on which the eligible employee completes 90 consecutive calendar days of employment with the Corporation. Each plan year, the board of directors of the Corporation may determine the amount of a discretionary contribution not to exceed 2% of each participant's compensation for any plan year. Plan participants are fully vested and amounts are nonforfeitable upon the participant's death, disability, or attainment of the normal retirement date or upon the completion of three years of service. Any forfeiture of nonvested amounts is reallocated to the accounts of all the remaining participants. Plan assets do not revert for the benefit of the employer. The distribution of a participant's

vested and nonforfeitable portion of his or her account is made in the form of a single-sum payment after the participant terminates employment with the employer, attains the normal retirement age (65 years of age), or dies. Employer contributions for fiscal year 2007 were \$295,611.

C. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Office of Group Benefits (OGB) is an agent multiple-employer postemployment healthcare plan that covers retired employees of the state, as well as school boards and various other non-state employers. OGB provides health and life insurance benefits to eligible retirees, their spouses, and their dependents. LRS 42:801-883 assigns the authority to establish and amend the benefit provisions of the plan to the state legislature.

Current membership in the plan consisted of the following at June 30, 2007:

Retirees and beneficiaries	46,454
Active plan members	<u>81,734</u>
Total	128,188

The number of participating employers at June 30, 2007, consisted of the following:

School Boards	43
Non-State Agencies	87
State Agencies	<u>230</u>
Total	360

Summary of Significant Account Policies

OGB's financial statements are prepared using the full-accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Contributions

LRS 42:801-883 assigns the authority to establish and amend the benefit provisions of the plan to the state legislature. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums. The State contributes a minimum of 75% towards all classes of retiree health premiums. The remaining 25% is contributed by the retirees. For the year ended June 30, 2007, retired plan members in school

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boards and other non-state agencies contributed approximately \$33.3 million through their required contributions. The State contributed approximately \$114.2 towards the premiums of these retirees. Administrative costs of the plan are financed through the premiums collected for all classes of active and retired plan members.

Health Care and Life Insurance Benefits

In accordance with LRS 42:821-871, the State provides health care and life insurance benefits to its active and retired employees and their eligible dependents through either self-insured and self-funded Office of Group Benefits (OGB) programs or, in the case of certain boards and commissions, through private insurance companies. All benefits and premium structures are reviewed by the OGB Policy and Planning Board. A written recommendation from this Board is forwarded to the House Appropriations Committee and Senate Finance Committee for oversight.

Life insurance for the individual employee is financed by equal contributions from the State and the employee;

insurance for eligible dependents and voluntary optional life products are funded totally through employees' contributions. Upon retirement, substantially all employees become eligible for continuing health care and life insurance benefits if they reach normal retirement age while working for the State. Other post-employment benefits (OPEB) administered through the OGB are financed on a pay-as-you-go basis.

Expenses are recognized by the OGB as retirees report claims and include provisions for health claims reported but unpaid, and health claims incurred but unreported. Computed under the requirements of GASB Statement 12 as reported by state agencies, the cost to the State of providing insurance benefits to retirees and their eligible dependents for the year ended June 30, 2007, was \$197,696,447 and the number of retirees meeting eligibility requirements was 32,526. Actual claims expense incurred by the OGB for other postemployment benefits cannot readily be separated from the expenses of similar types of benefits provided to active employees and their dependents.

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

B. OPERATING LEASES

Operating lease payments are recorded as expenditures or expenses of the applicable fund when the related liability is incurred and totaled \$71,759,321 (component units totaled \$22,736,146) for the fiscal year ended June 30, 2007. Commitments of the primary government under operating lease agreements for equipment, land, and buildings provide for future annual rental payments as follows (expressed in thousands):

Fiscal Year	Office Space	Equipment	Land	Other	Total
2008	\$ 42,024	\$ 2,828	\$ 156	\$ 5,852	\$ 50,860
2009	31,047	895	105	5,438	37,485
2010	24,161	745	88	5,450	30,444
2011	17,065	695	69	5,459	23,288
2012	10,018	724	66	5,403	16,211
2013-2017	11,655	548	237	4,907	17,347
2018-2022	2,724	391	225	1,941	5,281
Total	\$ 138,694	\$ 6,826	\$ 946	\$ 34,450	\$ 180,916

Operating leases for component units are as follows (expressed in thousands):
Office space - \$60,034; Equipment - \$4,101; Land - \$136; and Other - \$16,382 for a total of \$80,653.

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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, 2007 (expressed in thousands):

Fiscal Year	Governmental Activities	Business-Type Activities	Component Units
2008	\$ 9,853	\$ 146	\$ 11,467
2009	7,735	117	10,307
2010	6,286	20	7,868
2011	4,822		7,439
2012	4,661		6,660
2013-2017	22,183		33,159
2018-2022	10,351		24,590
2023-2027			10,126
2028-2032			917
Subtotal	65,891	283	112,533
Less interest and executory costs	16,419	13	32,748
Present value of minimum lease payments	\$ 49,472	\$ 270	\$ 79,785

The gross amount of the leased assets at June 30, 2007 (expressed in thousands) for governmental activities is \$8,918 for office space and \$16,519 for equipment; business-type activities is \$363 for equipment; and component units is \$5,652 for office space and \$103,776 for equipment.

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

	Governmental Activities	Business-Type Activities	Component Units
Buildings	\$ 56,332	\$	\$
Office Space			7,590
Equipment	9,406	283	104,943
Land	153		
Total Capital Leases	\$ 65,891	\$ 283	\$ 112,533

D. LESSOR LEASES

Various property and facilities are leased to outside parties as leases from port authorities, levee districts, universities, and various other entities. The current amount of lease revenues for the primary government for the fiscal year ending June 30, 2007, is \$4,185,407 (component units \$6,441,468).

The value of the property carried on the financial reports for the entities included below (expressed in thousands) is \$7,559 for land; \$142,973 for buildings; and \$1,161 for equipment; accumulated depreciation on the buildings and other totaled \$81,846.

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OPERATING LEASES

The following is a schedule by years of minimum future rentals on operating leases as of June 30, 2007 (expressed in thousands):

Fiscal Year	Governmental Activities	Business-Type Activities	Component Units
2008	\$ 4,041	\$ 189	\$ 10,360
2009	3,033	154	6,473
2010	2,480	145	4,683
2011	2,439	114	3,622
2012	400	85	3,162
2013-2017	2		9,734
2018-2022	2		5,366
2023-2027	2		2,558
2028-2032			2,425
2033-2037			3,802
Total	\$ 12,399	\$ 687	\$ 52,185

The contingent rental revenue received from the lessor operating leases above as of June 30, 2007 (expressed in thousands) is \$981 for office rentals, \$156 for equipment rentals, \$917 for land rentals, and \$86 for other totaling \$2,140.

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 \$24,443,616,000. The total general obligation bonds authorized are \$2,383,665,000 at June 30, 2007, or 9.75% of the bond authorization limit.

LRS 39:1402(D) limits issuance by the Louisiana State Bond Commission of general obligation bonds or other general obligations secured by the full faith and credit of the State. The highest annual debt service requirement for the current or any subsequent fiscal years for general obligation debt, including the debt service on any bonds or other obligations that are proposed to be sold by the Louisiana State Bond Commission, may not exceed 10% of the average annual revenues of the Bond Security and Redemption Fund for the last three fiscal years completed prior to the issuance being proposed. The general obligation debt issuance limitation is \$1,222,181,000. At June 30, 2007, the highest current or future annual general obligation debt service requirement is

\$266,212,000, which represents 21.78% of the debt issuance limitation.

LRS 39:1367, enacted pursuant to a constitutional amendment, provides that the State Bond Commission establish annually a limit on the net State tax-supported debt issued subject to certain percentages established in the statutes and based on General Fund and dedicated funds revenues forecast by the Revenue Estimating Conference. The maximum amount of net State tax-supported debt allowed by statute for fiscal year 2006-2007 is 6.00% of estimated General Fund and dedicated funds revenues established by the Revenue Estimating Conference which was \$536,952,000. During the fiscal year 2006-2007, the total net State tax-supported debt paid was \$432,818,000 or 4.84% of the estimated General Fund and dedicated funds to revenues established by the Revenue Estimating Conference.

B. AUTHORIZED BUT UNISSUED DEBT

The Omnibus Bond Authorization Act of 2007 provides for the repeal of all acts except any act authorizing issuance of refunding bonds, and Act 41 of the 2006 First Extraordinary Session which provides for the issuance of general obligation bond authorizations which 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 bonds outstanding at June 30, 2007.

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C. PURPOSE AND RETIREMENT OF GENERAL OBLIGATION BONDS

General obligation bonds are authorized and issued primarily to provide funds for constructing and improving State-owned facilities including ports, university facilities, public schools, parks, bridges, roads, and charity hospitals. General obligation bonds are backed by the full faith, credit, and taxing power of the State. Although certain general obligation debt is being retired from the resources of the enterprise funds and discretely presented component units and is therefore recorded in these funds, the State remains contingently liable for its payment. General obligation debt issued to finance the construction and equipping of education buildings and other facilities for colleges and universities and not secured by a pledge of revenues from the related facilities is a direct obligation of the State and is reported in the government-wide financial statements. Other general obligation debt of the college and university funds, which is being retired from pledged resources of those funds, is reported as a liability of the component units although the State remains contingently liable for its retirement.

In order to facilitate the funding of capital improvements by certain governmental units and political subdivisions of the State, the Omnibus Bond Authorization Act of 2007

authorized the issuance of general obligation bonds contingent upon executing a reimbursement contract with the State Bond Commission pertaining to the reimbursement payments and reimbursement reserve account payments for such projects. A reimbursement contract is a contract between the State, as bond issuer, and an entity, through which the entity receives a portion of bond money for its project. 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 colleges and universities in the amount of \$1,232,354 and miscellaneous contracts in the amount of \$721,952. Applicable interest to maturity is \$249,621 and \$159,151, respectively. In the accompanying financial statements, reimbursement contracts are shown as accounts receivable and the debt shown is not reduced for these items. In addition, the Sabine River Authority (Sabine), a component unit, was the recipient of \$10 million in proceeds of General Obligation Issued 1975-B. Act 453 of 2005, amended by Act 706 of 2006, authorizes the State of Louisiana to forgive certain debt due to the State from Sabine. The amount of the debt forgiven, according to the Act, will be \$8.6 million less any payments made prior to July 1, 2006.

D. LONG-TERM OBLIGATIONS OUTSTANDING AT JUNE 30, 2007

Long-term obligations outstanding at June 30, 2007, principal only, are as follows (expressed in thousands):

Long-Term Obligations	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Interest Rates
GOVERNMENTAL ACTIVITIES:						
General obligation bonds payable	\$ 2,038,810	\$ 894,475	\$ 155,145	\$ 2,778,140	\$ 155,705	2.50 – 7.75%
Other bonds payable by agency:						
Crescent City Connection	14,495	--	1,855	12,640	1,900	2.00 – 3.65%
Health Education Authority of Louisiana	8,395	--	270	8,125	320	5.70 – 8.30%
Louisiana Correctional Facilities Corporation	19,890	--	5,075	14,815	5,335	3.00 – 4.96%
Office Facilities Corporation	328,515	--	16,580	311,935	17,310	Variable
Public Safety LPFA	80,310	--	4,060	76,250	4,255	4.25 – 5.88%
Tobacco Settlement Financing	1,061,810	--	26,590	1,035,220	69,930	5.50 – 6.36%
Transportation Infrastructure Model for Economic Development	781,585	1,107,490	5,255	1,883,820	5,415	3.00 – 5.38%
Total other bonds payable by agency	<u>2,295,000</u>	<u>1,107,490</u>	<u>59,685</u>	<u>3,342,805</u>	<u>104,465</u>	
Total bonded debt	<u>4,333,810</u>	<u>2,001,965</u>	<u>214,830</u>	<u>6,120,945</u>	<u>260,170</u>	

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Long-Term Obligations	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Interest Rates
Other liabilities:						
Compensated absences	187,418	46,532	41,924	192,026	14,535	
Capital lease obligations	52,138	4,682	7,348	49,472	9,853	
Claims and judgments	2,358,564	562,993	236,910	2,684,647	265,498	
Unamortized bond premium	157,546	47,509	11,663	193,392	11,663	
Notes payable	2,422	198	723	1,897	702	
Other long-term obligations*	43,117	9,570	8,366	44,321	3,922	
Total other liabilities	<u>2,801,205</u>	<u>671,484</u>	<u>306,934</u>	<u>3,165,755</u>	<u>306,173</u>	
Total long-term obligations						
Governmental Activities	\$ <u>7,135,015</u>	\$ <u>2,673,449</u>	\$ <u>521,764</u>	\$ <u>9,286,700</u>	\$ <u>566,343</u>	

*restated

BUSINESS-TYPE ACTIVITIES:

Bonds payable:							3.50 –
Revenue bonds*	\$ <u>163,728</u>	\$ <u>--</u>	\$ <u>--</u>	\$ <u>163,728</u>	\$ <u>--</u>		5.34%
Other liabilities:							
Compensated absences	2,184	534	505	2,213	841		
Capital lease obligations	180	216	126	270	146		
Notes payable	73	2,217	24	2,266	135		
Claims and judgments	--	50	--	50	--		
Other long-term liabilities	91,102	--	9,869	81,233	--		
Total other liabilities	<u>93,539</u>	<u>3,017</u>	<u>10,524</u>	<u>86,032</u>	<u>1,122</u>		
Total long-term obligations							
Business-Type Activities	\$ <u>257,267</u>	\$ <u>3,017</u>	\$ <u>10,524</u>	\$ <u>249,760</u>	\$ <u>1,122</u>		

*restated

COMPONENT UNITS:

Bonds payable:							Variable
Revenue bonds	\$ <u>1,333,219</u>	\$ <u>307,970</u>	\$ <u>51,379</u>	\$ <u>1,589,810</u>	\$ <u>37,067</u>		
Other liabilities:							
Compensated absences	185,056	40,338	32,395	192,999	19,363		
Capital lease obligations	93,122	3,271	16,608	79,785	7,687		
Amounts held in custody for others	34,269	116,043	114,730	35,582	15,542		
Notes payable	113,483	25,407	32,431	106,459	26,565		
Claims and Judgments	27,161	2,163	1,642	27,682	464		
Other long-term liabilities	92,542	2,545	60,306	34,781	11,065		
Total other liabilities	<u>545,633</u>	<u>189,767</u>	<u>258,112</u>	<u>477,288</u>	<u>80,686</u>		
Total long-term obligations							
Component units	\$ <u>1,878,852</u>	\$ <u>497,737</u>	\$ <u>309,491</u>	\$ <u>2,067,098</u>	\$ <u>117,753</u>		

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E. DEBT SERVICE REQUIREMENTS AT JUNE 30, 2007

Annual principal and interest payments for bonds and notes (expressed in thousands) are as follows:

Year:	Governmental Activities								
	General Obligation Bonds			Other Bonded Debt			Totals		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2008	\$ 155,705	\$ 126,165	\$ 281,870	\$ 104,465	\$ 127,566	\$ 232,031	\$ 260,170	\$ 253,731	\$ 513,901
2009	363,680	117,734	481,414	98,085	167,584	265,669	461,765	285,318	747,083
2010	171,685	109,287	280,972	94,640	162,454	257,094	266,325	271,741	538,066
2011	180,255	100,298	280,553	99,530	157,596	257,126	279,785	257,894	537,679
2012	170,295	91,524	261,819	108,245	152,367	260,612	278,540	243,891	522,431
2013-17	757,630	331,544	1,089,174	668,905	663,510	1,332,415	1,426,535	995,054	2,421,589
2018-22	638,225	160,631	798,856	489,455	468,467	957,922	1,127,680	629,098	1,756,778
2023-27	340,665	31,666	372,331	246,080	387,066	633,146	586,745	418,732	1,005,477
2028-32	--	--	--	353,155	317,240	670,395	353,155	317,240	670,395
2033-37	--	--	--	516,525	213,554	730,079	516,525	213,554	730,079
2038-42	--	--	--	563,720	69,096	632,816	563,720	69,096	632,816
Total	\$ 2,778,140	\$ 1,068,849	\$ 3,846,989	\$ 3,342,805	\$ 2,886,500	\$ 6,229,305	\$ 6,120,945	\$ 3,955,349	\$ 10,076,294

Year:	Business-Type Activities			Component Units		
	Revenue Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2008	\$ --	\$ 6,624	\$ 6,624	\$ 37,067	\$ 59,711	\$ 96,778
2009	--	6,624	6,624	42,030	63,252	105,282
2010	69,065	5,813	74,878	53,594	69,845	123,439
2011	--	3,382	3,382	86,849	66,543	153,392
2012	--	3,382	3,382	55,152	62,028	117,180
2013-17	2,945	16,698	19,643	273,474	263,669	537,143
2018-22	19,485	14,792	34,277	229,500	209,931	439,431
2023-27	33,437	24,626	58,063	272,829	155,705	428,534
2028-32	38,796	24,996	63,792	295,030	92,040	387,070
2033-37	--	--	--	228,406	27,740	256,146
2038-42	--	--	--	15,879	793	16,672
Total	\$ 163,728	\$ 106,937	\$ 270,665	\$ 1,589,810	\$ 1,071,257	\$ 2,661,067

Year:	Governmental Activities			Business-Type Activities			Component Units		
	Notes Payable			Notes Payable			Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2008	\$ 702	\$ 57	\$ 759	\$ 135	\$ 131	\$ 266	\$ 26,565	\$ 3,528	\$ 30,093
2009	569	34	603	145	122	267	25,833	2,266	28,099
2010	281	20	301	130	114	244	9,603	1,476	11,079
2011	281	8	289	118	107	225	8,852	1,089	9,941
2012	64	1	65	126	100	226	1,389	965	2,354
2013-17	--	--	--	1,612	337	1,949	25,236	3,781	29,017
2018-22	--	--	--	--	--	--	6,587	1,544	8,131
2023-27	--	--	--	--	--	--	2,394	331	2,725
2028-32	--	--	--	--	--	--	--	--	--
Total	\$ 1,897	\$ 120	\$ 2,017	\$ 2,266	\$ 911	\$ 3,177	\$ 106,459	\$ 14,980	\$ 121,439

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F. DEFEASED BONDS

The following table enumerates the principal balances of previously outstanding bonds considered defeased at June 30, 2007 (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, 2007</u>
Primary Government:				
1987-B	2/93	Various	\$ 95,145	\$ --
1990	2/93	Various	89,855	64,045
1992-A	5/98	Various	135,255	84,180
1994-A	5/98	Various	108,245	97,120
1995-A	1/05	5/07	10,540	--
1997-A	1/05	Various	142,925	142,925
1998-B	1/05	Various	130,540	130,540
2000-A	1/05	Various	190,930	190,930
2002-A	1/05	Various	92,970	92,970
2003-A	1/05	Various	39,915	39,915
2004-A	1/05	Various	45,240	45,240
1998-A	7/06	4/07	19,070	--
2000-A	7/06	11/06	13,035	--
2003-A	7/06	5/07	11,135	--
2004-A	7/06	10/06	15,585	--
Component Units:				
Louisiana Stadium and Exposition District:				
1994-A	12/98	Various	\$ 48,475	\$ 48,375
1995-A	12/98	7/24	10,500	10,500
1995-B	12/98	7/25	12,140	12,080
1996-A	12/98	Various	63,095	62,420
Greater New Orleans Expressway Commission				
	11/92	Various	54,920	44,005

G. CONDUIT DEBT

Revenue bonds were issued by the Louisiana Agricultural Finance Authority (LAFA), a component unit, which constituted conduit debt outstanding at year-end totaling \$86,407,949 which is currently in default. The authority and the State have no responsibility for the repayment of this debt, and it is not reflected in the accompanying financial statements.

Revenue bonds were issued by the Louisiana Public Facilities Authority (LPFA), a component unit, which

constituted conduit debt outstanding at year-end totaling \$4,062,521,127. The authority and the State have no responsibility for the repayment of this debt, and it is not reflected in the accompanying financial statements.

H. 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; the liability for claims and litigation is described in more detail in Notes 9 and 11.

NOTE 9: CONTINGENCIES

A. CLAIMS AND LIABILITIES HANDLED BY THE OFFICE OF RISK MANAGEMENT

Pursuant to Act 448 of the 1988 Regular Session of the Louisiana Legislature, R.S. 39:1533 was re-enacted to create the "Self-Insurance Fund" within the Department of the Treasury. The Self-Insurance Fund consists of all premiums paid by agencies of the State participating in the risk management program, the investment earnings thereon, and commissions retained. The Self-Insurance Fund can be used only for the payment of losses incurred by participants of the self-insurance program, together with insurance premiums, legal expenses, and administrative costs. The Office of Risk Management is responsible for administration of the risk management program of the State. In that capacity, they negotiate, compromise, and settle all claims, including all tort claims, against the State and all agencies participating in the Self-Insurance Fund, as well as all tort claims against agencies not covered by the Self-Insurance Fund when funding is provided by the Legislature through the General Fund of the State.

To satisfy claims, judgments, and expenses associated with the judgments for fiscal year 2006-2007, \$126,267,631 was paid from the Self-Insurance Fund. At June 30, 2007, outstanding non-discounted reserve valuations of the open claims within the programs total \$1,410,238,478. Because the Self-Insurance Fund is now in a deficit and is no longer a viable internal service fund, discounts are not applicable under Governmental Accounting Standards Board (GASB) Statement No. 10. As of June 30, 2007, there was an adjusted cash balance in the Self-Insurance Fund of \$149,320,353. The Office of Risk Management advises that the non-discounted liability reserve valuation for the claims in litigation being handled by that office is \$306,691,729 as of June 30, 2007.

A 1984 tort suit against the State based on claims that the construction of Interstate 12 has caused extensive flood damage to homes along the Tangipahoa River has become final, holding the State liable for all damages occasioned by the flood. These damages, including interest, total approximately \$300,000,000 (accrued in the accompanying financial statements).

B. CLAIMS AND LIABILITIES HANDLED OUTSIDE OF THE OFFICE OF RISK MANAGEMENT

The Attorney General has opined that the estimated dollar amount of potential future liability of the State resulting from litigation which is pending against the State and is not being handled through the Office of Risk Management, is in excess of \$392,444,399, including contract claims, (accrued in the accompanying financial statements). In addition, as of June 30, 2007, there are claims totaling

\$502,017,142 against the State where it is reasonably possible that the State will incur liability.

In September 1993, the Louisiana Supreme Court invalidated, on constitutional grounds, R.S. 13:5106, limiting the liability of the State for general damages to a maximum of \$500,000. Following the same reasoning, in January 1994, the Supreme Court invalidated R.S. 13:5112(C), limiting the liability of the State for pre-judgment interest to 6%. Subsequently, the voters approved a constitutional amendment curing the defect found by the Supreme Court in the two cases. This amendment, along with the re-enactment of the two cited statutes, as well as several other statutes intended to protect the State in tort claims, became effective in November 1995. The efforts of the State to have the amendment and the legislation made applicable to then pending claims to limit recovery in accordance with the statutes were unsuccessful. Consequently, any case pending in September 1993 will have no upper limit on general damages, any case pending in January 1994 will not be subject to 6% interest pre-judgment, and any claim arising as late as November 24, 1995, will not be limited by either statute. The financial impact of this court-imposed hiatus has been significant, but is declining, as cases are resolved. The State's Medical Malpractice Statute (R.S. 40:1299.39) was not impacted by the Supreme Court's decision vis a vis R.S. 13:5106.

In February 2004, the Louisiana Supreme Court held that the parents who brought a wrongful death action against the State of Louisiana were each entitled to the statutory cap of \$500,000 for wrongful death actions. Previously, it was the belief that the limit was \$500,000 per death victim. This could impose an adverse impact upon the State's liability for tort compensation. In the 2005 Regular Legislative Session, the Legislature passed Senate Bill No. 258 which was signed by the Governor and enacted as Act No. 1 of the 2005 Regular Legislative Session in response to the Louisiana Supreme Court's erroneous interpretation of the statutory cap found under R.S. 13: 5106 in *Lockett v. the State of Louisiana*, Department of Transportation and Development, 2003 – 1767 (La 2/25/04), 869 So.2d 87. The provisions of Act No. 1 are intended to explain the original intent of the legislature, notwithstanding the contrary interpretation by the Louisiana Supreme Court in *Lockett*, but shall be applied prospectively only from its effective date of May 27, 2005.

In May 1999, the Louisiana Supreme Court invalidated R.S. 9:2800, which limited the circumstances under which the State could be held liable for damages caused by the condition of things under its care and custody. The Court's judgment was applied retroactively to November 23, 1995, the effective date of its implementation, thus imposing an adverse and severe impact upon the liability of the State for tort compensation.

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Act 3 of the First Extraordinary Session of the Legislature of 1996 amended Article 2323 of the Louisiana Civil Code to require trial quantification of the degree of liability of known non-parties, unknown persons not made a party, and statutorily immune parties such as the employer of a plaintiff suing a third party tortfeasor. The same act also amended Article 2324 of the Civil Code to provide that a negligent defendant would pay compensation calculated solely on the degree of his liability under comparative fault, regardless of the ability of co-defendants to pay their respective shares. The Louisiana Supreme Court declared that the provisions of Act 3 were remedial in nature and, therefore, retroactive in application to pending cases. This ruling will result in some reduction of the ultimate liability of the State in pending and future cases.

In June 2000, the Louisiana Supreme Court refused to consider a lower court decision which held that the Medical Liability for State Services Act did not apply to blood transfusions received in hospitals operated by the State. The State has pending cases alleging serious or fatal infections linked to blood transfusions in hospitals operated by the State. The decision denied the State the benefits of the medical malpractice reforms in those cases. However, Civil Code Article 2322.1, effective June 30, 1999, shields the health care providers.

In June 2001, the Louisiana Supreme Court held that the administrative remedy procedure for inmates in the custody of the Department of Corrections was unconstitutional. Under the procedure, inmate complaints that reached the state court system did so as judicial review of agency decisions. Many of those complaints will now be lawsuits rather than administrative matters. The financial impact of this decision will be significant, both in the expense of defending these cases and in the potential judgments, but is declining as cases are resolved.

In the First Extraordinary Session of 2002, the Legislature passed Act 89 to address the impact of the Supreme Court's inmate administrative remedy decision. The legislation was signed into law on April 19, 2002, and affects suits filed thereafter. The Act may significantly limit litigation costs and the tort exposure of the State in inmate claims going forward from enactment; however, it does not significantly limit the hundreds of suits filed before enactment. The Louisiana Supreme Court has held in Cheron v. LCS Corrections Services that exhaustion of inmate claims is not required during the time period from the Pope decision, in June 2001, until the passage of Act 89 in April of 2002. The Constitutionality of Act 89 was upheld in the 1st and 2nd Circuit Courts of Appeal.

From the beginning of fiscal year 2002-2003 to the present, the self-insurance fund of the State 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. The sum appropriated for such matters totaled approximately \$56,481,249 since fiscal year 2002. Included in that amount is \$7,178,237 which was appropriated in FY 2006-2007.

While not included in the dollar values set forth above, it should be noted that suits have been filed challenging the constitutionality of various provisions of state law, including challenges to state laws pertaining to elections, specialty license plates, the indigent defender system, campaign finance regulations, and tax exemptions for certain non-profit organizations. While these cases do not seek recovery for damages, rulings adverse to the State could result in liability for the plaintiffs' attorneys' fees.

As of June 30, 2007, the Department of Transportation and Development (DOTD) advises that there are 949 expropriation cases pending with an estimated dollar demand of \$50,792,770 and DOTD estimates its exposure to be \$36,810,649. There were 62 outstanding inverse condemnation suits with demands of \$7,342,455 and with an estimated exposure of \$1,835,614 (accrued in the accompanying financial statements). Expropriation suits filed by levee boards and other expropriating entities, other than DOTD, have not been included in this number because the State does not appropriate the dollar amount due to the landowners. In addition to the amount reported as Fund Balance-Reserve for Construction in the Capital Outlay Escrow Fund, DOTD indicates that \$800,787,916 in flood control and construction contracts is outstanding and unfunded as of June 30, 2007.

As of June 30, 2007, the State is not aware of any pending suits concerning the ability of the State to issue bonds or other evidences of indebtedness.

The Department of Revenue (DOR) reports that the total amount of pending litigation affecting the department's right to tax, where there is a probable likelihood that an asset has been impaired or a liability has been incurred as of June 30, 2007, is \$39,178,616. 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 end June 30, 2007, is \$57,366,746. These figures include a large number of refund claims that were filed as a result of Act 6 of the First Extraordinary Session of the Louisiana Legislature of 2001. This legislation amended R.S. 47:1621 and expanded the conditions under which the Department of Revenue is now authorized to make tax refunds.

As to judgments rendered prior to June 30, 2007, but not appropriated in the 2007 Legislative Session, the Orleans

Levee District reports \$16,148,341 and the Louisiana State University Health Sciences Center in New Orleans reports \$464,108.

State agencies did not report any unasserted claims as of June 30, 2007.

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, 2007, were \$169,000,000, which is included in the accompany 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.

Discrete Component Units

It is estimated that the future liability for the existing claims and judgments against the discrete component units of the State is approximately \$28,529,281 (accrued on the accompanying financial statements). Also, as of June 30, 2007, there are existing claims totaling \$27,995,450 against discrete component units of the State where there is a reasonable possibility that the State will incur liability. These probable and reasonably possible liabilities include claims and judgments against Pontchartrain Levee District for \$26,000,000, Orleans Levee District for \$24,632,173, Louisiana State University System for \$4,035,358, and other component units for \$1,857,200.

C. DISALLOWANCES

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. Disallowances are estimated to be \$299,923,838 as of June 30, 2007. This amount is not reflected in the accompanying financial statements.

D. LIABILITIES AS A RESULT OF ADMINISTRATIVE RESPONSIBILITY

The State is the recipient of food commodities from the federal government and is responsible for distribution to the agencies, institutions, etc., that will ultimately distribute the food. The value of surplus commodities on hand in State warehouses at June 30, 2007, is \$1,139,113. At this time, the State anticipates no material losses because of this federal program.

E. LOUISIANA'S WASTE SITES

On July 1, 1999, the Louisiana Department of Environmental Quality (LDEQ) initiated its reorganization effort. This resulted in the dissolution of the Inactive and Abandoned Sites Division and the creation of the Remediation Services Division (RSD). This new division oversees not only remediation of inactive and abandoned-type sites, but also remediation of hazardous waste sites, solid waste sites, and underground storage tank sites. This departmental reorganization also included development of a new electronic tracking system, TEMPO (Tools for Environmental Management and Protection Organizations). The RSD continues to enter historical information along with new programmatic information into TEMPO.

Currently, the RSD universe consists of 1,753 sites in some phase of remediation: confirmed sites-152; solid waste sites-296; hazardous waste sites-80; underground storage tank sites-930; ground water sites-171; voluntary remediation program sites-62; and undesignated sites in TEMPO-62. There are also 434 "potential" sites that have not currently been assessed to determine: (1) if there is a need for remediation, and (2) their regulatory jurisdiction.

The 152 confirmed sites are from the former Inactive and Abandoned Sites Division and are in remediation under CERCLA (Comprehensive Environmental Response, Compensation, and Liability Act), the Environmental Quality Act, and the Inactive and Abandoned Sites Regulations. Sites without financially viable responsible parties may be eligible for remediation with funding from the State Hazardous Waste Site Cleanup Fund or the U.S. Environmental Protection Agency (EPA) Superfund program.

Within the subset of confirmed sites, currently there are four government funded Superfund sites (Southern Shipbuilding, Bayou Bonfouca, Madisonville Wood Preserving and Delatte Metals) that are in the Operation and Maintenance (O&M) phase. The State is responsible for funding and implementing O&M at three of these four sites until determined to be no longer necessary through five-year reviews. The Southern Shipbuilding site is now privately owned; therefore, the State is not funding and implementing the O&M, but LDEQ oversees the O&M. In future years, the State will be responsible for O&M at additional Superfund sites.

Prior to the O&M phase, the State is also responsible for 10% of all remediation expenses for sites that are funded by the U.S. EPA Superfund program. During FY 06-07 site remediation work continued at the American Creosote Works site in Louisiana. At two other EPA-funded sites, Mallard Bay Landing Bulk Plant and Central Wood Preserving, remediation work has been completed;

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however, the LDEQ will continue to pay 10% state match in accordance with its EPA Superfund State Contracts (SSCs) until all contract expenses are invoiced by the EPA. O&M contracts are not anticipated as necessary for these two sites, although the LDEQ staff will continue to monitor these sites through regular inspections. Remediation work is also complete at the Old Inger Refinery site, which the LDEQ will also continue to monitor.

During FY 06-07, the LDEQ also continued working extensively with the EPA and FEMA to address site damage resulting from Hurricane Katrina. Damaged items totaling \$8,088 were replaced at the Bayou Bonfouca site office. The LDEQ anticipates FEMA reimbursement for these expenses in lieu of using the state Hazardous Waste Site Cleanup Fund. Additional site repair work to be funded by FEMA is scheduled through FY 07-08 at the Bayou Bonfouca site.

For FY 06-07, LDEQ prepared 10% state match payments for the EPA-lead Superfund sites in the amount of \$118,847. State match is invoiced and paid in accordance with SSCs; payments are due in October each year. The LDEQ contract expenditures for Operation and Maintenance (O&M) for FY 06-07 totaled \$484,225.

The 296 Solid Waste sites include those from the former Solid Waste Division and are remediated under HSWA (Hazardous and Solid Waste Amendments). These are active sites with existing parties that are responsible for site remediation.

The 80 Hazardous Waste sites include those from the former Hazardous Waste Division and are remediated under RCRA (Resource Conservation and Recovery Act). These are active sites with existing parties that are responsible for site remediation.

The 930 Underground Storage Tanks (UST) sites are remediated under RCRA Subtitle I and may be eligible for funding through the Motor Fuels Underground Storage Tank Trust Fund or the U.S. EPA's Leaking Underground Storage Tank (LUST) Trust Fund. Additionally, as of July 1, 2001, a new state source of funding for LUST remediation is available to LDEQ to address "orphan" LUST sites. The Underground Storage Tank Division, re-created in January, 2007, has identified and prioritized 22 "orphan" sites among the 930 known leaking UST sites.

Act 1121 of the 2001 Regular Session directed that beginning July 1, 2001, all interest monies earned by the Motor Fuels Underground Storage Tank Trust Fund shall be used for the closure of abandoned motor fuel USTs and assessment and remediation of property contaminated by abandoned motor fuel USTs. In order

to implement this legislation, the Underground Storage Tank Division has developed an identification and ranking process for abandoned UST sites and the contracts necessary to utilize Trust Fund interest monies in accordance with State bid and contracting requirements to meet the requirements of the act.

The Louisiana Voluntary Remediation Program (VRP) provides a mechanism by which property owners (or potential owners) or others can clean up contaminated properties and receive a release of liability for further cleanup of historical contamination at a site. This release of liability flows to future owners of the property as well. Through the Voluntary Remediation Program, LDEQ hopes to provide administrative, technical, and legal incentives in order to encourage the redevelopment and reuse of brownfields properties.

There are 62 sites without program designation. These sites are either new sites where the program determination has not been made or the site is in some phase of remediation, but the program designation has not been entered into TEMPO. The designations will fall into the categories listed above.

At present, no reliable estimate of the total cleanup cost for the known and unknown waste sites is available. As a result, no amounts have been accrued in the accompanying financial statement related to liabilities involving inactive and abandoned waste site cleanup.

F. COOPERATIVE ENDEAVORS

R.S. 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, 2007, which are not reflected on the accompanying financial reports, are as follows:

• General funds	\$695,911,795
• Self-Generated funds	251,420,352
• Statutorily Dedicated funds	215,168,618
• General Obligation Bonds	353,219,533
• Federal funds	243,281,970
• Interagency transfers	79,032,227
• Other funds	<u>62,452,308</u>
Total	<u>\$1,900,486,803</u>

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NOTE 10: FUND BALANCE/NET ASSETS DISCLOSURES

A. Reservations of fund balance are those amounts either legally restricted to a specific future use or not available for appropriation or expenditure. Designations of fund balance represent self-imposed limitations on the use of otherwise available expendable financial resources. The following table enumerates the fund balance reservations and designations (expressed in thousands).

	General Fund	Louisiana Education Quality Trust Fund	Nonmajor Funds	Component Units
Reserved for:				
Debt Service	\$ --	\$ --	\$ 135,513	\$ 12,100
Inventories	74,309	--	--	--
Encumbrances	197,662	--	448,078	--
Continuing Projects	--	--	312,052	--
Construction	--	--	2,681,629	9,940
Trust Principal	--	972,682	14,623	--
Other Specific Purposes	348,569	--	89,228	128,316
Nonexpendable	--	--	--	643,936
Expendable	--	--	--	816,251
Total Reservations of Fund Balances	\$ 620,540	\$ 972,682	\$ 3,681,123	\$ 1,610,543

Designated for:
**Total Net Unrealized Gains on
Fair Value of Investments**
\$ 64,718

B. Total encumbrances amounted to \$1,144,131,658. Encumbrances relating to federal revenues not deferred totaling \$63,048,695 are not reported on the face of the General Fund balance sheet. Encumbered interagency transfers of \$433,806,819 and self-generated funds of \$1,535,674 are also not included in the reserve for encumbrances on the General Fund balance sheet because monies were not available at fiscal year end to cover these encumbrances. Encumbrances of statutory dedications totaling \$448,078,343 are reported in the appropriate fund types as reserve for encumbrances. The amount reserved for encumbrances on the General Fund balance sheet is \$197,662,127.

C. NET ASSETS RESTRICTED BY ENABLING LEGISLATION
(expressed in thousands)

The government-wide statement of net assets reports \$6,980,793 of restricted net assets for the primary government of which \$2,794,641 is restricted by enabling legislation.

D. NET ASSETS RESTATEMENT - GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	Governmental Activities
Net Assets at June 30, 2006	\$ 14,832,923
Prior Period Adjustments	<u>5,846</u>
Beginning Net Assets as Restated	<u>\$ 14,838,769</u>

State of Louisiana

E. FUND BALANCE/NET ASSETS RESTATEMENT – FUND FINANCIAL STATEMENTS

The following table discloses restatements of certain fund balance/net assets by fund type (expressed in thousands):

	<u>General Fund</u>	<u>Major/Nonmajor Governmental Funds</u>	<u>Component Units</u>
Fund Balances/Net Assets at June 30, 2006	\$ 782,730	\$ 6,843,191	\$ 3,756,483
Change in Reporting Entity			5,776
Prior Period Adjustments	(12,324)	(1,463)	572,617
Beginning Fund Balances/Net Assets as Restated	<u>\$ 770,406</u>	<u>\$ 6,841,728</u>	<u>\$ 4,334,876</u>

F. CHANGE IN REPORTING ENTITY (expressed in thousands)

The change in reporting entity of \$5,776 is due to the inclusion of the statutorily created Southeast Louisiana Flood Protection Authority – East and West as a major component unit. The statute requires that the Orleans Levee District, East Jefferson Levee District, Lake Borgne Basin Levee District, and West Jefferson Levee District be included in the Southeast Louisiana Flood Protection Authority – East and West.

G. PRIOR PERIOD ADJUSTMENTS (expressed in thousands)

An adjustment in the General Fund decreased beginning fund balance by \$12,324. This adjustment is due to various entries including prior year off-system adjustments.

For non-major governmental funds, the adjustment to beginning fund balance is due to a decrease in beginning fund balance of \$1,463 in the Louisiana Economic Development Fund. The Louisiana Economic Development Fund consolidates its cash with a related discrete fund at year end. For discrete component units, the increase to beginning balance of \$572,617 is the result of various prior year adjustments for Colleges and Universities, Levee Districts, Louisiana Agricultural Finance Authority, Louisiana Economic Development Corporation, the Louisiana Stadium and Exposition District, and Orleans Levee District.

NOTE 11: OTHER DISCLOSURES

A. FEDERAL GUARANTEED STUDENT LOANS

The Office of Student Financial Assistance (OSFA) participates in the U.S. Department of Education's Guaranteed Student Loan Program whereby guaranteed loans are reinsured by the federal government. Through participation agreements with various lending institutions, OSFA guarantees either 100% or 98%, of principal and interest of qualified student loans made by lenders and purchases all defaulted loans to the extent of its guarantee. OSFA receives reinsurance reimbursements from the U.S. Department of Education for claims paid because of default, school closures, false certification, death, disability, and bankruptcy at rates varying from 75% to 100% of claims paid, depending on default rates in OSFA's portfolio and the dates the loans were guaranteed. Under the Federal Guaranteed Student Loan Program,

OSFA is obligated to repay the U.S. Department of Education 77% of subsequent collections on defaulted loans for which OSFA has received reinsurance reimbursements. OSFA is allowed to retain up to 23% for administrative expenses.

B. PATIENT'S COMPENSATION FUND

The Patient's Compensation Fund acts primarily as an agent to facilitate payment of medical malpractice claims covering excess liability of private sector health care providers practicing in the State. The fund levies surcharges to private sector health care providers to pay settled claims and administrative expenses paid on behalf of health care providers during the prior year. Act 507 of 1988 amended RS 40:1299.44 to further define the fund by

State of Louisiana

including language specifically stating that the fund and any income from it are not public monies. Therefore, obligations for payment of claims against the fund are not legal liabilities of the State. However, because of the provisions of GASB Codification Section 2100.108-112, the long-term obligations of the fund, \$737,417,000, are included in the accompanying financial statements. This balance of long-term obligations reported as of June 30, 2007, is based on projections contained in an actuarial report as of December 31, 2006.

C. LOUISIANA HOUSING FINANCE AGENCY

The Louisiana Housing Finance Agency has single and multifamily mortgage revenue bonds outstanding of \$833,368,000, which are not included in the accompanying financial statements. The obligations of the programs are not obligations of the State, and the State is not liable for such obligations. The ability of the programs to meet the debt service requirements on bonds issued to finance mortgage loans is dependent on the ability of the mortgagors in such programs to generate sufficient funds to meet their respective mortgage repayments.

D. OFFICE OF RISK MANAGEMENT

The Office of Risk Management purchases annuities to settle portions of certain claims. Third-party trustees then make payments to the claimants. Annuities totaling \$41,360,590 were purchased during the fiscal year ended June 30, 2007. At June 30, 2007, there were 105 active annuities valued at \$216,515,319. Of the 105 annuities, 93 annuities release the State from further liability on the related claims. The remaining 12 annuities do not contain the wording necessary to release the State from any possible future liability, although the probability of these becoming a liability is remote.

E. RECONCILIATION OF CLAIMS LIABILITY FOR STATE RISK PROGRAMS

In addition to risks related to the Office of Risk Management, the State is exposed to various risks of losses related to tort claims and the self-insured and self-funded State Employees' Group Benefits Program, which provides health and life insurance benefits to active and retired employees. Beginning in 1989, the State stopped carrying commercial insurance because of the prohibitive cost, and began covering all claim settlements and judgments with the resources of 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. Total claims and judgments expenditures were \$1,013,984,956. Changes in the reported liability since June 30, 2006, resulted from the following (expressed in thousands):

	Beginning of Fiscal Year <u>Liability</u>	Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	Recoveries from Settled and Unsettled <u>Claims</u>	Balance at Fiscal <u>Year End</u>
2005-06	\$1,299,468	\$605,740	\$690,408	\$12,541	\$1,202,259
2006-07	\$1,202,259	\$1,007,291	\$788,139	\$487	\$1,421,898

F. 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. The State Superintendent 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 for the fourth SBESE district is currently the Superintendent of DeSoto Parish School Board and a sub-recipient of funds authorized by SBESE. For the fiscal year ending June 30, 2007, DeSoto Parish School Board received amounts totaling \$30,711,880 in funding authorized by SBESE and released by the Department of Education.

Louisiana Educational Television Authority (LETA) leases space on their satellite to various universities and the monies are deposited into the Foundation for Excellence in Louisiana Public Broadcasting. At June 30, 2007, the net amount held by the Foundation for rentals is \$7,296,009, which includes \$2,508,600 of interest earnings.

In addition, the Foundation entered into a contract with the Louisiana Lottery Corporation to provide production and nightly distribution services for the various lottery games. All equipment used in providing these services was purchased by the Foundation on behalf of LETA and was recorded on LETA's fixed asset listing in the prior years. Accordingly, the cumulative net revenue included for the services amounted to \$841,587 and is owed to LETA.

State of Louisiana

G. CONTINGENT RECEIVABLES AND PAYABLES FOR UNCOMPENSATED CARE COSTS

Section 13621 of the Omnibus Budget Reconciliation Act (OBRA) of 1993 amended Section 1923 of the Social Security Act to limit disproportionate share hospital (DSH) payments. For State fiscal years beginning after January 1, 1995, payments to all hospitals were limited to 100% of uncompensated costs. Uncompensated costs were defined as cost of services to Medicaid patients, less the amount paid by the State under the non-DSH payment provisions; plus cost of services to uninsured patients, less any cash payments made by them.

Estimates and draws for allowable costs requested from Health and Human Services by LSUHSC-HCSD through the Louisiana Department of Health and Hospitals were, after audit adjustments, found to be in excess of actual allowable expenditures of \$290,154,502, including \$210,603,336 in Federal Financial Participation (FFP). The Centers for Medicare and Medicaid Services (CMS) requested in a letter dated December 2, 2002, the State establish accounts receivable for these overpayments and refund the FFP within 60 days of receipt of the letter. The CMS letter further stated "A disallowance will be issued if the State does not reflect the DHS overpayments as accounts receivable as requested."

The State has appealed the decision of the CMS based upon the advice of legal counsel. No receivable or payable has been reported in the accompanying financial statements for governmental activities due to its contingent nature as discussed in the Financial Accounting Standard Board Statement No. 5.

H. LOUISIANA HURRICANE SMALL BUSINESS EMERGENCY BRIDGE LOAN PROGRAMS

Three bridge loan programs were created for small businesses that were impacted by hurricanes Katrina and Rita. Loans are entered into with eligible small businesses to provide temporary working capital for periods not to exceed 180 days. Loan amounts from the various programs range from \$5,000 up to \$100,000 pursuant to the Governor's Rapid Response Program. Funding is available through cooperative endeavor agreements entered into by the Department of Economic Development, Division of Administration and Louisiana Public Facilities Authority. The balance at 6/30/07 is disclosed in Note 9 in the cooperative endeavor section.

I. THE ROAD HOME PROGRAM

The Road Home program is designed to assist residents of Louisiana affected by Hurricane Katrina or Rita with the return to their homes as quickly and fairly as possible. This program represents the largest single housing recovery program in U.S. history. Working together, Governor Kathleen Babineaux Blanco, the Louisiana Recovery Authority and the Office of Community Development created *The Road Home* program with the approval of the Louisiana Legislature. The program affords eligible homeowners up to \$150,000 in compensation for their losses to return to their homes. The Road Home program is funded from the supplemental appropriation of Community Development Block Grant Program funds and Stafford Act Hazard Mitigation Grant Program funds.

The Additional Compensation Grant (ACG) is additional funding of up to \$50,000 that applicants can receive if there is a gap between their estimated cost of damage and their calculated compensation amount. As of August 25, 2007, the Office of Community Development (OCD) has expended \$637,456,766 out of \$3,176,810,002 of the total Road Home funds for ACG.

The goals of the Road Home program are to:

- repair and rebuild quality housing in safe neighborhoods
- restore pre-storm value to homeowners wanting to return
- provide affordable rental housing opportunities for displaced residents
- provide housing for the return of critical workforce

The program consists of four sets of programs for the restoration of Louisiana's housing stock and its communities:

- Homeowner Assistance
- Workforce and Affordable Rental Housing
- Homeless Housing
- Developer Incentives

J. ADOPTION OF NEW ACCOUNTING PRINCIPLE

For the year ended June 30, 2007, the State of Louisiana implemented GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*.

NOTE 12: SUBSEQUENT EVENTS

A. CONSTITUTIONAL AMENDMENTS

Four proposed amendments to the Louisiana Constitution of 1974 were voted on at a general statewide election held October 20, 2007. Three were passed. A summary of the three amendments is as follows:

- To prohibit the reduction of any payments by the state of salary supplements to full-time local law enforcement and fire protection officers of the state and provide that full funding of salary supplements to full-time law enforcement and fire protection officers of the state equal the amount which is required to meet the requirements of law.
- To authorize the legislature to supplement the uniform pay plans for sworn, commissioned law enforcement officers employed by a bona fide police agency of the state or its political subdivisions and for fire protection officers employed by a port authority from any available funds of the state, department, agency or the political subdivision. It further requires that such supplement may be made available only for sworn, commissioned law enforcement officers employed on a full-time basis who serve the welfare of the public in the capacity of a police officer by providing police services to the general public, by effecting arrests, issuing citations, and serving warrants while patrolling waterways and riverfront areas and for fire protection officers employed on a full-time basis who provide fire protection services to a port authority.
- To retain present law and clarify that future benefits provisions for members of the state and statewide public retirement systems shall be altered only by legislative enactment. Also, it provides that no benefit provision for any member of a state retirement system having an actuarial cost shall be approved by the legislature unless a funding source providing new or additional funds sufficient to pay all such actuarial cost within ten years of the effective date of the benefit provision is identified in such enactment; further provides that this provision shall be implemented as provided by law.

B. BOND ISSUANCES

Louisiana Public Facilities Authority issued \$62,895,000 Revenue Refunding Bonds, Series 2007, on September

13, 2007. The bonds were issued to provide funds to advance refund all of the Authority's outstanding Revenue Bonds (Department of Public Safety Administration Complex Project) Series 1999 (the "Series 1999 Bonds") and all of the Authority's outstanding Revenue Bonds (Department of Public Safety Joint Emergency Services Training Center Project) Series 2001 (the "Series 2001 Bonds") (the Series 1999 Bonds and the Series 2001 Bonds being collectively referred to as the "Refunded Bonds"), purchase a reserve fund surety bond for the bonds, and pay costs of issuance of the bonds.

Louisiana Correctional Facilities Corporation issued \$23,210,000 Lease Revenue Bonds, Series 2007, on September 17, 2007. The bonds were issued to provide funds to purchase the facility formerly known as the Swanson Correctional Center for Youth, including the land upon which the facilities are located, fund a reserve fund for the bonds, and pay certain costs of issuance of the bonds, including the premium for the bond insurance policy.

Louisiana Public Facilities Authority issued \$283,465,000 Revenue Bonds (Hurricane Recovery Program), Series 2007, on October 30, 2007. The bonds will be used to provide the cash capital investment to the City of New Orleans and the Sewerage and Water Board of New Orleans to finance improvements and pay the costs of issuance of the bonds.

C. LOUISIANA OFFICE OF STUDENT FINANCIAL ASSISTANCE (LOSFA)

On September 20, 2007, LOSFA was notified by Iron Mountain Off-site Data Protection (Iron Mountain), its contractor for data storage, that Iron Mountain had lost data tapes belonging to the agency on September 19, 2007. These tapes included personal data for individuals who had transactions with LOSFA, including personal data for START account owners and beneficiaries. LOSFA is working with the Louisiana Attorney General and the Federal Bureau of Investigation to conclude investigations in this matter, and LOSFA has begun notifying individuals of the breach in security. On October 31, 2007, LOSFA received notification that a class action lawsuit was filed in Orleans Parish against Iron Mountain and LOSFA seeking unspecified damages as a result of the lost data tapes. Any potential liability on the part of the State is unknown at this time.



REQUIRED SUPPLEMENTARY
INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION
AND ANALYSIS

State of Louisiana

BUDGETARY COMPARISON SCHEDULE

BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	GENERAL FUND			
	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
INTERGOVERNMENTAL	\$ 14,023,487	\$ 15,747,473	\$ 11,814,335	\$ (3,933,138)
USE OF MONEY AND PROPERTY	100	100	66,204	66,104
SALES OF COMMODITIES	748,622	751,261	687,651	(63,610)
OTHER	184,022	173,524	214,303	40,779
INTERAGENCY TRANSFERS	417,445	461,026	332,129	(128,897)
TOTAL REVENUES	15,373,676	17,133,384	13,114,622	(4,018,762)
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	8,280,917	10,345,783	5,704,273	4,641,510
CULTURE, RECREATION, AND TOURISM	88,088	142,232	101,429	40,803
TRANSPORTATION AND DEVELOPMENT	484,954	530,258	449,927	80,331
PUBLIC SAFETY	375,079	402,334	358,426	43,908
HEALTH AND WELFARE	7,885,527	8,649,935	7,613,211	1,036,724
CORRECTIONS	565,809	604,581	583,997	20,584
YOUTH SERVICES	150,283	151,962	134,106	17,856
CONSERVATION	378,942	484,993	324,584	160,409
EDUCATION	7,365,283	8,271,646	7,518,332	753,314
OTHER	20,212	20,213	19,663	550
INTERGOVERNMENTAL	402,130	472,554	465,327	7,227
DEBT SERVICE	50,497	50,589	46,788	3,801
TOTAL EXPENDITURES	26,047,721	30,127,080	23,320,063	6,807,017
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,674,045)	(12,993,696)	(10,205,441)	2,788,255
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	10,125,360	12,870,618	14,018,398	1,147,780
TRANSFERS OUT	(952,458)	(954,658)	(2,785,187)	(1,830,529)
TOTAL OTHER FINANCING SOURCES AND (USES)	9,172,902	11,915,960	11,233,211	(682,749)
NET CHANGES IN FUND BALANCES	\$ (1,501,143)	\$ (1,077,736)	\$ 1,027,770	\$ 2,105,506

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

State of Louisiana

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY REPORTING

FOR THE YEAR ENDED JUNE 30, 2007

The Budgetary Comparison Schedule - Budget to Actual (Non-GAAP Budgetary Basis) presents comparisons of the original and final legally adopted budget with actual data on a budgetary basis.

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, perspective, and entity 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, 2007, is presented below (expressed in thousands) for the General Fund.

Net Change in Fund Balances (GAAP)	\$	1,001,715
Reconciling Adjustments:		
Basis Differences:		
To Adjust for Revenue Accruals and Deferrals		1,349,923
To Adjust for Capital Leases		4,681
To Adjust for Expenditure Accruals		(1,318,704)
To Delete IAT Related Transfers In		1,616,655
To Delete IAT Expenditures		<u>(1,626,500)</u>
Net Change in Fund Balances (Budgetary Basis)	\$	<u>1,027,770</u>

Generally, revenues and expenditures are budgeted using the modified accrual basis of accounting. The budget is prepared for each budget unit at the appropriated program level which is the lowest level at which appropriations are adopted. This level of control also applies to the special revenue funds.

The General Fund Budget and Actual 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.

**BUDGETARY COMPARISON
SCHEDULE
MAJOR DEBT SERVICE FUND**

State of Louisiana

BUDGETARY COMPARISON SCHEDULE
BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

BOND SECURITY AND REDEMPTION FUND				
	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH
	ORIGINAL	FINAL	BUDGETARY BASIS	FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
INTERGOVERNMENTAL	\$ 8,590	\$ 9,106	\$ 11,789	\$ 2,683
TAXES	7,067,800	8,618,200	9,583,445	965,245
GAMING	868,800	865,543	859,029	(6,514)
TOBACCO SETTLEMENT	64,200	64,100	55,256	(8,844)
USE OF MONEY AND PROPERTY	548,568	698,657	906,577	207,920
LICENSES, PERMITS, AND FEES	271,028	279,310	374,681	95,371
SALES OF COMMODITIES	45,356	49,576	70,273	20,697
OTHER	418,717	427,176	463,556	36,380
INTERAGENCY TRANSFERS	956,761	1,933,980	1,273,861	(660,119)
	10,249,820	12,945,648	13,598,467	652,819
TOTAL REVENUES				
EXPENDITURES:				
CURRENT:				
DEBT SERVICE	276,626	175,394	178,628	(3,234)
	276,626	175,394	178,628	(3,234)
TOTAL EXPENDITURES				
EXCESS OF REVENUES OVER EXPENDITURES	9,973,194	12,770,254	13,419,839	649,585
OTHER FINANCING USES:				
TRANSFERS IN	--	--	8,107	8,107
TRANSFERS OUT	(9,973,194)	(12,770,254)	(13,427,946)	(657,692)
	(9,973,194)	(12,770,254)	(13,419,839)	(649,585)
TOTAL OTHER FINANCING USES				
NET CHANGES IN FUND BALANCES	\$ --	\$ --	\$ --	\$ --



COMBINING AND INDIVIDUAL
FUND STATEMENTS AND
SCHEDULE – NONMAJOR
FUNDS



State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2007

SPECIAL REVENUE FUNDS

(EXPRESSED IN THOUSANDS)	2004 OVERCOLLECTIONS FUND	ACADEMIC IMPROVEMENT FUND	ADMINISTRATIVE FUND OF THE DEPARTMENT OF INSURANCE	AGRICULTURAL COMMODITIES COMMISSION SELF-INSURANCE FUND	AGRICULTURAL COMMODITY DEALERS & WAREHOUSE FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 553,028	\$ 31,660	\$ --	\$ 51	\$ 21
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
DUE FROM OTHER FUNDS	--	--	418	171	109
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 553,028	\$ 31,660	\$ 418	\$ 222	\$ 130
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	39	2,024	306	--	130
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	39	2,024	306	--	130
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	372,761	--	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	--	--	--
UNDESIGNATED	180,228	29,636	112	222	--
TOTAL FUND BALANCES	552,989	29,636	112	222	--
TOTAL LIABILITIES AND FUND BALANCES	\$ 553,028	\$ 31,660	\$ 418	\$ 222	\$ 130

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)	2004 OVERCOLLECTIONS FUND	ACADEMIC IMPROVEMENT FUND	ADMINISTRATIVE FUND OF THE DEPARTMENT OF INSURANCE	AGRICULTURAL COMMODITIES COMMISSION SELF-INSURANCE FUND	AGRICULTURAL COMMODITY DEALERS & WAREHOUSE FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	--	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL REVENUES	--	--	--	--	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	--	--	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
TRANSFERS IN	544,628	29,584	421	60	1,046
TRANSFERS OUT	(4,549)	(11,974)	(557)	(124)	(1,046)
TOTAL OTHER FINANCING SOURCES (USES)	540,079	17,610	(136)	(64)	--
NET CHANGE IN FUND BALANCES	540,079	17,610	(136)	(64)	--
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	12,910	12,026	248	286	--
FUND BALANCES AT END OF YEAR	\$ 552,989	\$ 29,636	\$ 112	\$ 222	\$ --

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

AGRICULTURAL PRODUCTS PROCESSING DEVELOPMENT FUND	APIARY FUND	AQUATIC PLANT CONTROL FUND	ARCHAEOLOGICAL CURATION FUND	ARTIFICIAL REEF DEVELOPMENT FUND	AUDUBON GOLF TRAIL DEVELOPMENT FUND	AUTOMOBILE THEFT AND INSURANCE FRAUD PREVENTION FUND	AVOYELLES PARISH LOCAL GOVERNMENT GAMING MITIGATION FUND
\$ 26	\$ --	\$ 851	\$ 79	\$ 3,546	\$ 11	\$ 98	\$ --
--	--	--	--	31,331	--	--	--
--	--	7	--	--	4	--	293
--	--	--	--	--	--	--	--
<u>\$ 26</u>	<u>\$ --</u>	<u>\$ 858</u>	<u>\$ 79</u>	<u>\$ 34,877</u>	<u>\$ 15</u>	<u>\$ 98</u>	<u>\$ 293</u>

\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	125	38	318	4	10	293
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>125</u>	<u>38</u>	<u>318</u>	<u>4</u>	<u>10</u>	<u>293</u>

--	--	--	--	--	--	--	--
--	--	--	--	63	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>26</u>	<u>--</u>	<u>733</u>	<u>41</u>	<u>34,496</u>	<u>11</u>	<u>88</u>	<u>--</u>
<u>26</u>	<u>--</u>	<u>733</u>	<u>41</u>	<u>34,559</u>	<u>11</u>	<u>88</u>	<u>--</u>
<u>\$ 26</u>	<u>\$ --</u>	<u>\$ 858</u>	<u>\$ 79</u>	<u>\$ 34,877</u>	<u>\$ 15</u>	<u>\$ 98</u>	<u>\$ 293</u>

AGRICULTURAL PRODUCTS PROCESSING DEVELOPMENT FUND	APIARY FUND	AQUATIC PLANT CONTROL FUND	ARCHAEOLOGICAL CURATION FUND	ARTIFICIAL REEF DEVELOPMENT FUND	AUDUBON GOLF TRAIL DEVELOPMENT FUND	AUTOMOBILE THEFT AND INSURANCE FRAUD PREVENTION FUND	AVOYELLES PARISH LOCAL GOVERNMENT GAMING MITIGATION FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
--	--	--	--	140	--	--	--
--	--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>140</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>140</u>	<u>--</u>	<u>--</u>	<u>--</u>
2	2	405	40	3,181	15	19	1,388
--	(2)	(614)	(39)	(2,097)	(4)	(36)	(1,388)
<u>2</u>	<u>--</u>	<u>(209)</u>	<u>1</u>	<u>1,084</u>	<u>11</u>	<u>(17)</u>	<u>--</u>
2	--	(209)	1	1,224	11	(17)	--
<u>24</u>	<u>--</u>	<u>942</u>	<u>40</u>	<u>33,335</u>	<u>--</u>	<u>105</u>	<u>--</u>
<u>\$ 26</u>	<u>\$ --</u>	<u>\$ 733</u>	<u>\$ 41</u>	<u>\$ 34,559</u>	<u>\$ 11</u>	<u>\$ 88</u>	<u>\$ --</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2007

SPECIAL REVENUE FUNDS

(EXPRESSED IN THOUSANDS)

	BATTERED WOMEN'S SHELTER FUND	BEAUTIFICATION & IMPROVEMENT OF THE NEW ORLEANS CITY PARK FUND	BLACK BEAR ACCOUNT	BLIND VENDORS TRUST FUND	BOLL WEEVIL ERADICATION FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 31	\$ 6	\$ 161	\$ 1,467	\$ 1,033
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
DUE FROM OTHER FUNDS	47	--	--	--	183
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 78	\$ 6	\$ 161	\$ 1,467	\$ 1,216
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	44	--	1	23	1,216
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	44	--	1	23	1,216
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	--	--	--
UNDESIGNATED	34	6	160	1,444	--
TOTAL FUND BALANCES	34	6	160	1,444	--
TOTAL LIABILITIES AND FUND BALANCES	\$ 78	\$ 6	\$ 161	\$ 1,467	\$ 1,216

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	BATTERED WOMEN'S SHELTER FUND	BEAUTIFICATION & IMPROVEMENT OF THE NEW ORLEANS CITY PARK FUND	BLACK BEAR ACCOUNT	BLIND VENDORS TRUST FUND	BOLL WEEVIL ERADICATION FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	--	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL REVENUES	--	--	--	--	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	--	--	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
TRANSFERS IN	121	202	41	355	7,585
TRANSFERS OUT	(242)	(200)	(10)	(205)	(8,116)
TOTAL OTHER FINANCING SOURCES (USES)	(121)	2	31	150	(531)
NET CHANGE IN FUND BALANCES	(121)	2	31	150	(531)
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	155	4	129	1,294	531
FUND BALANCES AT END OF YEAR	\$ 34	\$ 6	\$ 160	\$ 1,444	\$ --

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

BUDGET STABILIZATION FUND	CASINO GAMING PROCEEDS FUND	CHILDREN'S TRUST FUND	CHOOSE LIFE FUND	COASTAL MITIGATION ACCOUNT	COASTAL PROTECTION AND RESTORATION FUND	COASTAL RESOURCES TRUST FUND	COMMERCIAL FEED FUND
\$ 681,923	\$ 130	\$ 1,107	\$ 91	\$ 921	\$ 323,099	\$ 390	\$ 1
--	--	--	--	--	--	--	--
--	--	227	--	--	9,971	--	--
--	--	--	--	--	--	--	--
<u>\$ 681,923</u>	<u>\$ 130</u>	<u>\$ 1,334</u>	<u>\$ 91</u>	<u>\$ 921</u>	<u>\$ 333,070</u>	<u>\$ 390</u>	<u>\$ 1</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	327	--	--	53	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	327	--	--	53	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	283	--	--
<u>681,923</u>	<u>130</u>	<u>1,007</u>	<u>91</u>	<u>921</u>	<u>332,734</u>	<u>390</u>	<u>1</u>
<u>681,923</u>	<u>130</u>	<u>1,007</u>	<u>91</u>	<u>921</u>	<u>333,017</u>	<u>390</u>	<u>1</u>
<u>\$ 681,923</u>	<u>\$ 130</u>	<u>\$ 1,334</u>	<u>\$ 91</u>	<u>\$ 921</u>	<u>\$ 333,070</u>	<u>\$ 390</u>	<u>\$ 1</u>

BUDGET STABILIZATION FUND	CASINO GAMING PROCEEDS FUND	CHILDREN'S TRUST FUND	CHOOSE LIFE FUND	COASTAL MITIGATION ACCOUNT	COASTAL PROTECTION AND RESTORATION FUND	COASTAL RESOURCES TRUST FUND	COMMERCIAL FEED FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
361	--	--	--	--	2,726	--	--
--	--	--	--	--	--	--	--
<u>361</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,726</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>361</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,726</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--	--	--
580	2	1,303	36	468	238,788	654	472
--	--	(908)	(18)	--	(45,294)	(720)	(471)
<u>580</u>	<u>2</u>	<u>395</u>	<u>18</u>	<u>468</u>	<u>193,494</u>	<u>(66)</u>	<u>1</u>
941	2	395	18	468	196,220	(66)	1
<u>680,982</u>	<u>128</u>	<u>612</u>	<u>73</u>	<u>453</u>	<u>136,797</u>	<u>456</u>	<u>--</u>
<u>\$ 681,923</u>	<u>\$ 130</u>	<u>\$ 1,007</u>	<u>\$ 91</u>	<u>\$ 921</u>	<u>\$ 333,017</u>	<u>\$ 390</u>	<u>\$ 1</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	COMPULSIVE AND PROBLEM GAMING FUND	CONCEALED HANDGUN PERMIT FUND	CONSERVATION FUND	CRAB PROMOTION AND MARKETING ACCOUNT	CRIME VICTIMS' REPARATION FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 213	\$ 80	\$ 14,332	\$ 35	\$ 1,372
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
DUE FROM OTHER FUNDS	832	7	19,869	--	106
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 1,045	\$ 87	\$ 34,201	\$ 35	\$ 1,478
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	5	4
DUE TO OTHER FUNDS	--	--	--	--	--
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	--	--	--	5	4
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	473	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	15	--	--
UNDESIGNATED	1,045	87	33,713	30	1,474
TOTAL FUND BALANCES	1,045	87	34,201	30	1,474
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,045	\$ 87	\$ 34,201	\$ 35	\$ 1,478

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	COMPULSIVE AND PROBLEM GAMING FUND	CONCEALED HANDGUN PERMIT FUND	CONSERVATION FUND	CRAB PROMOTION AND MARKETING ACCOUNT	CRIME VICTIMS' REPARATION FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	304	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL REVENUES	--	--	304	--	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	304	--	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
TRANSFERS IN	2,552	467	62,010	18	1,418
TRANSFERS OUT	(2,253)	(380)	(47,455)	(5)	(1,823)
TOTAL OTHER FINANCING SOURCES (USES)	299	87	14,555	13	(405)
NET CHANGE IN FUND BALANCES	299	87	14,859	13	(405)
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	746	--	19,342	17	1,879
FUND BALANCES AT END OF YEAR	\$ 1,045	\$ 87	\$ 34,201	\$ 30	\$ 1,474

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

CRIMINAL IDENTIFICATION AND INFORMATION FUND	CROP PESTS & DISEASES FUND	DEPARTMENT OF JUSTICE DEBT COLLECTION FUND	DEPARTMENT OF JUSTICE LEGAL SUPPORT FUND	DEPARTMENT OF PUBLIC SAFETY PEACE OFFICERS FUND	DEPARTMENT OF REVENUE ALCOHOL AND TOBACCO CONTROL OFFICERS FUND	DERELICT CRAB TRAP REMOVAL PROGRAM ACCOUNT	DOTD RIGHT OF WAY PERMIT PROCESSING FUND
\$ 21,663	\$ --	\$ 400	\$ 490	\$ --	\$ --	\$ 51	\$ 221
--	--	--	--	--	--	--	--
200	--	27	5	717	700	--	10
--	--	--	--	--	--	--	--
<u>\$ 21,863</u>	<u>\$ --</u>	<u>\$ 427</u>	<u>\$ 495</u>	<u>\$ 717</u>	<u>\$ 700</u>	<u>\$ 51</u>	<u>\$ 231</u>

\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
1,492	--	36	177	--	--	14	221
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>1,492</u>	<u>--</u>	<u>36</u>	<u>177</u>	<u>--</u>	<u>--</u>	<u>14</u>	<u>221</u>

222	--	--	298	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
139	--	--	--	--	--	--	--
<u>20,010</u>	<u>--</u>	<u>391</u>	<u>20</u>	<u>717</u>	<u>700</u>	<u>37</u>	<u>10</u>
<u>20,371</u>	<u>--</u>	<u>391</u>	<u>318</u>	<u>717</u>	<u>700</u>	<u>37</u>	<u>10</u>
<u>\$ 21,863</u>	<u>\$ --</u>	<u>\$ 427</u>	<u>\$ 495</u>	<u>\$ 717</u>	<u>\$ 700</u>	<u>\$ 51</u>	<u>\$ 231</u>

CRIMINAL IDENTIFICATION AND INFORMATION FUND	CROP PESTS & DISEASES FUND	DEPARTMENT OF JUSTICE DEBT COLLECTION FUND	DEPARTMENT OF JUSTICE LEGAL SUPPORT FUND	DEPARTMENT OF PUBLIC SAFETY PEACE OFFICERS FUND	DEPARTMENT OF REVENUE ALCOHOL AND TOBACCO CONTROL OFFICERS FUND	DERELICT CRAB TRAP REMOVAL PROGRAM ACCOUNT	DOTD RIGHT OF WAY PERMIT PROCESSING FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
372	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>372</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>372</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
14,229	80	1,037	435	717	700	42	268
<u>(12,150)</u>	<u>(80)</u>	<u>(673)</u>	<u>(597)</u>	<u>--</u>	<u>--</u>	<u>(33)</u>	<u>(288)</u>
<u>2,079</u>	<u>--</u>	<u>364</u>	<u>(162)</u>	<u>717</u>	<u>700</u>	<u>9</u>	<u>(20)</u>
2,451	--	364	(162)	717	700	9	(20)
<u>17,920</u>	<u>--</u>	<u>27</u>	<u>480</u>	<u>--</u>	<u>--</u>	<u>28</u>	<u>30</u>
<u>\$ 20,371</u>	<u>\$ --</u>	<u>\$ 391</u>	<u>\$ 318</u>	<u>\$ 717</u>	<u>\$ 700</u>	<u>\$ 37</u>	<u>\$ 10</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	DIRECTOR OF WORKER'S COMPENSATION REVOLVING FUND	DISABILITY AFFAIRS TRUST FUND	DNA TESTING POST- CONVICTION RELIEF FOR INDIGENTS FUND	DRUG ABUSE EDUCATION AND TREATMENT FUND	ECONOMICS AND RATE ANALYSIS DIVISION AND HEARING EXAMINERS SUPPLEMENTAL FEE FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 311	\$ 55	\$ 62	\$ 582	\$ 1,094
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
DUE FROM OTHER FUNDS	--	16	--	12	185
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 311	\$ 71	\$ 62	\$ 594	\$ 1,279
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	4	33	--
DUE TO OTHER FUNDS	--	--	--	--	--
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	--	--	4	33	--
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	--	--	--
UNDESIGNATED	311	71	58	561	1,279
TOTAL FUND BALANCES	311	71	58	561	1,279
TOTAL LIABILITIES AND FUND BALANCES	\$ 311	\$ 71	\$ 62	\$ 594	\$ 1,279

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	DIRECTOR OF WORKER'S COMPENSATION REVOLVING FUND	DISABILITY AFFAIRS TRUST FUND	DNA TESTING POST- CONVICTION RELIEF FOR INDIGENTS FUND	DRUG ABUSE EDUCATION AND TREATMENT FUND	ECONOMICS AND RATE ANALYSIS DIVISION AND HEARING EXAMINERS SUPPLEMENTAL FEE FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	--	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL REVENUES	--	--	--	--	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	--	--	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
TRANSFERS IN	31	196	30	206	1,107
TRANSFERS OUT	--	(196)	(30)	(264)	(611)
TOTAL OTHER FINANCING SOURCES (USES)	31	--	--	(58)	496
NET CHANGE IN FUND BALANCES	31	--	--	(58)	496
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	280	71	58	619	783
FUND BALANCES AT END OF YEAR	\$ 311	\$ 71	\$ 58	\$ 561	\$ 1,279

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

EMERGENCY MEDICAL TECHNICAL FUND	EMPLOYMENT SECURITY ADMINISTRATIVE ACCOUNT	ENFORCEMENT EMERGENCY SITUATION RESPONSE ACCOUNT	ENVIRONMENTAL TRUST FUND	EQUINE HEALTH STUDIES PROGRAM FUND	EVANGELINE PARISH RECREATION DISTRICT SUPPORT FUND	EXPLOSIVES TRUST FUND	FEDERAL ENERGY SETTLEMENT FUND
\$ 37	\$ 5,519	\$ 184	\$ 20,929	\$ --	\$ 237	\$ 10	\$ 32,923
--	--	--	--	--	--	--	--
--	--	--	3,846	--	--	2	--
--	--	--	--	--	--	--	--
<u>\$ 37</u>	<u>\$ 5,519</u>	<u>\$ 184</u>	<u>\$ 24,775</u>	<u>\$ --</u>	<u>\$ 237</u>	<u>\$ 12</u>	<u>\$ 32,923</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	2	--	--	--	--	12	72
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	2	--	--	--	--	12	72
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	168
<u>37</u>	<u>5,517</u>	<u>184</u>	<u>24,775</u>	<u>--</u>	<u>237</u>	<u>--</u>	<u>32,683</u>
<u>37</u>	<u>5,517</u>	<u>184</u>	<u>24,775</u>	<u>--</u>	<u>237</u>	<u>--</u>	<u>32,851</u>
<u>\$ 37</u>	<u>\$ 5,519</u>	<u>\$ 184</u>	<u>\$ 24,775</u>	<u>\$ --</u>	<u>\$ 237</u>	<u>\$ 12</u>	<u>\$ 32,923</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	35	--	--	--	--	--	--
--	283	--	486	--	--	--	2,014
--	--	--	--	--	--	--	--
--	--	--	36	--	--	--	204
--	<u>318</u>	--	<u>522</u>	--	--	--	<u>2,218</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	750	--	--	--
--	--	--	--	<u>750</u>	--	--	--
--	<u>318</u>	--	<u>522</u>	<u>(750)</u>	--	--	<u>2,218</u>
--	--	--	--	--	--	--	--
8	--	9	68,530	750	--	68	--
<u>(1)</u>	<u>(372)</u>	--	<u>(57,527)</u>	--	--	<u>(68)</u>	<u>(2,460)</u>
<u>7</u>	<u>(372)</u>	<u>9</u>	<u>11,003</u>	<u>750</u>	--	--	<u>(2,460)</u>
7	(54)	9	11,525	--	--	--	(242)
<u>30</u>	<u>5,571</u>	<u>175</u>	<u>13,250</u>	<u>--</u>	<u>237</u>	<u>--</u>	<u>33,093</u>
<u>\$ 37</u>	<u>\$ 5,517</u>	<u>\$ 184</u>	<u>\$ 24,775</u>	<u>\$ --</u>	<u>\$ 237</u>	<u>\$ --</u>	<u>\$ 32,851</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	FEED COMMISSION FUND	FEMA REIMBURSEMENT FUND	FERTILIZER FUND	FIRE INSURANCE FUND	FIRE PROTECTION TRUST FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 193	\$ 14,783	\$ 129	\$ 15,692	\$ --
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	144	--	406	--	--
DUE FROM OTHER FUNDS	--	763	--	--	73
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 337	\$ 15,546	\$ 535	\$ 15,692	\$ 73
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	--	--	--	15,358	73
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	--	--	--	15,358	73
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	337	--	535	--	--
ENCUMBRANCES	--	1,926	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	--	--	--
UNDESIGNATED	--	13,620	--	334	--
TOTAL FUND BALANCES	337	15,546	535	334	--
TOTAL LIABILITIES AND FUND BALANCES	\$ 337	\$ 15,546	\$ 535	\$ 15,692	\$ 73

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	FEED COMMISSION FUND	FEMA REIMBURSEMENT FUND	FERTILIZER FUND	FIRE INSURANCE FUND	FIRE PROTECTION TRUST FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	5	--	6	--	--
LICENSES, PERMITS, AND FEES	770	--	428	--	--
OTHER	9	--	12	--	--
TOTAL REVENUES	784	--	446	--	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	722	--	381	2,467	--
TOTAL EXPENDITURES	722	--	381	2,467	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	62	--	65	(2,467)	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED					
TRANSFERS IN	195	344,846	407	18,262	89
TRANSFERS OUT	(195)	(418,109)	(407)	(15,674)	(362)
TOTAL OTHER FINANCING SOURCES (USES)	--	(73,263)	--	2,588	(273)
NET CHANGE IN FUND BALANCES	62	(73,263)	65	121	(273)
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	275	88,809	470	213	273
FUND BALANCES AT END OF YEAR	\$ 337	\$ 15,546	\$ 535	\$ 334	\$ --

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

FIRE SPRINKLER TRUST FUND	FISHERMEN'S GEAR COMPENSATION FUND	FOREST PROTECTION FUND	FORESTRY PRODUCTIVITY FUND	FORMOSAN TERMITE INITIATIVE FUND	FRAUD DETECTION FUND	GENERAL AVIATION AND RELIEVER AIRPORT MAINTENANCE GRANT PROGRAM FUND	GREATER NEW ORLEANS EXPRESSWAY COMMISSION ADDITIONAL COST FUND
\$ --	\$ 2,207	\$ 1	\$ 525	\$ 35	\$ 979	\$ 5	\$ 41
--	--	--	--	--	--	--	--
--	--	1	723	--	26	--	4
--	--	--	--	--	--	--	--
<u>\$ --</u>	<u>\$ 2,207</u>	<u>\$ 2</u>	<u>\$ 1,248</u>	<u>\$ 35</u>	<u>\$ 1,005</u>	<u>\$ 5</u>	<u>\$ 45</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	21	2	--	--	270	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	21	2	--	--	270	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	2,186	--	1,248	35	735	5	45
--	2,186	--	1,248	35	735	5	45
<u>\$ --</u>	<u>\$ 2,207</u>	<u>\$ 2</u>	<u>\$ 1,248</u>	<u>\$ 35</u>	<u>\$ 1,005</u>	<u>\$ 5</u>	<u>\$ 45</u>
FIRE SPRINKLER TRUST FUND	FISHERMEN'S GEAR COMPENSATION FUND	FOREST PROTECTION FUND	FORESTRY PRODUCTIVITY FUND	FORMOSAN TERMITE INITIATIVE FUND	FRAUD DETECTION FUND	GENERAL AVIATION AND RELIEVER AIRPORT MAINTENANCE GRANT PROGRAM FUND	GREATER NEW ORLEANS EXPRESSWAY COMMISSION ADDITIONAL COST FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
20	1,393	806	3,229	1	348	1	57
(45)	(1,009)	(806)	(3,294)	--	(420)	--	(36)
(25)	384	--	(65)	1	(72)	1	21
(25)	384	--	(65)	1	(72)	1	21
25	1,802	--	1,313	34	807	4	24
<u>\$ --</u>	<u>\$ 2,186</u>	<u>\$ --</u>	<u>\$ 1,248</u>	<u>\$ 35</u>	<u>\$ 735</u>	<u>\$ 5</u>	<u>\$ 45</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	HAZARDOUS MATERIALS EMERGENCY RESPONSE FUND	HAZARDOUS WASTE SITE CLEANUP FUND	HEALTH CARE REDESIGN FUND	HEALTH TRUST FUND	HELP LOUISIANA VOTE FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 406	\$ 6,000	\$ 120,229	\$ 1,445	\$ 13,336
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	16
DUE FROM OTHER FUNDS	--	1,810	--	1,432	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 406	\$ 7,810	\$ 120,229	\$ 2,877	\$ 13,352
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	--	1,810	--	--	255
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	--	1,810	--	--	255
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	--	--	--
UNDESIGNATED	406	6,000	120,229	2,877	13,097
TOTAL FUND BALANCES	406	6,000	120,229	2,877	13,097
TOTAL LIABILITIES AND FUND BALANCES	\$ 406	\$ 7,810	\$ 120,229	\$ 2,877	\$ 13,352

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	HAZARDOUS MATERIALS EMERGENCY RESPONSE FUND	HAZARDOUS WASTE SITE CLEANUP FUND	HEALTH CARE REDESIGN FUND	HEALTH TRUST FUND	HELP LOUISIANA VOTE FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ 140
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	--	--	1,215
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL REVENUES	--	--	--	--	1,355
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	--	--	1,355
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
TRANSFERS IN	208	8,077	120,229	15,859	--
TRANSFERS OUT	(115)	(7,692)	--	(15,381)	(19,306)
TOTAL OTHER FINANCING SOURCES (USES)	93	385	120,229	478	(19,306)
NET CHANGE IN FUND BALANCES	93	385	120,229	478	(17,951)
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	313	5,615	--	2,399	31,048
FUND BALANCES AT END OF YEAR	\$ 406	\$ 6,000	\$ 120,229	\$ 2,877	\$ 13,097

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

HIGHER EDUCATION INITIATIVES FUND	HORTICULTURE COMMISSION FUND	INCENTIVE FUND	INSURANCE FRAUD INVESTIGATION FUND	INSURE LOUISIANA INCENTIVE PROGRAM FUND	JUDGES' SUPPLEMENTAL COMPENSATION FUND	KEEP LOUISIANA BEAUTIFUL FUND	LABOR PENALTY AND INTEREST ACCOUNT
\$ 59,160	\$ --	\$ 38	\$ 811	\$ 100,000	\$ 60	\$ 2	\$ 2,195
--	--	--	--	--	--	--	51
--	--	--	--	--	20	--	--
--	--	--	--	--	--	--	--
<u>\$ 59,160</u>	<u>\$ --</u>	<u>\$ 38</u>	<u>\$ 811</u>	<u>\$ 100,000</u>	<u>\$ 80</u>	<u>\$ 2</u>	<u>\$ 2,246</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
13	--	--	22	--	--	1	--
6,701	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>6,714</u>	<u>--</u>	<u>--</u>	<u>22</u>	<u>--</u>	<u>--</u>	<u>1</u>	<u>--</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
166	--	--	--	--	--	--	--
<u>52,280</u>	<u>--</u>	<u>38</u>	<u>789</u>	<u>100,000</u>	<u>80</u>	<u>1</u>	<u>2,246</u>
<u>52,446</u>	<u>--</u>	<u>38</u>	<u>789</u>	<u>100,000</u>	<u>80</u>	<u>1</u>	<u>2,246</u>
<u>\$ 59,160</u>	<u>\$ --</u>	<u>\$ 38</u>	<u>\$ 811</u>	<u>\$ 100,000</u>	<u>\$ 80</u>	<u>\$ 2</u>	<u>\$ 2,246</u>
HIGHER EDUCATION INITIATIVES FUND	HORTICULTURE COMMISSION FUND	INCENTIVE FUND	INSURANCE FRAUD INVESTIGATION FUND	INSURE LOUISIANA INCENTIVE PROGRAM FUND	JUDGES' SUPPLEMENTAL COMPENSATION FUND	KEEP LOUISIANA BEAUTIFUL FUND	LABOR PENALTY AND INTEREST ACCOUNT
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	2,759
676	--	--	--	--	--	--	78
--	--	--	--	--	--	--	197
--	--	--	--	--	--	--	--
<u>676</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,034</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
42,835	--	--	--	--	--	--	--
<u>42,835</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>(42,159)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,034</u>
--	--	--	--	--	--	--	--
43,265	794	3,972	3,274	100,000	4,307	2	--
(11)	(794)	(4,000)	(2,769)	--	(4,330)	(1)	(2,024)
<u>43,254</u>	<u>--</u>	<u>(28)</u>	<u>505</u>	<u>100,000</u>	<u>(23)</u>	<u>1</u>	<u>(2,024)</u>
1,095	--	(28)	505	100,000	(23)	1	1,010
<u>51,351</u>	<u>--</u>	<u>66</u>	<u>284</u>	<u>--</u>	<u>103</u>	<u>--</u>	<u>1,236</u>
<u>\$ 52,446</u>	<u>\$ --</u>	<u>\$ 38</u>	<u>\$ 789</u>	<u>\$ 100,000</u>	<u>\$ 80</u>	<u>\$ 1</u>	<u>\$ 2,246</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	LABOR WORKFORCE DEVELOPMENT TRAINING ACCOUNT	LEAD HAZARD REDUCTION FUND	LIQUIFIED PETROLEUM GAS COMMISSION RAINY DAY FUND	LIVESTOCK BRAND COMMISSION FUND	LOTTERY PROCEEDS FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 64,526	\$ 234	\$ 273	\$ 1	\$ 67,443
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	14	--	--	--	--
DUE FROM OTHER FUNDS	--	--	--	--	13,162
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 64,540	\$ 234	\$ 273	\$ 1	\$ 80,605
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	1,550	54	23	1	--
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	1,550	54	23	1	--
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	--	--	353
UNDESIGNATED	62,990	180	250	--	80,252
TOTAL FUND BALANCES	62,990	180	250	--	80,605
TOTAL LIABILITIES AND FUND BALANCES	\$ 64,540	\$ 234	\$ 273	\$ 1	\$ 80,605

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	LABOR WORKFORCE DEVELOPMENT TRAINING ACCOUNT	LEAD HAZARD REDUCTION FUND	LIQUIFIED PETROLEUM GAS COMMISSION RAINY DAY FUND	LIVESTOCK BRAND COMMISSION FUND	LOTTERY PROCEEDS FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	8,619	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	4,775	--	--	--	1,516
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL REVENUES	13,394	--	--	--	1,516
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	13,394	--	--	--	1,516
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
TRANSFERS IN	--	108	698	4	130,699
TRANSFERS OUT	(46,706)	(54)	(698)	(4)	(119,937)
TOTAL OTHER FINANCING SOURCES (USES)	(46,706)	54	--	--	10,762
NET CHANGE IN FUND BALANCES	(33,312)	54	--	--	12,278
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	96,302	126	250	--	68,327
FUND BALANCES AT END OF YEAR	\$ 62,990	\$ 180	\$ 250	\$ --	\$ 80,605

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

LOUISIANA AGRICULTURAL FINANCE AUTHORITY FUND	LOUISIANA ALARM REGULATORY TRUST FUND	LOUISIANA ALLIGATOR RESOURCE FUND	LOUISIANA ANIMAL WELFARE FUND	LOUISIANA CHARTER SCHOOL START-UP LOAN FUND	LOUISIANA DUCK LICENSE, STAMP, AND PRINT FUND	LOUISIANA ECONOMIC AND PORT DEVELOPMENT INFRASTRUCTURE FUND	LOUISIANA ECONOMIC DEVELOPMENT FUND
\$ --	\$ --	\$ 1,789	\$ 26	\$ 517	\$ 2,610	\$ --	\$ 35,994
--	--	--	--	--	--	--	--
--	--	--	--	36	2	--	2,595
--	--	--	--	--	--	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,789</u>	<u>\$ 26</u>	<u>\$ 553</u>	<u>\$ 2,612</u>	<u>\$ --</u>	<u>\$ 38,589</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	66	--	--	15	--	901
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	66	--	--	15	--	901
--	--	--	--	--	--	--	--
--	--	--	--	--	142	--	23,195
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	186
--	--	1,723	26	553	2,455	--	14,307
--	--	1,723	26	553	2,597	--	37,688
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,789</u>	<u>\$ 26</u>	<u>\$ 553</u>	<u>\$ 2,612</u>	<u>\$ --</u>	<u>\$ 38,589</u>
LOUISIANA AGRICULTURAL FINANCE AUTHORITY FUND	LOUISIANA ALARM REGULATORY TRUST FUND	LOUISIANA ALLIGATOR RESOURCE FUND	LOUISIANA ANIMAL WELFARE FUND	LOUISIANA CHARTER SCHOOL START-UP LOAN FUND	LOUISIANA DUCK LICENSE, STAMP, AND PRINT FUND	LOUISIANA ECONOMIC AND PORT DEVELOPMENT INFRASTRUCTURE FUND	LOUISIANA ECONOMIC DEVELOPMENT FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	764
--	--	--	17	--	--	--	--
--	--	--	17	--	--	--	764
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	17	--	--	--	764
12,011 (12,087)	135 (244)	1,419 (1,318)	--	28 (7)	648 (205)	300,000 (300,000)	54,214 (17,290)
(76)	(109)	101	--	21	443	--	36,924
(76)	(109)	101	17	21	443	--	37,688
76	109	1,622	9	532	2,154	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,723</u>	<u>\$ 26</u>	<u>\$ 553</u>	<u>\$ 2,597</u>	<u>\$ --</u>	<u>\$ 37,688</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2007

SPECIAL REVENUE FUNDS

(EXPRESSED IN THOUSANDS)	LOUISIANA ENVIRONMENTAL EDUCATION FUND	LOUISIANA FIRE MARSHAL FUND	LOUISIANA FUND	LOUISIANA FUR AND ALLIGATOR PUBLIC EDUCATION AND MARKETING FUND	LOUISIANA HELP OUR WILDLIFE FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 754	\$ 4,118	\$ 1,402	\$ 461	\$ 211
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
DUE FROM OTHER FUNDS	13	383	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 767	\$ 4,501	\$ 1,402	\$ 461	\$ 211
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	740	32	--
DUE TO OTHER FUNDS	--	--	--	--	--
AMOUNTS DUE TO COMPONENT UNITS	--	--	332	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	--	--	1,072	32	--
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	79	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	--	--	--
UNDESIGNATED	767	4,422	330	429	211
TOTAL FUND BALANCES	767	4,501	330	429	211
TOTAL LIABILITIES AND FUND BALANCES	\$ 767	\$ 4,501	\$ 1,402	\$ 461	\$ 211

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)	LOUISIANA ENVIRONMENTAL EDUCATION FUND	LOUISIANA FIRE MARSHAL FUND	LOUISIANA FUND	LOUISIANA FUR AND ALLIGATOR PUBLIC EDUCATION AND MARKETING FUND	LOUISIANA HELP OUR WILDLIFE FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	--	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL REVENUES	--	--	--	--	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	339	--	--
TOTAL EXPENDITURES	--	--	339	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	(339)	--	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
TRANSFERS IN	877	12,282	13,924	96	30
TRANSFERS OUT	(920)	(7,781)	(13,586)	(99)	--
TOTAL OTHER FINANCING SOURCES (USES)	(43)	4,501	328	(3)	30
NET CHANGE IN FUND BALANCES	(43)	4,501	(11)	(3)	30
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	810	--	341	432	181
FUND BALANCES AT END OF YEAR	\$ 767	\$ 4,501	\$ 330	\$ 429	\$ 211

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

LOUISIANA INTEROPERABILITY COMMUNICATIONS FUND	LOUISIANA LIFE SAFETY AND PROPERTY PROTECTION TRUST FUND	LOUISIANA MANUFACTURED HOUSING COMMISSION FUND	LOUISIANA MEDICAL ASSISTANCE TRUST FUND	LOUISIANA MEGA- PROJECT DEVELOPMENT FUND	LOUISIANA MILITARY FAMILY ASSISTANCE FUND	LOUISIANA QUALITY EDUCATION SUPPORT FUND	LOUISIANA STATE PARKS IMPROVEMENT AND REPAIR FUND
\$ 11,469	\$ 292	\$ 519	\$ 536,138	\$ 150,000	\$ 216	\$ 164	\$ 5,917
--	--	--	--	--	--	86,929	--
--	--	22	12,178	--	--	39	--
--	--	--	--	--	--	41,450	633
--	--	--	--	--	--	--	--
<u>\$ 11,469</u>	<u>\$ 292</u>	<u>\$ 541</u>	<u>\$ 548,316</u>	<u>\$ 150,000</u>	<u>\$ 216</u>	<u>\$ 128,582</u>	<u>\$ 6,550</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	73	--	54,183	--	--	10,004	--
--	--	--	--	--	--	21,914	--
--	--	--	--	--	--	--	--
--	73	--	54,183	--	--	31,918	--
--	--	--	--	--	--	--	--
--	--	--	2,647	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	2,146	--	--	45,902	--
<u>11,469</u>	<u>219</u>	<u>541</u>	<u>489,340</u>	<u>150,000</u>	<u>216</u>	<u>50,762</u>	<u>6,550</u>
<u>11,469</u>	<u>219</u>	<u>541</u>	<u>494,133</u>	<u>150,000</u>	<u>216</u>	<u>96,664</u>	<u>6,550</u>
<u>\$ 11,469</u>	<u>\$ 292</u>	<u>\$ 541</u>	<u>\$ 548,316</u>	<u>\$ 150,000</u>	<u>\$ 216</u>	<u>\$ 128,582</u>	<u>\$ 6,550</u>

LOUISIANA INTEROPERABILITY COMMUNICATIONS FUND	LOUISIANA LIFE SAFETY AND PROPERTY PROTECTION TRUST FUND	LOUISIANA MANUFACTURED HOUSING COMMISSION FUND	LOUISIANA MEDICAL ASSISTANCE TRUST FUND	LOUISIANA MEGA- PROJECT DEVELOPMENT FUND	LOUISIANA MILITARY FAMILY ASSISTANCE FUND	LOUISIANA QUALITY EDUCATION SUPPORT FUND	LOUISIANA STATE PARKS IMPROVEMENT AND REPAIR FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	9,421	--	--	31,339	--
--	--	--	--	--	211	960	--
--	--	--	9,421	--	211	32,299	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	33,108	--
--	--	--	--	--	--	33,108	--
--	--	--	9,421	--	211	(809)	--
11,469	519	774	530,921	150,000	--	63,743	7,005
--	(300)	(458)	(488,675)	--	(93)	(33,195)	(5,400)
<u>11,469</u>	<u>219</u>	<u>316</u>	<u>42,246</u>	<u>150,000</u>	<u>(93)</u>	<u>30,548</u>	<u>1,605</u>
11,469	219	316	51,667	150,000	118	29,739	1,605
--	--	225	442,466	--	98	66,925	4,945
<u>\$ 11,469</u>	<u>\$ 219</u>	<u>\$ 541</u>	<u>\$ 494,133</u>	<u>\$ 150,000</u>	<u>\$ 216</u>	<u>\$ 96,664</u>	<u>\$ 6,550</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2007

SPECIAL REVENUE FUNDS

(EXPRESSED IN THOUSANDS)	LOUISIANA STATE POLICE SALARY FUND	LOUISIANA TECHNOLOGY INNOVATIONS FUND	LOUISIANA TOURISM PROMOTION DISTRICT	LOUISIANA TOWING AND STORAGE FUND	LOUISIANA WILD TURKEY STAMP FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ --	\$ 750	\$ 1,188	\$ 48	\$ 467
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	4,809	--	--
DUE FROM OTHER FUNDS	15,600	--	1,362	57	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 15,600	\$ 750	\$ 7,359	\$ 105	\$ 467
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	15,600	137	4,809	105	--
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	15,600	137	4,809	105	--
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	--	--	--
UNDESIGNATED	--	613	2,550	--	467
TOTAL FUND BALANCES	--	613	2,550	--	467
TOTAL LIABILITIES AND FUND BALANCES	\$ 15,600	\$ 750	\$ 7,359	\$ 105	\$ 467

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)	LOUISIANA STATE POLICE SALARY FUND	LOUISIANA TECHNOLOGY INNOVATIONS FUND	LOUISIANA TOURISM PROMOTION DISTRICT	LOUISIANA TOWING AND STORAGE FUND	LOUISIANA WILD TURKEY STAMP FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	26,365	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	105	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL REVENUES	--	--	26,470	--	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	26,470	--	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
TRANSFERS IN	15,600	37	1,362	412	81
TRANSFERS OUT	(15,600)	(137)	(28,724)	(412)	(1)
TOTAL OTHER FINANCING SOURCES (USES)	--	(100)	(27,362)	--	80
NET CHANGE IN FUND BALANCES	--	(100)	(892)	--	80
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	--	713	3,442	--	387
FUND BALANCES AT END OF YEAR	\$ --	\$ 613	\$ 2,550	\$ --	\$ 467

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

LOUISIANA WORKER'S COMPENSATION SECOND INJURY FUND	MARKETING FUND	MARSH ISLAND OPERATING FUND	MEDICAID TRUST FUND FOR THE ELDERLY	MEDICAL ASSISTANCE PROGRAMS FRAUD DETECTION FUND	MINERAL RESOURCES OPERATION FUND	MINERAL REVENUE AUDIT AND SETTLEMENT FUND	MOTOR CARRIER REGULATION FUND
\$ 34,738	\$ 322	\$ 53	\$ 2,952	\$ 123	\$ 13,154	\$ 81	\$ 133
--	--	4,057	827,639	--	--	--	--
38	427	--	4,295	1	289	--	1,233
--	--	--	--	--	--	--	--
<u>\$ 34,776</u>	<u>\$ 749</u>	<u>\$ 4,110</u>	<u>\$ 834,886</u>	<u>\$ 124</u>	<u>\$ 13,443</u>	<u>\$ 81</u>	<u>\$ 1,366</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
3,762	--	4,110	22,853	88	--	--	1,227
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>3,762</u>	<u>--</u>	<u>4,110</u>	<u>22,853</u>	<u>88</u>	<u>--</u>	<u>--</u>	<u>1,227</u>
--	--	--	--	--	--	--	--
--	212	--	--	--	409	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>31,014</u>	<u>537</u>	<u>--</u>	<u>812,033</u>	<u>36</u>	<u>13,034</u>	<u>81</u>	<u>139</u>
<u>31,014</u>	<u>749</u>	<u>--</u>	<u>812,033</u>	<u>36</u>	<u>13,443</u>	<u>81</u>	<u>139</u>
<u>\$ 34,776</u>	<u>\$ 749</u>	<u>\$ 4,110</u>	<u>\$ 834,886</u>	<u>\$ 124</u>	<u>\$ 13,443</u>	<u>\$ 81</u>	<u>\$ 1,366</u>
LOUISIANA WORKER'S COMPENSATION SECOND INJURY FUND	MARKETING FUND	MARSH ISLAND OPERATING FUND	MEDICAID TRUST FUND FOR THE ELDERLY	MEDICAL ASSISTANCE PROGRAMS FRAUD DETECTION FUND	MINERAL RESOURCES OPERATION FUND	MINERAL REVENUE AUDIT AND SETTLEMENT FUND	MOTOR CARRIER REGULATION FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	4,160	6,716	--	--	--	--
--	--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>4,160</u>	<u>6,716</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>4,160</u>	<u>6,716</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--	--	--
42,851	2,000	603	46,630	2,023	12,975	4	1,441
(42,440)	(2,216)	(4,763)	(60,595)	(2,881)	(9,809)	--	(1,302)
<u>411</u>	<u>(216)</u>	<u>(4,160)</u>	<u>(13,965)</u>	<u>(858)</u>	<u>3,166</u>	<u>4</u>	<u>139</u>
411	(216)	--	(7,249)	(858)	3,166	4	139
<u>30,603</u>	<u>965</u>	<u>--</u>	<u>819,282</u>	<u>894</u>	<u>10,277</u>	<u>77</u>	<u>--</u>
<u>\$ 31,014</u>	<u>\$ 749</u>	<u>\$ --</u>	<u>\$ 812,033</u>	<u>\$ 36</u>	<u>\$ 13,443</u>	<u>\$ 81</u>	<u>\$ 139</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	MOTOR FUELS UNDERGROUND STORAGE TANK TRUST FUND	MOTORCYCLE SAFETY AND OPERATOR TRAINING PROGRAM FUND	MUNICIPAL FIRE AND POLICE CIVIL SERVICE OPERATING FUND	NATURAL HERITAGE ACCOUNT	NATURAL RESOURCES RESTORATION TRUST FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 31,108	\$ --	\$ --	\$ 364	\$ 6
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
DUE FROM OTHER FUNDS	283	55	28	2	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 31,391	\$ 55	\$ 28	\$ 366	\$ 6
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	3,061	55	28	--	--
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	3,061	55	28	--	--
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	126	--	--	--	--
UNDESIGNATED	28,204	--	--	366	6
TOTAL FUND BALANCES	28,330	--	--	366	6
TOTAL LIABILITIES AND FUND BALANCES	\$ 31,391	\$ 55	\$ 28	\$ 366	\$ 6

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	MOTOR FUELS UNDERGROUND STORAGE TANK TRUST FUND	MOTORCYCLE SAFETY AND OPERATOR TRAINING PROGRAM FUND	MUNICIPAL FIRE AND POLICE CIVIL SERVICE OPERATING FUND	NATURAL HERITAGE ACCOUNT	NATURAL RESOURCES RESTORATION TRUST FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	596	--	--	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL REVENUES	596	--	--	--	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	596	--	--	--	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
TRANSFERS IN	23,328	163	1,640	27	--
TRANSFERS OUT	(18,559)	(163)	(1,640)	(6)	--
TOTAL OTHER FINANCING SOURCES (USES)	4,769	--	--	21	--
NET CHANGE IN FUND BALANCES	5,365	--	--	21	--
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	22,965	--	--	345	6
FUND BALANCES AT END OF YEAR	\$ 28,330	\$ --	\$ --	\$ 366	\$ 6

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

NURSING HOME RESIDENTS' TRUST FUND	OFFICE OF MOTOR VEHICLES CUSTOMER SERVICE AND TECHNOLOGY FUND	OFFICE OF WORKER'S COMPENSATION ADMINISTRATIVE FUND	OIL AND GAS REGULATORY FUND	OIL SPILL CONTINGENCY FUND	OILFIELD SITE RESTORATION FUND	OYSTER DEVELOPMENT ACCOUNT	OYSTER SANITATION FUND
\$ 2,888	\$ 8,340	\$ 4,686	\$ 1,109	\$ 4,218	\$ 7,368	\$ 108	\$ 209
--	--	--	--	--	--	--	--
--	140	11	206	169	11	11	1
--	--	--	--	--	--	--	--
<u>\$ 2,888</u>	<u>\$ 8,480</u>	<u>\$ 4,697</u>	<u>\$ 1,315</u>	<u>\$ 4,387</u>	<u>\$ 7,379</u>	<u>\$ 119</u>	<u>\$ 210</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
82	732	273	--	228	966	64	19
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>82</u>	<u>732</u>	<u>273</u>	<u>--</u>	<u>228</u>	<u>966</u>	<u>64</u>	<u>19</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>2,806</u>	<u>7,748</u>	<u>4,424</u>	<u>1,315</u>	<u>4,159</u>	<u>6,413</u>	<u>55</u>	<u>191</u>
<u>2,806</u>	<u>7,748</u>	<u>4,424</u>	<u>1,315</u>	<u>4,159</u>	<u>6,413</u>	<u>55</u>	<u>191</u>
<u>\$ 2,888</u>	<u>\$ 8,480</u>	<u>\$ 4,697</u>	<u>\$ 1,315</u>	<u>\$ 4,387</u>	<u>\$ 7,379</u>	<u>\$ 119</u>	<u>\$ 210</u>

NURSING HOME RESIDENTS' TRUST FUND	OFFICE OF MOTOR VEHICLES CUSTOMER SERVICE AND TECHNOLOGY FUND	OFFICE OF WORKER'S COMPENSATION ADMINISTRATIVE FUND	OIL AND GAS REGULATORY FUND	OIL SPILL CONTINGENCY FUND	OILFIELD SITE RESTORATION FUND	OYSTER DEVELOPMENT ACCOUNT	OYSTER SANITATION FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	164	--	--	--
--	--	--	--	164	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	164	--	--	--
735	6,680	11,897	9,785	546	4,432	136	324
(76)	(7,154)	(11,698)	(9,822)	(2,100)	(5,025)	(124)	(172)
<u>659</u>	<u>(474)</u>	<u>199</u>	<u>(37)</u>	<u>(1,554)</u>	<u>(593)</u>	<u>12</u>	<u>152</u>
<u>659</u>	<u>(474)</u>	<u>199</u>	<u>(37)</u>	<u>(1,390)</u>	<u>(593)</u>	<u>12</u>	<u>152</u>
<u>2,147</u>	<u>8,222</u>	<u>4,225</u>	<u>1,352</u>	<u>5,549</u>	<u>7,006</u>	<u>43</u>	<u>39</u>
<u>\$ 2,806</u>	<u>\$ 7,748</u>	<u>\$ 4,424</u>	<u>\$ 1,315</u>	<u>\$ 4,159</u>	<u>\$ 6,413</u>	<u>\$ 55</u>	<u>\$ 191</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	PARI-MUTUEL LIVE RACING FACILITY GAMING CONTROL FUND	PARISH AND MUNICIPALITIES EXCELLENCE FUND	PARISH AND MUNICIPALITIES FUNDS	PARISH ROYALTY FUND	PATIENT'S COMPENSATION FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 31,917	\$ 3,152	\$ 11,501	\$ 18,596	\$ 316,534
INVESTMENTS	--	--	--	--	92,551
RECEIVABLES (NET)	--	--	--	7,541	--
DUE FROM OTHER FUNDS	3,151	158	7,792	--	2,329
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 35,068	\$ 3,310	\$ 19,293	\$ 26,137	\$ 411,414
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	35,068	--	5,505	--	400
AMOUNTS DUE TO COMPONENT UNITS	--	--	1,168	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	26,137	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	35,068	--	6,673	26,137	400
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	--	--	168
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	--	--	--
UNDESIGNATED	--	3,310	12,620	--	410,846
TOTAL FUND BALANCES	--	3,310	12,620	--	411,014
TOTAL LIABILITIES AND FUND BALANCES	\$ 35,068	\$ 3,310	\$ 19,293	\$ 26,137	\$ 411,414

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	PARI-MUTUEL LIVE RACING FACILITY GAMING CONTROL FUND	PARISH AND MUNICIPALITIES EXCELLENCE FUND	PARISH AND MUNICIPALITIES FUNDS	PARISH ROYALTY FUND	PATIENT'S COMPENSATION FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	--	54,400	8,078
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	49	--	--
TOTAL REVENUES	--	--	49	54,400	8,078
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	54,400	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	50	467	4,217	--	--
TOTAL EXPENDITURES	50	467	4,217	54,400	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(50)	(467)	(4,168)	--	8,078
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
TRANSFERS IN	55,505	2,920	38,229	--	161,599
TRANSFERS OUT	(55,455)	(1,320)	(30,022)	--	(103,767)
TOTAL OTHER FINANCING SOURCES (USES)	50	1,600	8,207	--	57,832
NET CHANGE IN FUND BALANCES	--	1,133	4,039	--	65,910
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	--	2,177	8,581	--	345,104
FUND BALANCES AT END OF YEAR	\$ --	\$ 3,310	\$ 12,620	\$ --	\$ 411,014

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

PESTICIDE FUND	PETROLEUM PRODUCTS FUND	POVERTY POINT RESERVOIR DEVELOPMENT FUND	PROPRIETARY SCHOOL STUDENTS PROTECTION FUND	PUBLIC OYSTER SEED GROUND DEVELOPMENT ACCOUNT	PUBLIC SAFETY DWI TESTING, MAINTENANCE, AND TRAINING FUND	QUAIL ACCOUNT	RAILROAD CROSSING SAFETY FUND
\$ 33	\$ --	\$ 1,230	\$ 1,156	\$ 29	\$ 489	\$ 33	\$ 1
17	--	--	--	--	--	--	--
948	1,157	5	--	--	5	--	--
--	--	--	--	--	--	--	--
<u>998</u>	<u>1,157</u>	<u>1,235</u>	<u>1,156</u>	<u>29</u>	<u>494</u>	<u>33</u>	<u>1</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	367	731	--	1	15	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>--</u>	<u>367</u>	<u>731</u>	<u>--</u>	<u>1</u>	<u>15</u>	<u>--</u>	<u>--</u>
998	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	441	--	--	--	--
--	--	--	--	--	--	--	--
<u>--</u>	<u>790</u>	<u>504</u>	<u>715</u>	<u>28</u>	<u>479</u>	<u>33</u>	<u>1</u>
<u>998</u>	<u>790</u>	<u>504</u>	<u>1,156</u>	<u>28</u>	<u>479</u>	<u>33</u>	<u>1</u>
<u>\$ 998</u>	<u>\$ 1,157</u>	<u>\$ 1,235</u>	<u>\$ 1,156</u>	<u>\$ 29</u>	<u>\$ 494</u>	<u>\$ 33</u>	<u>\$ 1</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
29	--	--	--	--	--	--	--
338	--	--	--	--	--	--	--
<u>10</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>377</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>367</u>	<u>--</u>	<u>--</u>	<u>95</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>367</u>	<u>--</u>	<u>--</u>	<u>95</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>10</u>	<u>--</u>	<u>--</u>	<u>(95)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--	--	--
4,805	5,504	1,235	68	34	529	6	1
<u>(3,857)</u>	<u>(4,934)</u>	<u>(731)</u>	<u>--</u>	<u>(42)</u>	<u>(535)</u>	<u>--</u>	<u>--</u>
<u>948</u>	<u>570</u>	<u>504</u>	<u>68</u>	<u>(8)</u>	<u>(6)</u>	<u>6</u>	<u>1</u>
958	570	504	(27)	(8)	(6)	6	1
<u>40</u>	<u>220</u>	<u>--</u>	<u>1,183</u>	<u>36</u>	<u>485</u>	<u>27</u>	<u>--</u>
<u>\$ 998</u>	<u>\$ 790</u>	<u>\$ 504</u>	<u>\$ 1,156</u>	<u>\$ 28</u>	<u>\$ 479</u>	<u>\$ 33</u>	<u>\$ 1</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2007

SPECIAL REVENUE FUNDS

(EXPRESSED IN THOUSANDS)

	RAPID RESPONSE FUND	REHABILITATION FOR THE BLIND AND VISUALLY IMPAIRED FUND	REPTILE AND AMPHIBIAN RESEARCH FUND	RETIREMENT SYSTEMS INSURANCE PROCEEDS FUND	RIGHT TO KNOW FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 8,736	\$ 1,000	\$ 17	\$ --	\$ 238
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
DUE FROM OTHER FUNDS	--	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 8,736	\$ 1,000	\$ 17	\$ --	\$ 238
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	6,279	--	--	--	--
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	6,279	--	--	--	--
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	220	--	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	83	--	--	--	--
UNDESIGNATED	2,154	1,000	17	--	238
TOTAL FUND BALANCES	2,457	1,000	17	--	238
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,736	\$ 1,000	\$ 17	\$ --	\$ 238

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	RAPID RESPONSE FUND	REHABILITATION FOR THE BLIND AND VISUALLY IMPAIRED FUND	REPTILE AND AMPHIBIAN RESEARCH FUND	RETIREMENT SYSTEMS INSURANCE PROCEEDS FUND	RIGHT TO KNOW FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	223	--	--	--	--
LICENSES, PERMITS, AND FEES	--	--	--	45,932	--
OTHER	--	--	--	--	--
TOTAL REVENUES	223	--	--	45,932	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	45,932	--
TOTAL EXPENDITURES	--	--	--	45,932	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	223	--	--	--	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
TRANSFERS IN	519	1,500	7	--	289
TRANSFERS OUT	(8,519)	(1,500)	(8)	--	(200)
TOTAL OTHER FINANCING SOURCES (USES)	(8,000)	--	(1)	--	89
NET CHANGE IN FUND BALANCES	(7,777)	--	(1)	--	89
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	10,234	1,000	18	--	149
FUND BALANCES AT END OF YEAR	\$ 2,457	\$ 1,000	\$ 17	\$ --	\$ 238

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

RIVERBOAT GAMING ENFORCEMENT FUND	ROCKEFELLER REFUGE FUND	ROCKEFELLER WILDLIFE REFUGE TRUST AND PROTECTION FUND	RURAL DEVELOPMENT FUND	RUSSELL SAGE OR MARSH ISLAND CAPITAL IMPROVEMENT FUND	RUSSELL SAGE OR MARSH ISLAND REFUGE FUND	RUSSELL SAGE SPECIAL FUND NO. 2	SALTWATER FISHERY ENFORCEMENT ACCOUNT
\$ 6,450	\$ 8,279	\$ 3,271	\$ 1,763	\$ 1,538	\$ 622	\$ 3,270	\$ 105
--	371	53,377	--	--	12,778	--	--
1,472	--	5	--	--	358	3,739	--
--	--	--	--	--	--	--	--
<u>\$ 7,922</u>	<u>\$ 8,650</u>	<u>\$ 56,653</u>	<u>\$ 1,763</u>	<u>\$ 1,538</u>	<u>\$ 13,758</u>	<u>\$ 7,009</u>	<u>\$ 105</u>

\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
4,100	353	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>4,100</u>	<u>353</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>

--	--	--	--	--	--	--	--
11	--	--	79	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	1,359	--	--	700	--	--
<u>3,811</u>	<u>8,297</u>	<u>55,294</u>	<u>1,684</u>	<u>1,538</u>	<u>13,058</u>	<u>7,009</u>	<u>105</u>
<u>3,822</u>	<u>8,297</u>	<u>56,653</u>	<u>1,763</u>	<u>1,538</u>	<u>13,758</u>	<u>7,009</u>	<u>105</u>
<u>\$ 7,922</u>	<u>\$ 8,650</u>	<u>\$ 56,653</u>	<u>\$ 1,763</u>	<u>\$ 1,538</u>	<u>\$ 13,758</u>	<u>\$ 7,009</u>	<u>\$ 105</u>

RIVERBOAT GAMING ENFORCEMENT FUND	ROCKEFELLER REFUGE FUND	ROCKEFELLER WILDLIFE REFUGE TRUST AND PROTECTION FUND	RURAL DEVELOPMENT FUND	RUSSELL SAGE OR MARSH ISLAND CAPITAL IMPROVEMENT FUND	RUSSELL SAGE OR MARSH ISLAND REFUGE FUND	RUSSELL SAGE SPECIAL FUND NO.2	SALTWATER FISHERY ENFORCEMENT ACCOUNT
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
--	3,282	5,566	176	--	1,249	159	--
--	91	--	--	--	--	--	--
<u>--</u>	<u>3,373</u>	<u>5,566</u>	<u>176</u>	<u>--</u>	<u>1,249</u>	<u>159</u>	<u>--</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>--</u>	<u>3,373</u>	<u>5,566</u>	<u>176</u>	<u>--</u>	<u>1,249</u>	<u>159</u>	<u>--</u>
--	--	--	--	--	--	--	--
63,138	--	--	233	73	358	3,739	13
(67,536)	(3,644)	(472)	(1,661)	--	(603)	--	--
<u>(4,398)</u>	<u>(3,644)</u>	<u>(472)</u>	<u>(1,428)</u>	<u>73</u>	<u>(245)</u>	<u>3,739</u>	<u>13</u>
(4,398)	(271)	5,094	(1,252)	73	1,004	3,898	13
<u>8,220</u>	<u>8,568</u>	<u>51,559</u>	<u>3,015</u>	<u>1,465</u>	<u>12,754</u>	<u>3,111</u>	<u>92</u>
<u>\$ 3,822</u>	<u>\$ 8,297</u>	<u>\$ 56,653</u>	<u>\$ 1,763</u>	<u>\$ 1,538</u>	<u>\$ 13,758</u>	<u>\$ 7,009</u>	<u>\$ 105</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2007

SPECIAL REVENUE FUNDS

(EXPRESSED IN THOUSANDS)

	SAVINGS ENHANCEMENT FUND	SCENIC RIVERS FUND	SCHOOL AND DISTRICT ACCOUNTABILITY REWARDS FUND	SEAFOOD PROMOTION AND MARKETING FUND	SEED COMMISSION FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 967	\$ 17	\$ 4	\$ 230	\$ 18
INVESTMENTS	5,512	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
DUE FROM OTHER FUNDS	--	--	--	2	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 6,479	\$ 17	\$ 4	\$ 232	\$ 18
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ 16	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	--	--	--	133	--
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	16	--	--	133	--
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	--	--	--
UNDESIGNATED	6,463	17	4	99	18
TOTAL FUND BALANCES	6,463	17	4	99	18
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,479	\$ 17	\$ 4	\$ 232	\$ 18

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	SAVINGS ENHANCEMENT FUND	SCENIC RIVERS FUND	SCHOOL AND DISTRICT ACCOUNTABILITY REWARDS FUND	SEAFOOD PROMOTION AND MARKETING FUND	SEED COMMISSION FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	35	--	--	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	1,700	--	--	--	--
TOTAL REVENUES	1,735	--	--	--	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	208	--	--	--	--
TOTAL EXPENDITURES	208	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,527	--	--	--	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
TRANSFERS IN	324	2	--	292	246
TRANSFERS OUT	--	(1)	--	(271)	(228)
TOTAL OTHER FINANCING SOURCES (USES)	324	1	--	21	18
NET CHANGE IN FUND BALANCES	1,851	1	--	21	18
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	4,612	16	4	78	--
FUND BALANCES AT END OF YEAR	\$ 6,463	\$ 17	\$ 4	\$ 99	\$ 18

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

SEVERANCE TAX FUND	SEX OFFENDER REGISTRY TECHNOLOGY FUND	SHRIMP MARKETING AND PROMOTION ACCOUNT	SHRIMP TRADE PETITION ACCOUNT	SMALL BUSINESS SURETY BONDING FUND	SOUTHERN UNIVERSITY AGCENTER PROGRAM FUND	SPORTS FACILITY ASSISTANCE FUND	STATE EMERGENCY RESPONSE FUND
\$ --	\$ 783	\$ 322	\$ 381	\$ 581	\$ --	\$ 2	\$ 91,158
54	--	--	--	--	--	--	--
10,607	11	--	--	1	--	--	5,069
--	--	--	--	--	--	--	--
<u>\$ 10,661</u>	<u>\$ 794</u>	<u>\$ 322</u>	<u>\$ 381</u>	<u>\$ 582</u>	<u>\$ --</u>	<u>\$ 2</u>	<u>\$ 96,227</u>

\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
3	--	24	--	--	--	--	4,785
10,658	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>10,661</u>	<u>--</u>	<u>24</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>4,785</u>

--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	8,067
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	849
--	794	298	381	582	--	2	82,526
--	794	298	381	582	--	2	91,442
<u>\$ 10,661</u>	<u>\$ 794</u>	<u>\$ 322</u>	<u>\$ 381</u>	<u>\$ 582</u>	<u>\$ --</u>	<u>\$ 2</u>	<u>\$ 96,227</u>

SEVERANCE TAX FUND	SEX OFFENDER REGISTRY TECHNOLOGY FUND	SHRIMP MARKETING AND PROMOTION ACCOUNT	SHRIMP TRADE PETITION ACCOUNT	SMALL BUSINESS SURETY BONDING FUND	SOUTHERN UNIVERSITY AGCENTER PROGRAM FUND	SPORTS FACILITY ASSISTANCE FUND	STATE EMERGENCY RESPONSE FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	2,271
--	--	--	--	--	--	--	6
--	--	--	--	--	--	--	2,277
41,256	--	--	--	--	--	1,008	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	750	--	--
<u>41,256</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>750</u>	<u>1,008</u>	<u>--</u>
<u>(41,256)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(750)</u>	<u>(1,008)</u>	<u>2,277</u>
--	--	--	--	--	--	--	--
41,256	710	91	32	417	750	1,040	3,647
--	(1,206)	(166)	--	(509)	--	(32)	(53,981)
<u>41,256</u>	<u>(496)</u>	<u>(75)</u>	<u>32</u>	<u>(92)</u>	<u>750</u>	<u>1,008</u>	<u>(50,334)</u>
--	(496)	(75)	32	(92)	--	--	(48,057)
--	1,290	373	349	674	--	2	139,499
<u>\$ --</u>	<u>\$ 794</u>	<u>\$ 298</u>	<u>\$ 381</u>	<u>\$ 582</u>	<u>\$ --</u>	<u>\$ 2</u>	<u>\$ 91,442</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	STATE HIGHWAY FUND #2	STATE REVENUE SHARING FUND	STRUCTURAL PEST CONTROL COMMISSION FUND	SUPPORT EDUCATION IN LOUISIANA FIRST FUND	SWEET POTATO PESTS & DISEASES FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 11,146	\$ --	\$ 19	\$ 17,640	\$ 7
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	619	--	--	--	--
DUE FROM OTHER FUNDS	--	--	96	2,074	3
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 11,765	\$ --	\$ 115	\$ 19,714	\$ 10
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	--	--	115	--	10
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	11,765	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	11,765	--	115	--	10
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	--	--	--
UNDESIGNATED	--	--	--	19,714	--
TOTAL FUND BALANCES	--	--	--	19,714	--
TOTAL LIABILITIES AND FUND BALANCES	\$ 11,765	\$ --	\$ 115	\$ 19,714	\$ 10

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	STATE HIGHWAY FUND #2	STATE REVENUE SHARING FUND	STRUCTURAL PEST CONTROL COMMISSION FUND	SUPPORT EDUCATION IN LOUISIANA FIRST FUND	SWEET POTATO PESTS & DISEASES FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	--	309	--
LICENSES, PERMITS, AND FEES	10,652	--	--	--	--
OTHER	--	--	--	20	--
TOTAL REVENUES	10,652	--	--	329	--
EXPENDITURES:					
INTERGOVERNMENTAL	10,652	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	46,781	--
TOTAL EXPENDITURES	10,652	--	--	46,781	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	--	(46,452)	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
TRANSFERS IN	--	90,000	841	166,930	235
TRANSFERS OUT	--	(90,000)	(955)	(111,558)	(235)
TOTAL OTHER FINANCING SOURCES (USES)	--	--	(114)	55,372	--
NET CHANGE IN FUND BALANCES	--	--	(114)	8,920	--
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	--	--	114	10,794	--
FUND BALANCES AT END OF YEAR	\$ --	\$ --	\$ --	\$ 19,714	\$ --

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

TAX COMMISSION EXPENSE FUND	TEACHER EDUCATIONAL AID FOR CHILDREN FUND	TELECOMMUN- ICATIONS FOR THE DEAF FUND	TELEPHONE COMPANY PROPERTY ASSESSMENT RELIEF FUND	TELEPHONIC SOLICITATION RELIEF FUND	TIDELANDS FUND	TOBACCO CONTROL SPECIAL FUND	TOBACCO REGULATION ENFORCEMENT FUND
\$ 539	\$ 29	\$ 8,396	\$ 33,839	\$ 269	\$ 5	\$ 15	\$ 232
--	--	--	--	--	--	--	--
2	--	38	5,467	40	--	--	328
--	--	--	--	--	--	--	--
<u>\$ 541</u>	<u>\$ 29</u>	<u>\$ 8,434</u>	<u>\$ 39,306</u>	<u>\$ 309</u>	<u>\$ 5</u>	<u>\$ 15</u>	<u>\$ 560</u>

\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
128	--	559	33,839	--	--	--	538
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>128</u>	<u>--</u>	<u>559</u>	<u>33,839</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>538</u>

--	--	--	--	--	--	--	22
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	67	--	--	--	--	--
<u>413</u>	<u>29</u>	<u>7,808</u>	<u>5,467</u>	<u>309</u>	<u>5</u>	<u>15</u>	<u>--</u>
<u>413</u>	<u>29</u>	<u>7,875</u>	<u>5,467</u>	<u>309</u>	<u>5</u>	<u>15</u>	<u>22</u>
<u>\$ 541</u>	<u>\$ 29</u>	<u>\$ 8,434</u>	<u>\$ 39,306</u>	<u>\$ 309</u>	<u>\$ 5</u>	<u>\$ 15</u>	<u>\$ 560</u>

TAX COMMISSION EXPENSE FUND	TEACHER EDUCATIONAL AID FOR CHILDREN FUND	TELECOMMUN- ICATIONS FOR THE DEAF FUND	TELEPHONE COMPANY PROPERTY ASSESSMENT RELIEF FUND	TELEPHONIC SOLICITATION RELIEF FUND	TIDELANDS FUND	TOBACCO CONTROL SPECIAL FUND	TOBACCO REGULATION ENFORCEMENT FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
--	--	180	447	--	1	--	--
--	--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>180</u>	<u>447</u>	<u>--</u>	<u>1</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>180</u>	<u>447</u>	<u>--</u>	<u>1</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--	--	--
539	--	1,375	24,602	418	--	--	268
(591)	--	(1,436)	(21,074)	(258)	--	--	(246)
<u>(52)</u>	<u>--</u>	<u>(61)</u>	<u>3,528</u>	<u>160</u>	<u>--</u>	<u>--</u>	<u>22</u>
(52)	--	119	3,975	160	1	--	22
<u>465</u>	<u>29</u>	<u>7,756</u>	<u>1,492</u>	<u>149</u>	<u>4</u>	<u>15</u>	<u>--</u>
<u>\$ 413</u>	<u>\$ 29</u>	<u>\$ 7,875</u>	<u>\$ 5,467</u>	<u>\$ 309</u>	<u>\$ 5</u>	<u>\$ 15</u>	<u>\$ 22</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	TOBACCO SETTLEMENT ENFORCEMENT FUND	TOBACCO TAX HEALTH CARE FUND	TRANSPORTATION TRUST FUND	TRAUMATIC HEAD AND SPINAL CORD INJURY TRUST FUND	TRIAL COURT CASE MANAGEMENT INFORMATION FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 400	\$ 558	\$ 323,415	\$ 6,168	\$ 2,890
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
DUE FROM OTHER FUNDS	--	7,787	72,469	1	10
DUE FROM FEDERAL GOVERNMENT	--	--	94,437	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 400	\$ 8,345	\$ 490,321	\$ 6,169	\$ 2,900
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	--	2,176	121,591	380	--
AMOUNTS DUE TO COMPONENT UNITS	--	4,445	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	--	6,621	121,591	380	--
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	35,448	--	--
CONTINUING PROJECTS	--	--	312,052	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	1,223	--	--
UNDESIGNATED	400	1,724	20,007	5,789	2,900
TOTAL FUND BALANCES	400	1,724	368,730	5,789	2,900
TOTAL LIABILITIES AND FUND BALANCES	\$ 400	\$ 8,345	\$ 490,321	\$ 6,169	\$ 2,900

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	TOBACCO SETTLEMENT ENFORCEMENT FUND	TOBACCO TAX HEALTH CARE FUND	TRANSPORTATION TRUST FUND	TRAUMATIC HEAD AND SPINAL CORD INJURY TRUST FUND	TRIAL COURT CASE MANAGEMENT INFORMATION FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ 657,454	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	6,681	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL REVENUES	--	--	664,135	--	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	29,153	--	--	--
TOTAL EXPENDITURES	--	29,153	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	(29,153)	664,135	--	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
TRANSFERS IN	400	42,655	571,980	1,950	1,621
TRANSFERS OUT	--	(13,850)	(1,155,138)	(1,979)	(1,613)
TOTAL OTHER FINANCING SOURCES (USES)	400	28,805	(583,158)	(29)	8
NET CHANGE IN FUND BALANCES	400	(348)	80,977	(29)	8
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	--	2,072	287,753	5,818	2,892
FUND BALANCES AT END OF YEAR	\$ 400	\$ 1,724	\$ 368,730	\$ 5,789	\$ 2,900

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

UNDERGROUND DAMAGES PREVENTION FUND	UNDERWATER OBSTRUCTION REMOVAL FUND	UTILITY AND CARRIER INSPECTION AND SUPERVISION FUND	VARIABLE EARNING TRANSACTION FUND	VIDEO DRAW POKER DEVICE FUND	VIDEO DRAW POKER DEVICE PURSE SUPPLEMENT FUND	VITAL RECORDS CONVERSION FUND	WASTE TIRE MANAGEMENT FUND
\$ 34	\$ 73	\$ 1,322	\$ 107	\$ 5,449	\$ 3,297	\$ 129	\$ 6,491
--	--	--	--	--	--	--	--
--	--	2,045	9	8,562	123	4	425
--	--	--	--	--	--	--	--
<u>\$ 34</u>	<u>\$ 73</u>	<u>\$ 3,367</u>	<u>\$ 116</u>	<u>\$ 14,011</u>	<u>\$ 3,420</u>	<u>\$ 133</u>	<u>\$ 6,916</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	12,896	--	--	4,505
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	12,896	--	--	4,505
--	--	--	--	--	--	--	--
--	--	--	--	1,115	--	--	--
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--	--	--	--	--	--	--	--
<u>34</u>	<u>73</u>	<u>3,367</u>	<u>116</u>	<u>--</u>	<u>3,420</u>	<u>133</u>	<u>2,411</u>
<u>34</u>	<u>73</u>	<u>3,367</u>	<u>116</u>	<u>1,115</u>	<u>3,420</u>	<u>133</u>	<u>2,411</u>
<u>\$ 34</u>	<u>\$ 73</u>	<u>\$ 3,367</u>	<u>\$ 116</u>	<u>\$ 14,011</u>	<u>\$ 3,420</u>	<u>\$ 133</u>	<u>\$ 6,916</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
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State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2007

SPECIAL REVENUE FUNDS

(EXPRESSED IN THOUSANDS)

	WATERFOWL ACCOUNT	WEIGHTS AND MEASURES FUND	WHITE LAKE PROPERTY FUND	WHITE TAIL DEER ACCOUNT	WILDLIFE HABITAT AND NATURAL HERITAGE TRUST FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 93	\$ --	\$ 1,457	\$ 18	\$ 7,707
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	1	--	--
DUE FROM OTHER FUNDS	--	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 93	\$ --	\$ 1,458	\$ 18	\$ 7,707
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	21	--	12
DUE TO OTHER FUNDS	--	--	--	--	--
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	--	--	21	--	12
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	--	--	--
UNDESIGNATED	93	--	1,437	18	7,695
TOTAL FUND BALANCES	93	--	1,437	18	7,695
TOTAL LIABILITIES AND FUND BALANCES	\$ 93	\$ --	\$ 1,458	\$ 18	\$ 7,707

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	WATERFOWL ACCOUNT	WEIGHTS AND MEASURES FUND	WHITE LAKE PROPERTY FUND	WHITE TAIL DEER ACCOUNT	WILDLIFE HABITAT AND NATURAL HERITAGE TRUST FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	--	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	44
TOTAL REVENUES	--	--	--	--	44
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	--	--	44
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
TRANSFERS IN	16	1,507	1,336	6	1,454
TRANSFERS OUT	--	(1,507)	(599)	--	(539)
TOTAL OTHER FINANCING SOURCES (USES)	16	--	737	6	915
NET CHANGE IN FUND BALANCES	16	--	737	6	959
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	77	--	700	12	6,736
FUND BALANCES AT END OF YEAR	\$ 93	\$ --	\$ 1,437	\$ 18	\$ 7,695

(Continued)

State of Louisiana

CAPITAL

SPECIAL REVENUE FUNDS		DEBT SERVICE FUNDS				PROJECTS FUND	
YOUTHFUL OFFENDER MANAGEMENT FUND	TOTAL SPECIAL REVENUE FUNDS JUNE 30, 2007	DEBT SERVICE ASSISTANCE FUND	TOBACCO SETTLEMENT FINANCING CORPORATION	TRANSPORTATION INFRASTRUCTURE MODEL FOR ECONOMIC DEVELOPMENT	TOTAL DEBT SERVICE FUNDS JUNE 30, 2007	CAPITAL OUTLAY ESCROW FUND	
\$ 6,116	\$ 3,990,573	\$ --	\$ 277	\$ 352,869	\$ 353,146	\$ 1,345,914	
--	1,110,117	--	133,171	959,814	1,092,985	41,866	
--	18,138	--	213	49,798	50,011	38,931	
--	273,802	--	--	7,597	7,597	153,365	
--	94,437	--	--	--	--	--	
--	--	--	--	--	--	3,603	
<u>\$ 6,116</u>	<u>\$ 5,487,067</u>	<u>\$ --</u>	<u>\$ 133,661</u>	<u>\$ 1,370,078</u>	<u>\$ 1,503,739</u>	<u>\$ 1,583,679</u>	
\$ --	\$ 16	\$ --	\$ 18	\$ 9,895	\$ 9,913	\$ --	
--	--	--	--	--	--	211,784	
--	385,223	--	--	46,273	46,273	1,270	
--	34,560	--	--	--	--	--	
--	48,560	--	--	--	--	--	
--	--	--	--	--	--	1,124	
--	<u>468,359</u>	--	<u>18</u>	<u>56,168</u>	<u>56,186</u>	<u>214,178</u>	
--	1,870	--	133,643	--	133,643	--	
--	447,557	--	--	--	--	--	
--	312,052	--	--	--	--	--	
--	--	--	--	1,312,511	1,312,511	1,369,118	
--	441	--	--	--	--	--	
--	53,765	--	--	1,399	1,399	383	
<u>6,116</u>	<u>4,203,023</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	
<u>6,116</u>	<u>5,018,708</u>	<u>--</u>	<u>133,643</u>	<u>1,313,910</u>	<u>1,447,553</u>	<u>1,369,501</u>	
<u>\$ 6,116</u>	<u>\$ 5,487,067</u>	<u>\$ --</u>	<u>\$ 133,661</u>	<u>\$ 1,370,078</u>	<u>\$ 1,503,739</u>	<u>\$ 1,583,679</u>	
YOUTHFUL OFFENDER MANAGEMENT FUND	TOTAL SPECIAL REVENUE FUNDS JUNE 30, 2007	DEBT SERVICE ASSISTANCE FUND	TOBACCO SETTLEMENT FINANCING CORPORATION	TRANSPORTATION INFRASTRUCTURE MODEL FOR ECONOMIC DEVELOPMENT	TOTAL DEBT SERVICE FUNDS JUNE 30, 2007	CAPITAL OUTLAY ESCROW FUND	
\$ --	\$ 657,594	\$ --	\$ --	\$ --	\$ --	\$ 347,658	
--	37,778	--	--	91,412	91,412	--	
--	--	--	82,868	--	82,868	--	
--	151,144	--	6,075	12,335	18,410	5,820	
--	58,317	--	--	--	--	--	
--	3,533	--	--	--	--	--	
--	<u>908,366</u>	--	<u>88,943</u>	<u>103,747</u>	<u>192,690</u>	<u>353,478</u>	
--	107,316	--	--	--	--	--	
--	--	--	--	--	--	1,696,915	
--	--	58,825	26,590	5,254	90,669	--	
--	--	41,175	62,206	92,352	195,733	--	
--	<u>208,622</u>	<u>--</u>	<u>131</u>	<u>9,912</u>	<u>10,043</u>	<u>--</u>	
--	<u>315,938</u>	<u>100,000</u>	<u>88,927</u>	<u>107,518</u>	<u>296,445</u>	<u>1,696,915</u>	
--	<u>592,428</u>	<u>(100,000)</u>	<u>16</u>	<u>(3,771)</u>	<u>(103,755)</u>	<u>(1,343,437)</u>	
--	--	298,788	--	1,128,668	1,427,456	500,000	
5,713	4,671,800	200,000	--	72,482	272,482	2,051,157	
(5,854)	(3,960,778)	(398,788)	--	(447,951)	(846,739)	(14,526)	
<u>(141)</u>	<u>711,022</u>	<u>100,000</u>	<u>--</u>	<u>753,199</u>	<u>853,199</u>	<u>2,536,631</u>	
(141)	1,303,450	--	16	749,428	749,444	1,193,194	
<u>6,257</u>	<u>3,715,258</u>	<u>--</u>	<u>133,627</u>	<u>564,482</u>	<u>698,109</u>	<u>176,307</u>	
<u>\$ 6,116</u>	<u>\$ 5,018,708</u>	<u>\$ --</u>	<u>\$ 133,643</u>	<u>\$ 1,313,910</u>	<u>\$ 1,447,553</u>	<u>\$ 1,369,501</u>	

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2007

PERMANENT FUNDS

(EXPRESSED IN THOUSANDS)

	EDUCATION EXCELLENCE FUND	FULLER- EDWARDS ARBORETUM TRUST FUND	HEALTH EXCELLENCE FUND	W. R. IRBY BEQUEST FUND	LIFETIME LICENSE ENDOWMENT TRUST FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 62,620	\$ 204	\$ 15,112	\$ 1,820	\$ 667
INVESTMENTS	442,456	--	406,879	--	13,838
RECEIVABLES (NET)	--	--	--	151	--
DUE FROM OTHER FUNDS	--	--	--	--	18
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 505,076	\$ 204	\$ 421,991	\$ 1,971	\$ 14,523
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ 2	\$ --	\$ --	\$ 4	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	25	--	10	--	--
AMOUNTS DUE TO COMPONENT UNITS	--	--	37	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	43	--
TOTAL LIABILITIES	27	--	47	47	--
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	521	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	100	--	--	14,523
OTHER	87,807	--	--	980	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	3,057	--	3,057	--	--
UNDESIGNATED	414,185	104	418,366	944	--
TOTAL FUND BALANCES	505,049	204	421,944	1,924	14,523
TOTAL LIABILITIES AND FUND BALANCES	\$ 505,076	\$ 204	\$ 421,991	\$ 1,971	\$ 14,523

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	EDUCATION EXCELLENCE FUND	FULLER- EDWARDS ARBORETUM TRUST FUND	HEALTH EXCELLENCE FUND	W. R. IRBY BEQUEST FUND	LIFETIME LICENSE ENDOWMENT TRUST FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	2,652	10	821	1,017	149
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	20,767	--	8	--	--
TOTAL REVENUES	23,419	10	829	1,017	149
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	20,777	--	490	1,316	--
TOTAL EXPENDITURES	20,777	--	490	1,316	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,642	10	339	(299)	149
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
TRANSFERS IN	31,978	--	32,669	--	824
TRANSFERS OUT	(17,385)	--	(15,624)	--	--
TOTAL OTHER FINANCING SOURCES (USES)	14,593	--	17,045	--	824
NET CHANGE IN FUND BALANCES	17,235	10	17,384	(299)	973
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	487,814	194	404,560	2,223	13,550
FUND BALANCES AT END OF YEAR	\$ 505,049	\$ 204	\$ 421,944	\$ 1,924	\$ 14,523

(Concluded)

State of Louisiana

PERMANENT FUNDS

TOPS FUND	TOTAL PERMANENT FUNDS JUNE 30, 2007	TOTAL NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2007
\$ 12,223	\$ 92,646	\$ 5,782,279
406,879	1,270,052	3,515,020
--	151	107,231
--	18	434,782
--	--	94,437
--	--	3,603
<u>\$ 419,102</u>	<u>\$ 1,362,867</u>	<u>\$ 9,937,352</u>
\$ --	\$ 6	\$ 9,935
--	--	211,784
10	45	432,811
--	37	34,597
--	--	48,560
--	43	1,167
<u>10</u>	<u>131</u>	<u>738,854</u>
--	--	135,513
--	521	448,078
--	--	312,052
--	--	2,681,629
--	14,623	14,623
--	88,787	89,228
3,057	9,171	64,718
<u>416,035</u>	<u>1,249,634</u>	<u>5,452,657</u>
<u>419,092</u>	<u>1,362,736</u>	<u>9,198,498</u>
<u>\$ 419,102</u>	<u>\$ 1,362,867</u>	<u>\$ 9,937,352</u>
TOPS FUND	TOTAL PERMANENT FUNDS JUNE 30, 2007	TOTAL NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2007
\$ --	\$ --	\$ 1,005,252
--	--	129,190
--	--	82,868
821	5,470	180,844
--	--	58,317
<u>--</u>	<u>20,775</u>	<u>24,308</u>
<u>821</u>	<u>26,245</u>	<u>1,480,779</u>
--	--	107,316
--	--	1,696,915
--	--	90,669
--	--	195,733
--	22,583	241,248
<u>--</u>	<u>22,583</u>	<u>2,331,881</u>
<u>821</u>	<u>3,662</u>	<u>(851,102)</u>
--	--	1,927,456
32,669	98,140	7,093,579
<u>(17,174)</u>	<u>(50,183)</u>	<u>(4,872,226)</u>
<u>15,495</u>	<u>47,957</u>	<u>4,148,809</u>
16,316	51,619	3,297,707
<u>402,776</u>	<u>1,311,117</u>	<u>5,900,791</u>
<u>\$ 419,092</u>	<u>\$ 1,362,736</u>	<u>\$ 9,198,498</u>

State of Louisiana

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND

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

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	COASTAL PROTECTION AND RESTORATION FUND			EMPLOYMENT SECURITY ADMINISTRATION ACCOUNT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
INTERGOVERNMENTAL	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	420	35	(385)
USE OF MONEY AND PROPERTY	--	2,726	2,726	--	283	283
LICENSES, PERMITS, AND FEES	--	--	--	--	--	--
OTHER	--	--	--	--	--	--
TOTAL REVENUES	--	2,726	2,726	420	318	(102)
EXPENDITURES:						
INTERGOVERNMENTAL	--	--	--	--	--	--
OTHER	--	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	2,726	2,726	420	318	(102)
OTHER FINANCING SOURCES (USES):						
TRANSFERS IN	34,500	238,788	204,288	--	--	--
TRANSFERS OUT	(34,500)	(45,294)	(10,794)	(420)	(372)	48
TOTAL OTHER FINANCING SOURCES (USES)	--	193,494	193,494	(420)	(372)	48
NET CHANGES IN FUND BALANCES	\$ --	\$ 196,220	\$ 196,220	\$ --	\$ (54)	\$ (54)

	FEDERAL ENERGY SETTLEMENT FUND			HELP LOUISIANA VOTE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
INTERGOVERNMENTAL	\$ --	\$ --	\$ --	\$ --	\$ 140	\$ 140
TAXES	--	--	--	--	--	--
USE OF MONEY AND PROPERTY	17,107	2,014	(15,093)	33,092	1,215	(31,877)
LICENSES, PERMITS, AND FEES	--	--	--	--	--	--
OTHER	--	204	204	--	--	--
TOTAL REVENUES	17,107	2,218	(14,889)	33,092	1,355	(31,737)
EXPENDITURES:						
INTERGOVERNMENTAL	--	--	--	--	--	--
OTHER	--	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	17,107	2,218	(14,889)	33,092	1,355	(31,737)
OTHER FINANCING SOURCES (USES):						
TRANSFERS IN	--	--	--	--	--	--
TRANSFERS OUT	(17,107)	(2,460)	14,647	(33,092)	(19,306)	13,786
TOTAL OTHER FINANCING SOURCES (USES)	(17,107)	(2,460)	14,647	(33,092)	(19,306)	13,786
NET CHANGES IN FUND BALANCES	\$ --	\$ (242)	\$ (242)	\$ --	\$ (17,951)	\$ (17,951)

(Continued)

State of Louisiana

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

(EXPRESSED IN THOUSANDS)

	LABOR PENALTY AND INTEREST ACCOUNT			LABOR WORKFORCE DEVELOPMENT TRAINING ACCOUNT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
INTERGOVERNMENTAL	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	2,024	2,759	735	--	8,619	8,619
USE OF MONEY AND PROPERTY	--	78	78	46,755	4,775	(41,980)
LICENSES, PERMITS, AND FEES	--	197	197	--	--	--
OTHER	--	--	--	--	--	--
TOTAL REVENUES	2,024	3,034	1,010	46,755	13,394	(33,361)
EXPENDITURES:						
INTERGOVERNMENTAL	--	--	--	--	--	--
OTHER	--	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,024	3,034	1,010	46,755	13,394	(33,361)
OTHER FINANCING SOURCES (USES):						
TRANSFERS IN	--	--	--	--	--	--
TRANSFERS OUT	(2,024)	(2,024)	--	(46,755)	(46,706)	49
TOTAL OTHER FINANCING SOURCES (USES)	(2,024)	(2,024)	--	(46,755)	(46,706)	49
NET CHANGES IN FUND BALANCES	\$ --	\$ 1,010	\$ 1,010	\$ --	\$ (33,312)	\$ (33,312)

	LOUISIANA TOURISM PROMOTION DISTRICT			MARSH ISLAND OPERATING FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
INTERGOVERNMENTAL	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	18,300	26,365	8,065	--	--	--
USE OF MONEY AND PROPERTY	--	105	105	824	4,160	3,336
LICENSES, PERMITS, AND FEES	--	--	--	--	--	--
OTHER	--	--	--	--	--	--
TOTAL REVENUES	18,300	26,470	8,170	824	4,160	3,336
EXPENDITURES:						
INTERGOVERNMENTAL	--	--	--	--	--	--
OTHER	--	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	18,300	26,470	8,170	824	4,160	3,336
OTHER FINANCING SOURCES (USES):						
TRANSFERS IN	--	1,362	1,362	--	603	603
TRANSFERS OUT	(18,300)	(28,724)	(10,424)	(824)	(4,763)	(3,939)
TOTAL OTHER FINANCING SOURCES (USES)	(18,300)	(27,362)	(9,062)	(824)	(4,160)	(3,336)
NET CHANGES IN FUND BALANCES	\$ --	\$ (892)	\$ (892)	\$ --	\$ --	\$ --

State of Louisiana

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND

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

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	PARISH ROYALTY FUND			RETIREMENT SYSTEM INSURANCE PROCEEDS FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
INTERGOVERNMENTAL	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--	--
USE OF MONEY AND PROPERTY	48,600	54,400	5,800	--	--	--
LICENSES, PERMITS, AND FEES	--	--	--	47,600	45,932	(1,668)
OTHER	--	--	--	--	--	--
TOTAL REVENUES	48,600	54,400	5,800	47,600	45,932	(1,668)
EXPENDITURES:						
INTERGOVERNMENTAL	48,600	54,400	(5,800)	--	--	--
OTHER	--	--	--	47,600	45,932	1,668
TOTAL EXPENDITURES	48,600	54,400	(5,800)	47,600	45,932	1,668
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	--	--	--	--
OTHER FINANCING SOURCES (USES):						
TRANSFERS IN	--	--	--	--	--	--
TRANSFERS OUT	--	--	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	--	--	--	--	--	--
NET CHANGES IN FUND BALANCES	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

	ROCKEFELLER REFUGE FUND			SEVERANCE TAX FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
INTERGOVERNMENTAL	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--	--
USE OF MONEY AND PROPERTY	7,181	3,282	(3,899)	--	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--	--
OTHER	--	91	91	--	--	--
TOTAL REVENUES	7,181	3,373	(3,808)	--	--	--
EXPENDITURES:						
INTERGOVERNMENTAL	--	--	--	51,700	41,256	10,444
OTHER	--	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	51,700	41,256	10,444
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,181	3,373	(3,808)	(51,700)	(41,256)	10,444
OTHER FINANCING SOURCES (USES):						
TRANSFERS IN	--	--	--	51,700	41,256	(10,444)
TRANSFERS OUT	(7,181)	(3,644)	3,537	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	(7,181)	(3,644)	3,537	51,700	41,256	(10,444)
NET CHANGES IN FUND BALANCES	\$ --	\$ (271)	\$ (271)	\$ --	\$ --	\$ --

(Concluded)

State of Louisiana

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	STATE HIGHWAY FUND #2			TRANSPORTATION TRUST FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
INTERGOVERNMENTAL	\$ --	\$ --	\$ --	\$ 673,858	\$ 657,454	\$ (16,404)
TAXES	--	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	--	--	6,681	6,681
LICENSES, PERMITS, AND FEES	10,900	10,652	(248)	--	--	--
OTHER	--	--	--	--	--	--
TOTAL REVENUES	10,900	10,652	(248)	673,858	664,135	(9,723)
EXPENDITURES:						
INTERGOVERNMENTAL	10,900	10,652	248	--	--	--
OTHER	--	--	--	--	--	--
TOTAL EXPENDITURES	10,900	10,652	248	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	--	673,858	664,135	(9,723)
OTHER FINANCING SOURCES (USES):						
TRANSFERS IN	--	--	--	545,000	571,980	26,980
TRANSFERS OUT	--	--	--	(1,218,858)	(1,155,138)	63,720
TOTAL OTHER FINANCING SOURCES (USES)	--	--	--	(673,858)	(583,158)	90,700
NET CHANGES IN FUND BALANCES	\$ --	\$ --	\$ --	\$ --	\$ 80,977	\$ 80,977

TOTAL BUDGETED SPECIAL REVENUE FUNDS

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
INTERGOVERNMENTAL	\$ 673,858	\$ 657,594	\$ (16,264)
TAXES	20,744	37,778	17,034
USE OF MONEY AND PROPERTY	153,559	79,719	(73,840)
LICENSES, PERMITS, AND FEES	58,500	56,781	(1,719)
OTHER	--	295	295
TOTAL REVENUES	906,661	832,167	(74,494)
EXPENDITURES:			
INTERGOVERNMENTAL	111,200	106,308	4,892
OTHER	47,600	45,932	1,668
TOTAL EXPENDITURES	158,800	152,240	6,560
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	747,861	679,927	(67,934)
OTHER FINANCING SOURCES (USES):			
TRANSFERS IN	631,200	853,989	222,789
TRANSFERS OUT	(1,379,061)	(1,308,431)	70,630
TOTAL OTHER FINANCING SOURCES (USES)	(747,861)	(454,442)	293,419
NET CHANGES IN FUND BALANCES	\$ --	\$ 225,485	\$ 225,485

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	BOARDS AND COMMISSIONS	DRINKING WATER REVOLVING LOAN FUND	LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY	LOUISIANA GULF OPPORTUNITY ZONE LOAN FUND	LOUISIANA LOTTERY CORPORATION
ASSETS					
CURRENT ASSETS:					
CASH AND CASH EQUIVALENTS	\$ 29,249	\$ 13,684	\$ 1,405	\$ --	\$ 50
INVESTMENTS	3,214	--	--	--	40,861
RECEIVABLES (NET)	1,322	568	469	--	9,925
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
INVENTORIES	5	--	469	--	--
PREPAYMENTS	69	--	--	--	402
NOTES RECEIVABLE	--	2,773	--	--	--
OTHER CURRENT ASSETS	73	--	--	--	14
TOTAL CURRENT ASSETS	33,932	17,025	2,343	--	51,252
NONCURRENT ASSETS:					
RESTRICTED ASSETS					
CASH	1,361	--	--	--	--
INVESTMENTS	2,092	--	--	--	86,771
RECEIVABLES	69	--	--	--	--
INVESTMENTS	200	--	--	--	--
NOTES RECEIVABLE	--	60,802	--	398,788	--
CAPITAL ASSETS (NOTE 5)					
LAND	1,475	--	--	--	1,542
BUILDINGS AND IMPROVEMENTS (NET OF DEPRECIATION)	2,419	--	52	--	3,455
MACHINERY AND EQUIPMENT (NET OF DEPRECIATION)	936	--	23	--	629
CONSTRUCTION IN PROGRESS	391	--	--	--	--
OTHER NONCURRENT ASSETS	42	--	--	--	7,057
TOTAL NONCURRENT ASSETS	8,985	60,802	75	398,788	99,454
TOTAL ASSETS	\$ 42,917	\$ 77,827	\$ 2,418	\$ 398,788	\$ 150,706
LIABILITIES					
CURRENT LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ 2,314	\$ --	\$ 156	\$ --	\$ 1,967
DUE TO OTHER FUNDS	--	--	--	--	13,161
DUE TO FEDERAL GOVERNMENT	--	--	--	--	--
DEFERRED REVENUES	3,695	--	--	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	105	--	--	--	--
OTHER CURRENT LIABILITIES	135	--	--	--	30,775
CURRENT PORTION OF LONG-TERM LIABILITIES:					
COMPENSATED ABSENCES PAYABLE	332	--	1	--	322
CAPITAL LEASE OBLIGATIONS	--	--	--	--	--
NOTES PAYABLE	120	--	--	--	--
TOTAL CURRENT LIABILITIES	6,701	--	157	--	46,225
NONCURRENT LIABILITIES:					
NONCURRENT PORTION OF LONG-TERM LIABILITIES:					
COMPENSATED ABSENCES PAYABLE	599	--	59	--	--
CAPITAL LEASE OBLIGATIONS	--	--	--	--	--
DEFERRED REVENUES	130	--	--	--	--
CLAIMS AND LITIGATION PAYABLE	50	--	--	--	--
NOTES PAYABLE	2,101	--	--	--	--
BONDS PAYABLE (NET OF UNAMORTIZED DISCOUNTS)	--	--	--	--	--
OTHER LONG-TERM LIABILITIES	--	--	--	--	81,233
TOTAL NONCURRENT LIABILITIES	2,880	--	59	--	81,233
TOTAL LIABILITIES	9,581	--	216	--	127,458
NET ASSETS					
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	3,001	--	75	--	5,626
RESTRICTED FOR OTHER SPECIFIC PURPOSES	2,579	--	--	--	--
UNRESTRICTED	27,756	77,827	2,127	398,788	17,622
TOTAL NET ASSETS	33,336	77,827	2,202	398,788	23,248
TOTAL LIABILITIES AND NET ASSETS	\$ 42,917	\$ 77,827	\$ 2,418	\$ 398,788	\$ 150,706

State of Louisiana

LOUISIANA PROPERTY ASSISTANCE AGENCY	LOUISIANA TRANSPORTATION AUTHORITY	MUNICIPAL FACILITIES REVOLVING LOAN FUND	PRISON ENTERPRISES	PUBLIC SAFETY SERVICES CAFETERIAS	DONALD J. THIBODEAUX TRAINING COMPLEX	TOTAL NONMAJOR ENTERPRISE FUNDS
\$ 2,467	\$ 91	\$ 141,168	\$ 1,055	\$ 32	\$ 1,366	\$ 190,567
--	--	--	--	--	--	44,075
63	62	2,226	2,159	85	248	17,127
--	--	28	--	--	14	42
--	--	--	5,309	23	142	5,948
--	--	--	5	--	--	476
--	--	10,499	--	--	--	13,272
--	--	--	--	--	--	87
<u>2,530</u>	<u>153</u>	<u>153,921</u>	<u>8,528</u>	<u>140</u>	<u>1,770</u>	<u>271,594</u>
--	--	--	--	--	--	1,361
--	110,067	--	--	--	--	198,930
--	--	--	--	--	--	69
--	--	--	--	--	--	200
--	--	222,189	--	--	--	681,779
695	--	--	--	--	1,245	4,957
3,093	--	--	1,065	2,251	578	12,913
273	--	--	3,880	10	572	6,323
--	56,362	--	196	--	--	56,949
--	4,794	--	--	--	--	11,893
<u>4,061</u>	<u>171,223</u>	<u>222,189</u>	<u>5,141</u>	<u>2,261</u>	<u>2,395</u>	<u>975,374</u>
<u>\$ 6,591</u>	<u>\$ 171,376</u>	<u>\$ 376,110</u>	<u>\$ 13,669</u>	<u>\$ 2,401</u>	<u>\$ 4,165</u>	<u>\$ 1,246,968</u>
\$ 339	\$ 11,335	\$ 20	\$ 2,464	\$ 76	\$ 205	\$ 18,876
--	--	31	--	--	7	13,199
--	--	--	--	--	7	7
--	--	--	2	--	--	3,697
--	--	--	--	--	--	105
--	--	--	--	--	17	30,927
7	--	--	168	3	8	841
--	--	--	146	--	--	146
15	--	--	--	--	--	135
<u>361</u>	<u>11,335</u>	<u>51</u>	<u>2,780</u>	<u>79</u>	<u>244</u>	<u>67,933</u>
106	--	--	243	35	330	1,372
--	--	--	124	--	--	124
--	--	--	--	--	--	130
--	--	--	--	--	--	50
30	--	--	--	--	--	2,131
--	163,728	--	--	--	--	163,728
--	--	--	--	--	--	81,233
<u>136</u>	<u>163,728</u>	<u>--</u>	<u>367</u>	<u>35</u>	<u>330</u>	<u>248,768</u>
<u>497</u>	<u>175,063</u>	<u>51</u>	<u>3,147</u>	<u>114</u>	<u>574</u>	<u>316,701</u>
4,061	--	--	4,871	2,261	2,395	22,290
--	--	--	--	--	--	2,579
<u>2,033</u>	<u>(3,687)</u>	<u>376,059</u>	<u>5,651</u>	<u>26</u>	<u>1,196</u>	<u>905,398</u>
<u>6,094</u>	<u>(3,687)</u>	<u>376,059</u>	<u>10,522</u>	<u>2,287</u>	<u>3,591</u>	<u>930,267</u>
<u>\$ 6,591</u>	<u>\$ 171,376</u>	<u>\$ 376,110</u>	<u>\$ 13,669</u>	<u>\$ 2,401</u>	<u>\$ 4,165</u>	<u>\$ 1,246,968</u>

State of Louisiana

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	BOARDS AND COMMISSIONS	DRINKING WATER REVOLVING LOAN FUND	LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY	LOUISIANA GULF OPPORTUNITY ZONE LOAN FUND	LOUISIANA LOTTERY CORPORATION
OPERATING REVENUES:					
SALES OF COMMODITIES AND SERVICES	\$ 3,099	\$ --	\$ 3,881	\$ --	\$ 354,183
ASSESSMENTS	2,821	--	--	--	--
USE OF MONEY AND PROPERTY	99	2,760	--	--	--
LICENSES, PERMITS, AND FEES	24,964	--	--	--	11
OTHER	606	299	--	--	5
TOTAL OPERATING REVENUES	31,589	3,059	3,881	--	354,199
OPERATING EXPENSES:					
COST OF SALES AND SERVICES	15,218	--	2,089	--	211,584
ADMINISTRATIVE	13,786	--	1,152	--	16,312
DEPRECIATION	295	--	12	--	700
AMORTIZATION	46	--	--	--	--
TOTAL OPERATING EXPENSES	29,345	--	3,253	--	228,596
OPERATING INCOME (LOSS)	2,244	3,059	628	--	125,603
NONOPERATING REVENUES (EXPENSES):					
INTERGOVERNMENTAL EXPENSES	--	--	--	--	--
USE OF MONEY AND PROPERTY	1,376	--	59	--	2,721
GAIN ON DISPOSAL OF FIXED ASSETS	--	--	--	--	22
LOSS ON DISPOSAL OF FIXED ASSETS	--	--	--	--	--
FEDERAL GRANTS	6	--	--	--	--
INTEREST EXPENSE	(90)	--	--	--	--
OTHER REVENUES	3,643	--	--	--	--
OTHER EXPENSES	(3,532)	(13)	(4)	--	--
TOTAL NONOPERATING REVENUES (EXPENSES)	1,403	(13)	55	--	2,743
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	3,647	3,046	683	--	128,346
CAPITAL CONTRIBUTIONS	--	9,489	--	--	--
TRANSFERS IN	--	--	--	398,788	--
TRANSFERS OUT	--	--	--	--	(128,263)
CHANGE IN NET ASSETS	3,647	12,535	683	398,788	83
TOTAL NET ASSETS - BEGINNING	29,689	65,292	1,519	--	23,165
TOTAL NET ASSETS - ENDING	\$ 33,336	\$ 77,827	\$ 2,202	\$ 398,788	\$ 23,248

State of Louisiana

LOUISIANA PROPERTY ASSISTANCE AGENCY	LOUISIANA TRANSPORTATION AUTHORITY	MUNICIPAL FACILITIES REVOLVING LOAN FUND	PRISON ENTERPRISES	PUBLIC SAFETY SERVICES CAFETERIAS	DONALD J. THIBODEAUX TRAINING COMPLEX	TOTAL NONMAJOR ENTERPRISE FUNDS
\$ 3,907	\$ --	\$ --	\$ 27,405	\$ 959	\$ 7,753	\$ 401,187
--	--	--	--	--	--	2,821
--	--	14,852	--	--	--	17,711
--	--	--	--	--	--	24,975
--	--	1,155	--	--	--	2,065
<u>3,907</u>	<u>--</u>	<u>16,007</u>	<u>27,405</u>	<u>959</u>	<u>7,753</u>	<u>448,759</u>
1,000	--	--	15,360	726	49	246,026
2,636	24	--	9,418	450	7,181	50,959
256	--	--	548	63	48	1,922
--	--	--	--	--	--	46
<u>3,892</u>	<u>24</u>	<u>--</u>	<u>25,326</u>	<u>1,239</u>	<u>7,278</u>	<u>298,953</u>
<u>15</u>	<u>(24)</u>	<u>16,007</u>	<u>2,079</u>	<u>(280)</u>	<u>475</u>	<u>149,806</u>
--	--	(230)	(1,039)	--	--	(1,269)
89	--	--	50	1	46	4,342
8	--	--	--	--	--	30
--	--	--	(176)	--	(280)	(456)
--	--	--	--	--	--	6
--	(2,968)	--	(8)	--	--	(3,066)
6	--	--	455	11	--	4,115
<u>(18)</u>	<u>--</u>	<u>(58)</u>	<u>--</u>	<u>--</u>	<u>(114)</u>	<u>(3,739)</u>
<u>85</u>	<u>(2,968)</u>	<u>(288)</u>	<u>(718)</u>	<u>12</u>	<u>(348)</u>	<u>(37)</u>
100	(2,992)	15,719	1,361	(268)	127	149,769
--	--	9,866	--	--	--	19,355
--	--	--	--	--	--	398,788
--	--	(399)	--	--	--	(128,662)
<u>100</u>	<u>(2,992)</u>	<u>25,186</u>	<u>1,361</u>	<u>(268)</u>	<u>127</u>	<u>439,250</u>
<u>5,994</u>	<u>(695)</u>	<u>350,873</u>	<u>9,161</u>	<u>2,555</u>	<u>3,464</u>	<u>491,017</u>
<u>\$ 6,094</u>	<u>\$ (3,687)</u>	<u>\$ 376,059</u>	<u>\$ 10,522</u>	<u>\$ 2,287</u>	<u>\$ 3,591</u>	<u>\$ 930,267</u>

State of Louisiana

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	BOARDS AND COMMISSIONS	DRINKING WATER REVOLVING LOAN FUND	LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY	LOUISIANA GULF OPPORTUNITY ZONE LOAN FUND	LOUISIANA LOTTERY CORPORATION
CASH FLOWS FROM OPERATING ACTIVITIES:					
CASH RECEIVED FROM CUSTOMERS	\$ 31,905	\$ 4,823	\$ 3,880	\$ --	\$ 140,717
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(14,901)	--	(2,998)	--	(25,395)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(12,789)	--	(632)	--	(5,919)
CLAIMS PAID TO OUTSIDERS	8	(11,386)	--	(398,788)	--
OTHER OPERATING REVENUES	5	680	--	--	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>4,228</u>	<u>(5,883)</u>	<u>250</u>	<u>(398,788)</u>	<u>109,403</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
PROCEEDS FROM SALE OF BONDS	--	1,487	--	--	--
PRINCIPAL PAID ON BONDS	--	(1,500)	--	--	--
INTEREST PAID ON BOND MATURITIES	--	(1)	--	--	--
PRINCIPAL PAID ON NOTES PAYABLE	(23)	--	--	--	--
OPERATING GRANTS RECEIVED	6	--	--	--	--
TRANSFERS IN	--	--	--	398,788	--
TRANSFERS OUT	--	--	--	--	(127,040)
OTHER	(923)	--	--	--	--
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(940)</u>	<u>(14)</u>	<u>--</u>	<u>398,788</u>	<u>(127,040)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
INTEREST PAID ON BONDED DEBT	--	--	--	--	--
PROCEEDS FROM ISSUANCE OF NOTES PAYABLE	2,235	--	--	--	--
PRINCIPAL PAID ON NOTES PAYABLE	(64)	--	--	--	--
INTEREST PAID ON NOTES PAYABLE	(86)	--	--	--	--
ACQUISITION/CONSTRUCTION OF CAPITAL ASSETS	(3,157)	--	(16)	--	(333)
PROCEEDS FROM SALE OF CAPITAL ASSETS	--	--	--	--	22
CAPITAL CONTRIBUTIONS	--	9,489	--	--	--
OTHER	46	--	--	--	--
NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,026)</u>	<u>9,489</u>	<u>(16)</u>	<u>--</u>	<u>(311)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
PURCHASES OF INVESTMENT SECURITIES	(3,589)	--	--	--	(2,807)
PROCEEDS FROM SALE OF INVESTMENT SECURITIES	4,257	--	--	--	18,537
INTEREST AND DIVIDENDS EARNED ON INVESTMENT SECURITIES	1,302	--	59	--	2,183
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,970</u>	<u>--</u>	<u>59</u>	<u>--</u>	<u>17,913</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,232	3,592	293	--	(35)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR AS RESTATED *	<u>26,378</u>	<u>10,092</u>	<u>1,112</u>	<u>--</u>	<u>85</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 30,610</u>	<u>\$ 13,684</u>	<u>\$ 1,405</u>	<u>\$ --</u>	<u>\$ 50</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
OPERATING INCOME (LOSS)	\$ 2,244	\$ 3,059	\$ 628	\$ --	\$ 125,603
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
DEPRECIATION/AMORTIZATION	341	--	12	--	700
PROVISION FOR UNCOLLECTIBLE ACCOUNTS	126	--	--	--	(33)
OTHER	197	--	--	--	(309)
CHANGES IN ASSETS AND LIABILITIES:					
(INCREASE)DECREASE IN ACCOUNTS RECEIVABLE	285	(28)	(1)	(398,788)	(1,936)
(INCREASE)DECREASE IN DUE FROM OTHER FUNDS	102	--	--	--	--
(INCREASE)DECREASE IN PREPAYMENTS	(6)	--	--	--	86
(INCREASE)DECREASE IN INVENTORIES	3	--	(256)	--	--
(INCREASE)DECREASE IN OTHER ASSETS	19	(8,914)	--	--	267
INCREASE(DECREASE) IN ACCOUNTS PAYABLE AND ACCRUALS	996	--	(134)	--	(364)
INCREASE(DECREASE) IN COMPENSATED ABSENCES PAYABLE	105	--	1	--	(3)
INCREASE(DECREASE) IN DUE TO OTHER FUNDS	(115)	--	--	--	1,223
INCREASE(DECREASE) IN DEFERRED REVENUES	(91)	--	--	--	--
INCREASE(DECREASE) IN OTHER LIABILITIES	22	--	--	--	(15,831)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 4,228</u>	<u>\$ (5,883)</u>	<u>\$ 250</u>	<u>\$ (398,788)</u>	<u>\$ 109,403</u>

(Continued)

* for the Louisiana Opportunity Loan Fund that is closed, therefore not presented.

State of Louisiana

LOUISIANA PROPERTY ASSISTANCE AGENCY	LOUISIANA TRANSPORTATION AUTHORITY	MUNICIPAL FACILITIES REVOLVING LOAN FUND	PRISON ENTERPRISES	PUBLIC SAFETY SERVICES CAFETERIA	DONALD J. THIBODEAUX TRAINING COMPLEX	TOTAL NONMAJOR ENTERPRISE FUNDS
\$ 3,872	\$ --	\$ 23,716	\$ 27,572	\$ 670	\$ 9,041	\$ 246,196
(1,749)	--	--	(21,570)	(295)	(5,011)	(71,919)
(1,829)	--	--	(5,961)	(372)	(2,982)	(30,484)
--	--	(17,157)	--	--	--	(427,323)
--	(24)	7,468	--	--	--	8,129
<u>294</u>	<u>(24)</u>	<u>14,027</u>	<u>41</u>	<u>3</u>	<u>1,048</u>	<u>(275,401)</u>
--	--	3,942	--	--	--	5,429
--	--	(4,000)	--	--	--	(5,500)
--	--	(1)	--	--	--	(2)
--	--	--	--	--	--	(23)
--	--	--	--	--	--	6
--	--	--	--	--	--	398,788
--	--	(394)	--	--	--	(127,434)
6	--	(210)	--	--	--	(1,127)
<u>6</u>	<u>--</u>	<u>(663)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>270,137</u>
--	(6,624)	--	--	--	--	(6,624)
--	--	--	--	--	--	2,235
(1)	--	--	(125)	--	--	(190)
--	--	--	(8)	--	--	(94)
(20)	(41,159)	--	(1,441)	--	--	(46,126)
8	--	--	793	--	--	823
--	--	10,446	--	--	--	19,935
--	--	--	216	--	4	266
<u>(13)</u>	<u>(47,783)</u>	<u>10,446</u>	<u>(565)</u>	<u>--</u>	<u>4</u>	<u>(29,775)</u>
--	--	--	--	--	--	(6,396)
--	43,324	--	--	--	--	66,118
89	4,474	--	50	1	46	8,204
<u>89</u>	<u>47,798</u>	<u>--</u>	<u>50</u>	<u>1</u>	<u>46</u>	<u>67,926</u>
376	(9)	23,810	(474)	4	1,098	32,887
<u>2,091</u>	<u>100</u>	<u>117,358</u>	<u>1,529</u>	<u>28</u>	<u>268</u>	<u>159,041</u>
<u>\$ 2,467</u>	<u>\$ 91</u>	<u>\$ 141,168</u>	<u>\$ 1,055</u>	<u>\$ 32</u>	<u>\$ 1,366</u>	<u>\$ 191,928</u>
\$ 15	\$ (24)	\$ 16,007	\$ 2,079	\$ (280)	\$ 475	\$ 149,806
256	--	--	548	63	48	1,968
--	--	--	(5)	--	--	88
--	--	--	(1,099)	--	(62)	(1,273)
10	--	(122)	162	318	589	(399,511)
--	--	(116)	--	--	--	(14)
--	--	--	17	--	--	97
--	--	--	775	13	49	584
--	--	(1,742)	--	--	719	(9,651)
33	--	--	(2,425)	(63)	(744)	(2,701)
(20)	--	--	(8)	--	(43)	32
--	--	--	--	--	--	1,108
--	--	--	(3)	--	--	(94)
--	--	--	--	(48)	17	(15,840)
<u>\$ 294</u>	<u>\$ (24)</u>	<u>\$ 14,027</u>	<u>\$ 41</u>	<u>\$ 3</u>	<u>\$ 1,048</u>	<u>\$ (275,401)</u>

State of Louisiana

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

	2007
LOUISIANA LOTTERY CORPORATION	
NET INCREASE IN FAIR VALUE OF INVESTMENTS	31
INTEREST ACCRUED ON DEPOSITS WITH MULTI-STATE LOTTERY ASSOCIATION	520

(Concluded)



State of Louisiana

COMBINING BALANCE SHEET

INTERNAL SERVICE FUNDS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	ADMINISTRATIVE SERVICES	CENTRAL REGIONAL LAUNDRY	JACKSON REGIONAL LAUNDRY	LOUISIANA CORRECTIONAL FACILITIES CORPORATION
ASSETS				
CURRENT ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 1,529	\$ 230	\$ 74	\$ 4,393
RECEIVABLES (NET)	1,034	45	56	31
INVENTORIES	1,001	10	--	--
PREPAYMENTS	3	--	--	--
OTHER CURRENT ASSETS	--	--	100	666
TOTAL CURRENT ASSETS	3,567	285	230	5,090
NONCURRENT ASSETS:				
RESTRICTED ASSETS				
INVESTMENTS	--	--	--	--
CAPITAL ASSETS (NOTE 5)				
LAND	--	--	--	--
BUILDINGS AND IMPROVEMENTS (NET OF DEPRECIATION)	--	7	--	--
MACHINERY AND EQUIPMENT (NET OF DEPRECIATION)	742	74	101	--
CONSTRUCTION IN PROGRESS	--	--	--	--
OTHER NONCURRENT ASSETS	--	--	--	--
TOTAL NONCURRENT ASSETS	742	81	101	--
TOTAL ASSETS	\$ 4,309	\$ 366	\$ 331	\$ 5,090
LIABILITIES				
CURRENT LIABILITIES:				
ACCOUNTS PAYABLE AND ACCRUALS	\$ 246	\$ 36	\$ 31	\$ --
DUE TO OTHER FUNDS	400	--	100	--
DEFERRED REVENUES	--	--	--	--
CURRENT PORTION OF LONG-TERM LIABILITIES:				
COMPENSATED ABSENCES PAYABLE	19	3	4	--
NOTES PAYABLE	155	--	--	--
OTHER LONG-TERM LIABILITIES	--	--	--	30
TOTAL CURRENT LIABILITIES	820	39	135	30
NONCURRENT LIABILITIES:				
NONCURRENT PORTION OF LONG-TERM LIABILITIES:				
COMPENSATED ABSENCES PAYABLE	160	19	45	--
NOTES PAYABLE	286	--	--	--
OTHER LONG-TERM LIABILITIES	--	--	--	357
TOTAL NONCURRENT LIABILITIES	446	19	45	357
TOTAL LIABILITIES	1,266	58	180	387
NET ASSETS				
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	301	81	101	--
RESTRICTED FOR DEBT SERVICE	--	--	--	3,853
UNRESTRICTED	2,742	227	50	850
TOTAL NET ASSETS	3,043	308	151	4,703
TOTAL LIABILITIES AND NET ASSETS	\$ 4,309	\$ 366	\$ 331	\$ 5,090

State of Louisiana

LOUISIANA OFFICE BUILDING CORPORATION	OFFICE FACILITIES CORPORATION	OFFICE OF AIRCRAFT SERVICES	OFFICE OF TELECOMMUNICATIONS MANAGEMENT	TOTAL INTERNAL SERVICE FUNDS
\$ 486	\$ 58,812	\$ 169	\$ 3,906	\$ 69,599
--	4,270	549	5,495	11,480
--	--	94	--	1,105
--	29	--	--	32
--	37	--	--	803
<u>486</u>	<u>63,148</u>	<u>812</u>	<u>9,401</u>	<u>83,019</u>
--	32,946	--	--	32,946
--	301	--	--	301
--	--	--	--	7
--	423	5	2,696	4,041
--	--	--	--	--
--	2,810	--	--	2,810
--	<u>36,480</u>	<u>5</u>	<u>2,696</u>	<u>40,105</u>
<u>\$ 486</u>	<u>\$ 99,628</u>	<u>\$ 817</u>	<u>\$ 12,097</u>	<u>\$ 123,124</u>
\$ --	\$ 1,560	\$ 124	\$ 1,017	\$ 3,014
--	--	--	4	504
--	25,065	--	--	25,065
--	--	2	35	63
--	--	--	547	702
--	3,892	--	--	3,922
--	<u>30,517</u>	<u>126</u>	<u>1,603</u>	<u>33,270</u>
--	--	23	417	664
--	--	--	909	1,195
--	40,042	--	--	40,399
--	<u>40,042</u>	<u>23</u>	<u>1,326</u>	<u>42,258</u>
--	70,559	149	2,929	75,528
--	724	5	1,240	2,452
--	32,553	--	--	36,406
486	<u>(4,208)</u>	<u>663</u>	<u>7,928</u>	<u>8,738</u>
<u>486</u>	<u>29,069</u>	<u>668</u>	<u>9,168</u>	<u>47,596</u>
<u>\$ 486</u>	<u>\$ 99,628</u>	<u>\$ 817</u>	<u>\$ 12,097</u>	<u>\$ 123,124</u>

State of Louisiana

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

INTERNAL SERVICE FUNDS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	ADMINISTRATIVE SERVICES	CENTRAL REGIONAL LAUNDRY	JACKSON REGIONAL LAUNDRY	LOUISIANA CORRECTIONAL FACILITIES CORPORATION
OPERATING REVENUES:				
SALES OF COMMODITIES AND SERVICES	\$ 7,968	\$ 578	\$ 476	\$ --
USE OF MONEY AND PROPERTY	--	--	--	--
OTHER	--	--	--	--
TOTAL OPERATING REVENUES	<u>7,968</u>	<u>578</u>	<u>476</u>	<u>--</u>
OPERATING EXPENSES:				
COST OF SALES AND SERVICES	3,869	161	486	--
ADMINISTRATIVE	3,403	364	--	147
DEPRECIATION	202	25	62	--
AMORTIZATION	--	--	--	184
TOTAL OPERATING EXPENSES	<u>7,474</u>	<u>550</u>	<u>548</u>	<u>331</u>
OPERATING INCOME (LOSS)	<u>494</u>	<u>28</u>	<u>(72)</u>	<u>(331)</u>
NONOPERATING REVENUES (EXPENSES):				
STATE APPROPRIATIONS	--	1	--	--
USE OF MONEY AND PROPERTY	43	9	2	223
LOSS ON DISPOSAL OF FIXED ASSETS	(5)	--	--	--
INTEREST EXPENSE	(14)	--	--	(847)
OTHER REVENUES	14	--	--	857
OTHER EXPENSES	--	--	(4)	--
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>38</u>	<u>10</u>	<u>(2)</u>	<u>233</u>
CHANGE IN NET ASSETS	532	38	(74)	(98)
TOTAL NET ASSETS - BEGINNING	<u>2,511</u>	<u>270</u>	<u>225</u>	<u>4,801</u>
TOTAL NET ASSETS - ENDING	<u>\$ 3,043</u>	<u>\$ 308</u>	<u>\$ 151</u>	<u>\$ 4,703</u>

State of Louisiana

LOUISIANA OFFICE BUILDING CORPORATION	OFFICE FACILITIES CORPORATION	OFFICE OF AIRCRAFT SERVICES	OFFICE OF TELECOMMUNICATIONS MANAGEMENT	TOTAL INTERNAL SERVICE FUNDS
\$ --	\$ --	\$ 1,214	\$ 53,396	\$ 63,632
--	22,887	--	--	22,887
15	--	--	--	15
<u>15</u>	<u>22,887</u>	<u>1,214</u>	<u>53,396</u>	<u>86,534</u>
--	--	927	44,969	50,412
16	20,975	314	8,366	33,585
--	78	3	1,275	1,645
--	(53)	--	--	131
<u>16</u>	<u>21,000</u>	<u>1,244</u>	<u>54,610</u>	<u>85,773</u>
<u>(1)</u>	<u>1,887</u>	<u>(30)</u>	<u>(1,214)</u>	<u>761</u>
--	--	--	--	1
22	21,110	19	163	21,591
--	--	--	(111)	(116)
--	(16,068)	--	(62)	(16,991)
--	--	--	--	871
--	--	--	--	(4)
<u>22</u>	<u>5,042</u>	<u>19</u>	<u>(10)</u>	<u>5,352</u>
21	6,929	(11)	(1,224)	6,113
<u>465</u>	<u>22,140</u>	<u>679</u>	<u>10,392</u>	<u>41,483</u>
<u>\$ 486</u>	<u>\$ 29,069</u>	<u>\$ 668</u>	<u>\$ 9,168</u>	<u>\$ 47,596</u>

State of Louisiana

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	ADMINISTRATIVE SERVICES	CENTRAL REGIONAL LAUNDRY	JACKSON REGIONAL LAUNDRY	LOUISIANA CORRECTIONAL FACILITIES CORPORATION
CASH FLOWS FROM OPERATING ACTIVITIES:				
CASH RECEIVED FROM CUSTOMERS	\$ 7,644	\$ 578	\$ 471	\$ --
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(4,815)	(159)	(137)	(147)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(2,382)	(367)	(338)	--
OTHER OPERATING REVENUES	--	(28)	--	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>447</u>	<u>24</u>	<u>(4)</u>	<u>(147)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
STATE APPROPRIATIONS	--	1	--	--
TRANSFERS IN	--	--	--	5,945
OTHER	13	--	--	--
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>13</u>	<u>1</u>	<u>--</u>	<u>5,945</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
PRINCIPAL PAID ON BONDS	--	--	--	(5,075)
INTEREST PAID ON BOND MATURITIES	--	--	--	(858)
PROCEEDS FROM ISSUANCE OF NOTES PAYABLE	--	--	--	--
PRINCIPAL PAID ON NOTES PAYABLE	(145)	--	--	--
INTEREST PAID ON NOTES PAYABLE	(14)	--	--	--
ACQUISITION/CONSTRUCTION OF CAPITAL ASSETS	(55)	(21)	--	--
OTHER	--	--	--	--
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(214)</u>	<u>(21)</u>	<u>--</u>	<u>(5,933)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
PURCHASE OF INVESTMENT SECURITIES	--	--	--	--
PROCEEDS FROM SALE OF INVESTMENT SECURITIES	--	--	--	--
INTEREST AND DIVIDENDS EARNED ON INVESTMENT SECURITIES	43	9	2	210
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>43</u>	<u>9</u>	<u>2</u>	<u>210</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	289	13	(2)	75
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,240</u>	<u>217</u>	<u>76</u>	<u>4,318</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,529</u>	<u>\$ 230</u>	<u>\$ 74</u>	<u>\$ 4,393</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
OPERATING INCOME (LOSS)	\$ 494	\$ 28	\$ (72)	\$ (331)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
DEPRECIATION/AMORTIZATION	202	25	62	184
OTHER	1	--	--	--
CHANGES IN ASSETS AND LIABILITIES:				
(INCREASE)DECREASE IN ACCOUNTS RECEIVABLE	(324)	(38)	(5)	--
(INCREASE)DECREASE IN PREPAYMENTS	--	--	--	--
(INCREASE)DECREASE IN INVENTORIES	32	2	--	--
INCREASE(DECREASE) IN ACCOUNTS PAYABLE AND ACCRUALS	28	14	9	--
INCREASE(DECREASE) IN COMPENSATED ABSENCES PAYABLE	14	(7)	2	--
INCREASE(DECREASE) IN DEFERRED REVENUES	--	--	--	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 447</u>	<u>\$ 24</u>	<u>\$ (4)</u>	<u>\$ (147)</u>

State of Louisiana

LOUISIANA OFFICE BUILDING CORPORATION	OFFICE FACILITIES CORPORATION	OFFICE OF AIRCRAFT SERVICES	OFFICE OF TELECOMMUNICATIONS MANAGEMENT	TOTAL INTERNAL SERVICE FUNDS
\$ --	\$ 23,256	\$ 910	\$ 53,902	\$ 86,761
(16)	(21,431)	(890)	(47,284)	(74,879)
--	--	(254)	(6,567)	(9,908)
15	--	--	--	(13)
<u>(1)</u>	<u>1,825</u>	<u>(234)</u>	<u>51</u>	<u>1,961</u>
--	--	--	--	1
--	--	--	--	5,945
--	--	--	--	13
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,959</u>
--	(16,580)	--	--	(21,655)
--	(16,242)	--	--	(17,100)
--	--	--	114	114
--	--	--	(579)	(724)
--	--	--	(62)	(76)
--	(10,200)	--	(571)	(10,847)
<u>--</u>	<u>32,822</u>	<u>--</u>	<u>--</u>	<u>32,822</u>
<u>--</u>	<u>(10,200)</u>	<u>--</u>	<u>(1,098)</u>	<u>(17,466)</u>
--	(44,887)	--	--	(44,887)
--	47,472	--	--	47,472
22	4,782	19	163	5,250
<u>22</u>	<u>7,367</u>	<u>19</u>	<u>163</u>	<u>7,835</u>
21	(1,008)	(215)	(884)	(1,711)
<u>465</u>	<u>59,820</u>	<u>384</u>	<u>4,790</u>	<u>71,310</u>
<u>\$ 486</u>	<u>\$ 58,812</u>	<u>\$ 169</u>	<u>\$ 3,906</u>	<u>\$ 69,599</u>
<u>\$ (1)</u>	<u>\$ 1,887</u>	<u>\$ (30)</u>	<u>\$ (1,214)</u>	<u>\$ 761</u>
--	25	3	1,275	1,776
--	--	--	--	1
--	178	(304)	523	30
--	(14)	--	--	(14)
--	--	(11)	--	23
--	71	107	(545)	(316)
--	--	1	12	22
<u>--</u>	<u>(322)</u>	<u>--</u>	<u>--</u>	<u>(322)</u>
<u>\$ (1)</u>	<u>\$ 1,825</u>	<u>\$ (234)</u>	<u>\$ 51</u>	<u>\$ 1,961</u>

State of Louisiana

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

PENSION TRUST FUNDS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE POLICE RETIREMENT SYSTEM	TEACHERS' RETIREMENT SYSTEM OF LOUISIANA	TOTAL JUNE 30, 2007
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 16,553	\$ 67,611	\$ 15	\$ 15,295	\$ 99,474
RECEIVABLES:					
EMPLOYER CONTRIBUTIONS	7,908	31,869	243	76,219	116,239
MEMBER CONTRIBUTIONS	2,959	12,514	134	57,267	72,874
INVESTMENT PROCEEDS	21,642	19,673	1,224	170,641	213,180
INTEREST AND DIVIDENDS	4,934	31,387	594	51,424	88,339
OTHER	267	809	--	8,221	9,297
TOTAL RECEIVABLES	37,710	96,252	2,195	363,772	499,929
INVESTMENTS (AT FAIR VALUE):					
SHORT TERM INVESTMENTS	73,653	483,464	19,317	981,706	1,558,140
U. S. GOVERNMENT AND AGENCY OBLIGATIONS	231,669	633,262	16,441	817,952	1,699,324
BONDS - DOMESTIC	184,648	641,705	53,019	1,090,701	1,970,073
BONDS - INTERNATIONAL	15,505	559,060	--	772,811	1,347,376
MARKETABLE SECURITIES - DOMESTIC	829,543	3,493,954	260,504	5,956,586	10,540,587
MARKETABLE SECURITIES - INTERNATIONAL	190,081	2,354,383	67,858	3,601,296	6,213,618
ALTERNATIVE INVESTMENTS	109,964	1,019,971	40,653	2,824,437	3,995,025
COLLATERAL HELD UNDER SECURITIES LENDING PROGRAM	245,596	1,166,777	22,024	2,507,280	3,941,677
OTHER	2,262	44,738	--	--	47,000
TOTAL INVESTMENTS	1,882,921	10,397,314	479,816	18,552,769	31,312,820
PROPERTY, PLANT AND EQUIPMENT:					
LAND	1,010	858	--	858	2,726
BUILDINGS AND IMPROVEMENTS	3,633	5,283	--	5,283	14,199
FURNITURE AND EQUIPMENT	1,067	13,831	119	3,622	18,639
LESS ACCUMULATED DEPRECIATION	(2,025)	(6,392)	(111)	(5,439)	(13,967)
TOTAL PROPERTY, PLANT AND EQUIPMENT	3,685	13,580	8	4,324	21,597
TOTAL ASSETS	1,940,869	10,574,757	482,034	18,936,160	31,933,820
LIABILITIES					
ACCOUNTS PAYABLE	1,625	11,578	802	13,007	27,012
INVESTMENT COMMITMENTS PAYABLE	36,889	45,254	937	252,856	335,936
OBLIGATIONS UNDER SECURITIES LENDING PROGRAM	245,596	1,166,777	22,024	2,507,280	3,941,677
REFUNDS PAYABLE AND OTHER	130	--	--	14,287	14,417
TOTAL LIABILITIES	284,240	1,223,609	23,763	2,787,430	4,319,042
NET ASSETS HELD IN TRUST FOR EMPLOYEES' PENSION BENEFITS	\$ 1,656,629	\$ 9,351,148	\$ 458,271	\$ 16,148,730	\$ 27,614,778

(Schedule of Funding Progress - Note 6)

State of Louisiana

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

PENSION TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE POLICE RETIREMENT SYSTEM	TEACHERS' RETIREMENT SYSTEM OF LOUISIANA	TOTAL JUNE 30, 2007
ADDITIONS					
CONTRIBUTIONS:					
EMPLOYER	\$ 50,490	\$ 416,329	\$ 38,930	\$ 544,402	\$ 1,050,151
MEMBERS	19,259	167,958	4,020	282,326	473,563
TOTAL CONTRIBUTIONS	69,749	584,287	42,950	826,728	1,523,714
INVESTMENT INCOME:					
NET INCREASE IN FAIR					
VALUE OF INVESTMENTS	176,432	1,095,944	56,560	2,247,685	3,576,621
INTEREST AND DIVIDENDS	46,422	220,317	8,526	367,736	643,001
ALTERNATIVE INVESTMENT INCOME	2,435	186,088	--	58,247	246,770
LESS ALTERNATIVE INVESTMENT EXPENSES	(137)	(15,491)	--	(18,645)	(34,273)
SECURITIES LENDING INCOME	12,508	12,900	889	40,981	67,278
LESS SECURITIES LENDING EXPENSES	(11,955)	(9,768)	(845)	(35,110)	(57,678)
OTHER INVESTMENT INCOME	--	981	--	566	1,547
LESS INVESTMENT EXPENSE OTHER THAN ALTERNATIVE INVESTMENTS AND SECURITIES LENDING	(3,925)	(17,471)	(1,394)	(44,494)	(67,284)
NET INVESTMENT INCOME	221,780	1,473,500	63,736	2,616,966	4,375,982
OTHER INCOME	--	12,285	2,628	54,926	69,839
TOTAL ADDITIONS	291,529	2,070,072	109,314	3,498,620	5,969,535
DEDUCTIONS					
RETIREMENT BENEFITS	130,257	673,617	30,430	1,295,552	2,129,856
REFUNDS OF CONTRIBUTIONS	4,989	38,031	162	48,120	91,302
ADMINISTRATIVE EXPENSES	3,588	15,164	429	13,324	32,505
DEPRECIATION EXPENSE	128	620	4	507	1,259
OTHER	334	--	--	--	334
TOTAL DEDUCTIONS	139,296	727,432	31,025	1,357,503	2,255,256
NET INCREASE IN NET ASSETS	152,233	1,342,640	78,289	2,141,117	3,714,279
NET ASSETS HELD IN TRUST FOR EMPLOYEES' PENSION BENEFITS					
BEGINNING OF YEAR	1,504,396	8,008,508	379,982	14,007,613	23,900,499
END OF YEAR	\$ 1,656,629	\$ 9,351,148	\$ 458,271	\$ 16,148,730	\$ 27,614,778

State of Louisiana

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	DEBT SERVICE RESERVE FUND	ESCROW FUND	FREE SCHOOL FUND	FUTURE MEDICAL CARE FUND	INSURANCE TRUSTS
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 3,955	\$ 240,986	\$ 1,774	\$ 9,757	\$ 2,150
INVESTMENTS	--	120,592	20,784	--	69,056
RECEIVABLES	--	130,705	385	--	16,365
OTHER ASSETS	--	--	--	--	634
TOTAL ASSETS	\$ 3,955	\$ 492,283	\$ 22,943	\$ 9,757	\$ 88,205
LIABILITIES					
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 3,955	\$ 340,403	\$ 22,842	\$ 9,757	\$ 88,205
OTHER LIABILITIES	--	151,880	101	--	--
TOTAL LIABILITIES	\$ 3,955	\$ 492,283	\$ 22,943	\$ 9,757	\$ 88,205

	MISCEL- LANEOUS AGENCY FUNDS	NON-STATE ENTITIES OPEB	PAYROLL CLEARING FUND	REVER- SIONARY MEDICAL TRUST FUND	TOTAL JUNE 30, 2007
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 19,448	\$ 38,856	\$ 1,358	\$ 1,761	\$ 320,045
INVESTMENTS	--	--	--	--	210,432
RECEIVABLES	--	3,389	--	--	150,844
OTHER ASSETS	--	--	--	--	634
TOTAL ASSETS	\$ 19,448	\$ 42,245	\$ 1,358	\$ 1,761	\$ 681,955
LIABILITIES					
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 19,448	\$ 29,043	\$ 1,358	\$ 1,761	\$ 516,772
OTHER LIABILITIES	--	13,202	--	--	165,183
TOTAL LIABILITIES	\$ 19,448	\$ 42,245	\$ 1,358	\$ 1,761	\$ 681,955

State of Louisiana

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 2006	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2007
<u>DEBT SERVICE RESERVE FUND</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 4,312	\$ 37	\$ 394	\$ 3,955
TOTAL ASSETS	<u>\$ 4,312</u>	<u>\$ 37</u>	<u>\$ 394</u>	<u>\$ 3,955</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 4,312	\$ 37	\$ 394	\$ 3,955
TOTAL LIABILITIES	<u>\$ 4,312</u>	<u>\$ 37</u>	<u>\$ 394</u>	<u>\$ 3,955</u>
 <u>ESCROW FUND *</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 290,402	\$ 936,676	\$ 986,092	\$ 240,986
INVESTMENTS	86,454	34,138	--	120,592
RECEIVABLES	133,791	130,705	133,791	130,705
TOTAL ASSETS	<u>\$ 510,647</u>	<u>\$ 1,101,519</u>	<u>\$ 1,119,883</u>	<u>\$ 492,283</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 348,826	\$ 967,728	\$ 976,151	\$ 340,403
OTHER LIABILITIES	161,821	151,880	161,821	151,880
TOTAL LIABILITIES	<u>\$ 510,647</u>	<u>\$ 1,119,608</u>	<u>\$ 1,137,972</u>	<u>\$ 492,283</u>
* Balance July 1, 2006 as restated				
 <u>FREE SCHOOL FUND</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 1,954	\$ 4,175	\$ 4,355	\$ 1,774
INVESTMENTS	18,615	4,068	1,899	20,784
RECEIVABLES	357	385	357	385
TOTAL ASSETS	<u>\$ 20,926</u>	<u>\$ 8,628</u>	<u>\$ 6,611</u>	<u>\$ 22,943</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 20,926	\$ 2,929	\$ 1,013	\$ 22,842
OTHER LIABILITIES	--	101	--	101
TOTAL LIABILITIES	<u>\$ 20,926</u>	<u>\$ 3,030</u>	<u>\$ 1,013</u>	<u>\$ 22,943</u>

(Continued)

State of Louisiana

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 2006	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2007
<u>FUTURE MEDICAL CARE FUND</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 9,775	\$ 581	\$ 599	\$ 9,757
TOTAL ASSETS	\$ 9,775	\$ 581	\$ 599	\$ 9,757
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 9,775	\$ 581	\$ 599	\$ 9,757
TOTAL LIABILITIES	\$ 9,775	\$ 581	\$ 599	\$ 9,757
 <u>INSURANCE TRUSTS</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 2,518	\$ 27,880	\$ 28,248	\$ 2,150
INVESTMENTS	72,077	14,560	17,581	69,056
RECEIVABLES	22,969	5,346	11,950	16,365
OTHER ASSETS	640	2	8	634
TOTAL ASSETS	\$ 98,204	\$ 47,788	\$ 57,787	\$ 88,205
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 98,204	\$ 47,788	\$ 57,787	\$ 88,205
TOTAL LIABILITIES	\$ 98,204	\$ 47,788	\$ 57,787	\$ 88,205
 <u>MISCELLANEOUS AGENCY FUNDS</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 18,489	\$ 49,485	\$ 48,526	\$ 19,448
TOTAL ASSETS	\$ 18,489	\$ 49,485	\$ 48,526	\$ 19,448
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 18,489	\$ 49,485	\$ 48,526	\$ 19,448
TOTAL LIABILITIES	\$ 18,489	\$ 49,485	\$ 48,526	\$ 19,448
 <u>NON-STATE ENTITIES OPEB</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ --	\$ 162,677	\$ 123,821	\$ 38,856
RECEIVABLES	--	158,897	155,508	3,389
TOTAL ASSETS	\$ --	\$ 321,574	\$ 279,329	\$ 42,245
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ --	\$ 166,066	\$ 137,023	\$ 29,043
OTHER LIABILITIES	--	137,023	123,821	13,202
TOTAL LIABILITIES	\$ --	\$ 303,089	\$ 260,844	\$ 42,245

(Continued)

State of Louisiana

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 2006	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2007
<u>PAYROLL CLEARING FUND</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 1,332	\$ 2,169,382	\$ 2,169,356	\$ 1,358
TOTAL ASSETS	<u>\$ 1,332</u>	<u>\$ 2,169,382</u>	<u>\$ 2,169,356</u>	<u>\$ 1,358</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 1,332	\$ 2,169,382	\$ 2,169,356	\$ 1,358
TOTAL LIABILITIES	<u>\$ 1,332</u>	<u>\$ 2,169,382</u>	<u>\$ 2,169,356</u>	<u>\$ 1,358</u>
 <u>REVERSIONARY MEDICAL TRUST FUND</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 1,761	\$ --	\$ --	\$ 1,761
TOTAL ASSETS	<u>\$ 1,761</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,761</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 1,761	\$ --	\$ --	\$ 1,761
TOTAL LIABILITIES	<u>\$ 1,761</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,761</u>
 <u>TOTAL ALL AGENCY FUNDS</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 330,543	\$ 3,350,893	\$ 3,361,391	\$ 320,045
INVESTMENTS	177,146	52,766	19,480	210,432
RECEIVABLES	157,117	295,333	301,606	150,844
OTHER ASSETS	<u>640</u>	<u>2</u>	<u>8</u>	<u>634</u>
TOTAL ASSETS	<u>\$ 665,446</u>	<u>\$ 3,698,994</u>	<u>\$ 3,682,485</u>	<u>\$ 681,955</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 503,625	\$ 3,403,996	\$ 3,390,849	\$ 516,772
OTHER LIABILITIES	<u>161,821</u>	<u>289,004</u>	<u>285,642</u>	<u>165,183</u>
TOTAL LIABILITIES	<u>\$ 665,446</u>	<u>\$ 3,693,000</u>	<u>\$ 3,676,491</u>	<u>\$ 681,955</u>

(Concluded)

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR COMPONENT UNITS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	BOARDS AND COMMISSIONS	CAPITAL AREA HUMAN SERVICES DISTRICT	FLORIDA PARISHES HUMAN SERVICES AUTHORITY	GREATER BATON ROUGE PORT COMMISSION **	GREATER NEW ORLEANS EXPRESSWAY COMMISSION *	JEFFERSON PARISH HUMAN SERVICES AUTHORITY
ASSETS						
CURRENT ASSETS:						
CASH AND CASH EQUIVALENTS	\$ 4,139	\$ 3,134	\$ 317	\$ 962	\$ 2,288	\$ 1,585
INVESTMENTS	--	--	--	14,806	15,792	--
RECEIVABLES (NET)	372	778	331	600	81	1,781
AMOUNTS DUE FROM PRIMARY GOVERNMENT	--	4,732	2,557	--	--	2,903
DUE FROM FEDERAL GOVERNMENT	--	765	77	25	--	--
INVENTORIES	--	1,892	1,503	--	330	59
PREPAYMENTS	--	--	--	96	111	--
NOTES RECEIVABLE	--	--	--	--	--	--
OTHER CURRENT ASSETS	2	--	--	--	--	--
TOTAL CURRENT ASSETS	<u>4,513</u>	<u>11,301</u>	<u>4,785</u>	<u>16,489</u>	<u>18,602</u>	<u>6,328</u>
NONCURRENT ASSETS:						
RESTRICTED ASSETS:						
CASH	--	--	--	64	--	--
INVESTMENTS	--	--	--	792	21,323	--
RECEIVABLES (NET)	--	--	--	--	1,865	--
NOTES RECEIVABLE	--	--	--	--	--	--
INVESTMENTS	23,423	--	--	--	--	--
CAPITAL ASSETS (NOTE 5)						
LAND	237	--	--	5,817	--	--
BUILDINGS AND IMPROVEMENTS (NET OF DEPRECIATION)	715	--	--	36,104	1,485	548
MACHINERY AND EQUIPMENT (NET OF DEPRECIATION)	229	471	190	1,685	2,814	599
INFRASTRUCTURE (NET OF DEPRECIATION)	--	--	--	8,744	93,891	--
CONSTRUCTION IN PROGRESS	--	--	--	606	--	--
OTHER NONCURRENT ASSETS	--	--	--	200	1,476	--
TOTAL NONCURRENT ASSETS	<u>24,604</u>	<u>471</u>	<u>190</u>	<u>54,012</u>	<u>122,854</u>	<u>1,147</u>
TOTAL ASSETS	<u>\$ 29,117</u>	<u>\$ 11,772</u>	<u>\$ 4,975</u>	<u>\$ 70,501</u>	<u>\$ 141,456</u>	<u>\$ 7,475</u>
LIABILITIES						
CURRENT LIABILITIES:						
ACCOUNTS PAYABLE AND ACCRUALS	\$ 300	\$ 3,331	\$ 1,958	\$ 620	\$ 1,155	\$ 2,370
AMOUNTS DUE TO PRIMARY GOVERNMENT	--	1,677	963	--	--	--
DUE TO FEDERAL GOVERNMENT	--	--	--	--	--	--
DEFERRED REVENUES	--	--	--	322	887	12
OTHER CURRENT LIABILITIES	213	3	--	190	--	--
CURRENT PORTION OF LONG-TERM LIABILITIES:						
COMPENSATED ABSENCES PAYABLE	21	428	297	--	--	--
CAPITAL LEASE OBLIGATIONS	--	--	--	--	--	5
NOTES PAYABLE	27	--	--	380	--	--
LIABILITIES PAYABLE FROM RESTRICTED ASSETS	--	--	--	--	248	--
BONDS PAYABLE	--	--	--	--	1,890	--
OTHER LONG-TERM LIABILITIES	--	--	--	--	1,453	--
TOTAL CURRENT LIABILITIES	<u>561</u>	<u>5,439</u>	<u>3,218</u>	<u>1,512</u>	<u>5,633</u>	<u>2,387</u>
LONG-TERM LIABILITIES:						
NONCURRENT PORTION OF LONG-TERM LIABILITIES:						
COMPENSATED ABSENCES PAYABLE	178	605	456	--	1,074	735
CAPITAL LEASE OBLIGATIONS	--	--	--	--	--	--
ESTIMATED LIABILITY FOR CLAIMS	--	--	--	--	793	--
NOTES PAYABLE	96	--	--	6,598	--	--
BONDS PAYABLE	--	--	--	--	61,834	--
OTHER LONG-TERM LIABILITIES	--	--	--	152	1,006	--
TOTAL LONG-TERM LIABILITIES	<u>274</u>	<u>605</u>	<u>456</u>	<u>6,750</u>	<u>64,707</u>	<u>735</u>
TOTAL LIABILITIES	<u>835</u>	<u>6,044</u>	<u>3,674</u>	<u>8,262</u>	<u>70,340</u>	<u>3,122</u>
NET ASSETS:						
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	1,058	471	190	45,978	34,466	1,142
RESTRICTED FOR:						
CAPITAL PROJECTS	--	--	--	--	--	--
DEBT SERVICE	--	--	--	287	--	--
OTHER PURPOSES	--	--	--	--	24,393	--
UNRESTRICTED	27,224	5,257	1,111	15,974	12,257	3,211
TOTAL NET ASSETS	<u>28,282</u>	<u>5,728</u>	<u>1,301</u>	<u>62,239</u>	<u>71,116</u>	<u>4,353</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 29,117</u>	<u>\$ 11,772</u>	<u>\$ 4,975</u>	<u>\$ 70,501</u>	<u>\$ 141,456</u>	<u>\$ 7,475</u>

* As of October 31, 2006.

** As of December 31, 2006.

(Continued)

State of Louisiana

KENNER NAVAL MUSEUM COMMISSION	LOUISIANA AGRICULTURAL FINANCE AUTHORITY	LOUISIANA CANCER RESEARCH CENTER	LOUISIANA ECONOMIC DEVELOPMENT CORPORATION	LOUISIANA HOUSING FINANCE AGENCY	LOUISIANA NAVAL WAR MEMORIAL COMMISSION **	LOUISIANA PUBLIC FACILITIES AUTHORITY **	METROPOLITAN HUMAN SERVICES DISTRICT
\$ 1	\$ --	\$ 22,743	\$ 37,972	\$ 2,400	\$ 124	\$ 8,622	\$ 975
--	--	10,321	27	53,185	--	198	--
--	11	5,267	7,021	139	2	2,589	19
--	14,396	--	--	--	--	--	5,149
--	--	--	--	1,589	--	--	799
--	--	--	--	--	18	--	281
--	--	--	--	--	10	30	--
--	--	--	324	1,284	--	--	--
--	444	--	--	4,006	--	--	--
<u>1</u>	<u>14,851</u>	<u>38,331</u>	<u>45,344</u>	<u>62,603</u>	<u>154</u>	<u>11,439</u>	<u>7,223</u>
--	2,323	--	--	8,792	77	--	--
--	--	--	--	2,296	--	--	--
--	164	--	789	22,772	--	12,834	--
--	60,000	--	3,976	90,919	--	--	--
--	--	--	33,473	--	--	7,133	--
--	6,633	672	--	712	269	--	--
--	28,510	--	--	7,848	2,462	3	--
--	1,555	2,736	--	455	11	83	60
--	--	--	--	--	--	--	--
--	1,555	2,888	--	8,890	--	--	--
--	1,894	--	7,682	--	--	--	--
<u>--</u>	<u>102,634</u>	<u>6,296</u>	<u>45,920</u>	<u>142,684</u>	<u>2,819</u>	<u>20,053</u>	<u>60</u>
<u>\$ 1</u>	<u>\$ 117,485</u>	<u>\$ 44,627</u>	<u>\$ 91,264</u>	<u>\$ 205,287</u>	<u>\$ 2,973</u>	<u>\$ 31,492</u>	<u>\$ 7,283</u>
\$ --	\$ 59	\$ 3,969	\$ 505	\$ 1,529	\$ 32	\$ 125	\$ 6,033
--	164	--	--	--	--	--	177
--	1	--	--	136	--	--	--
--	2	--	--	124	6	--	--
--	1,678	--	--	--	--	--	--
--	--	--	--	514	6	--	354
--	110	--	--	--	--	--	--
--	7,891	--	--	--	--	127	--
--	272	--	--	9,115	--	--	--
--	300	--	--	1,456	--	--	--
--	--	--	156	--	--	--	--
<u>--</u>	<u>10,477</u>	<u>3,969</u>	<u>661</u>	<u>12,874</u>	<u>44</u>	<u>252</u>	<u>6,564</u>
--	--	--	--	--	25	--	349
--	117	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	6,400	--	--	--	--	9,346	--
--	60,308	--	--	55,124	--	--	--
--	--	--	1,713	--	--	--	--
<u>--</u>	<u>66,825</u>	<u>--</u>	<u>1,713</u>	<u>55,124</u>	<u>25</u>	<u>9,346</u>	<u>349</u>
<u>--</u>	<u>77,302</u>	<u>3,969</u>	<u>2,374</u>	<u>67,998</u>	<u>69</u>	<u>9,598</u>	<u>6,913</u>
--	24,385	6,296	--	10,909	2,742	86	60
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	306	--	28,667	66,475	78	--	--
<u>1</u>	<u>15,492</u>	<u>34,362</u>	<u>60,223</u>	<u>59,905</u>	<u>84</u>	<u>21,808</u>	<u>310</u>
<u>1</u>	<u>40,183</u>	<u>40,658</u>	<u>88,890</u>	<u>137,289</u>	<u>2,904</u>	<u>21,894</u>	<u>370</u>
<u>\$ 1</u>	<u>\$ 117,485</u>	<u>\$ 44,627</u>	<u>\$ 91,264</u>	<u>\$ 205,287</u>	<u>\$ 2,973</u>	<u>\$ 31,492</u>	<u>\$ 7,283</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR COMPONENT UNITS

JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	MILLENNIUM PORT AUTHORITY	OTHER LEVEE DISTRICTS	ROAD HOME CORPORATION	SABINE RIVER AUTHORITY	WHITE LAKE PRESERVATION, INC.	TOTAL NONMAJOR COMPONENT UNITS
ASSETS						
CURRENT ASSETS:						
CASH AND CASH EQUIVALENTS	\$ 29	\$ 53,249	\$ 142	\$ 1,783	\$ 18	\$ 140,483
INVESTMENTS	--	35,513	--	--	--	129,842
RECEIVABLES (NET)	--	5,759	--	844	--	25,594
AMOUNTS DUE FROM PRIMARY GOVERNMENT	--	--	--	--	--	29,737
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--	3,255
INVENTORIES	--	15	--	--	--	4,098
PREPAYMENTS	--	209	--	--	--	456
NOTES RECEIVABLE	--	25	--	--	--	1,633
OTHER CURRENT ASSETS	--	111	--	--	--	4,563
TOTAL CURRENT ASSETS	<u>29</u>	<u>94,881</u>	<u>142</u>	<u>2,627</u>	<u>18</u>	<u>339,661</u>
NONCURRENT ASSETS:						
RESTRICTED ASSETS:						
CASH	--	1,114	--	1,726	--	14,096
INVESTMENTS	--	--	--	--	--	24,411
RECEIVABLES (NET)	--	--	--	--	--	38,424
NOTES RECEIVABLE	--	23	--	--	--	154,918
INVESTMENTS	--	8,657	--	--	--	72,686
CAPITAL ASSETS (NOTE 5)						
LAND	--	6,605	66,849	1,473	--	89,267
BUILDINGS AND IMPROVEMENTS (NET OF DEPRECIATION)	--	5,018	--	32,625	--	115,318
MACHINERY AND EQUIPMENT (NET OF DEPRECIATION)	7	7,296	--	759	--	18,950
INFRASTRUCTURE (NET OF DEPRECIATION)	--	23,719	--	21,652	--	148,006
CONSTRUCTION IN PROGRESS	--	7,872	--	119	--	21,930
OTHER NONCURRENT ASSETS	--	--	--	87	--	11,339
TOTAL NONCURRENT ASSETS	<u>7</u>	<u>60,304</u>	<u>66,849</u>	<u>58,441</u>	<u>--</u>	<u>709,345</u>
TOTAL ASSETS	<u>\$ 36</u>	<u>\$ 155,185</u>	<u>\$ 66,991</u>	<u>\$ 61,068</u>	<u>\$ 18</u>	<u>\$ 1,049,006</u>
LIABILITIES						
CURRENT LIABILITIES:						
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ 1,719	\$ --	\$ 394	\$ --	\$ 24,099
AMOUNTS DUE TO PRIMARY GOVERNMENT	--	--	--	--	--	2,981
DUE TO FEDERAL GOVERNMENT	--	--	--	--	--	137
DEFERRED REVENUES	--	96	--	103	--	1,552
OTHER CURRENT LIABILITIES	--	166	--	--	--	2,250
CURRENT PORTION OF LONG-TERM LIABILITIES:						
COMPENSATED ABSENCES PAYABLE	--	78	--	213	--	1,911
CAPITAL LEASE OBLIGATIONS	--	122	--	--	--	237
NOTES PAYABLE	--	--	--	--	--	8,425
LIABILITIES PAYABLE FROM RESTRICTED ASSETS	--	116	--	--	--	9,751
BONDS PAYABLE	--	910	--	730	--	5,286
OTHER LONG-TERM LIABILITIES	--	--	--	96	--	1,705
TOTAL CURRENT LIABILITIES	<u>--</u>	<u>3,207</u>	<u>--</u>	<u>1,536</u>	<u>--</u>	<u>58,334</u>
LONG-TERM LIABILITIES:						
NONCURRENT PORTION OF LONG-TERM LIABILITIES:						
COMPENSATED ABSENCES PAYABLE	--	775	--	--	--	4,197
CAPITAL LEASE OBLIGATIONS	--	197	--	--	--	314
ESTIMATED LIABILITY FOR CLAIMS	--	1,793	--	--	--	2,586
NOTES PAYABLE	--	--	750	--	--	23,190
BONDS PAYABLE	--	7,755	--	5,270	--	190,291
OTHER LONG-TERM LIABILITIES	--	--	--	--	--	2,871
TOTAL LONG-TERM LIABILITIES	<u>--</u>	<u>10,520</u>	<u>750</u>	<u>5,270</u>	<u>--</u>	<u>223,449</u>
TOTAL LIABILITIES	<u>--</u>	<u>13,727</u>	<u>750</u>	<u>6,806</u>	<u>--</u>	<u>281,783</u>
NET ASSETS:						
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	7	41,526	66,849	50,532	--	286,697
RESTRICTED FOR:						
CAPITAL PROJECTS	--	1,269	--	--	--	1,269
DEBT SERVICE	--	--	--	900	--	1,187
OTHER PURPOSES	--	--	--	--	--	119,919
UNRESTRICTED	29	98,663	(608)	2,830	18	358,151
TOTAL NET ASSETS	<u>36</u>	<u>141,458</u>	<u>66,241</u>	<u>54,262</u>	<u>18</u>	<u>767,223</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 36</u>	<u>\$ 155,185</u>	<u>\$ 66,991</u>	<u>\$ 61,068</u>	<u>\$ 18</u>	<u>\$ 1,049,006</u>

(Concluded)

State of Louisiana

COMBINING STATEMENT OF ACTIVITIES

NONMAJOR COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2007

(EXPRESSED IN THOUSANDS)

	PROGRAM REVENUES				NET (EXPENSE) REVENUE
	EXPENSES	CHARGES FOR SERVICES	OPERATING	CAPITAL	
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS	
NONMAJOR COMPONENT UNITS:					
BOARDS AND COMMISSIONS	\$ 6,555	\$ 4,688	\$ --	\$ --	\$ (1,867)
CAPITAL AREA HUMAN SERVICES DISTRICT	32,586	2,057	--	--	(30,529)
FLORIDA PARISHES HUMAN SERVICES DISTRICT	18,097	194	--	--	(17,903)
GREATER BATON ROUGE PORT COMMISSION **	7,096	5,797	--	728	(571)
GREATER NEW ORLEANS EXPRESSWAY COMMISSION *	22,858	18,769	--	--	(4,089)
JEFFERSON PARISH HUMAN SERVICES AUTHORITY	26,865	1,042	3,931	--	(21,892)
KENNER NAVAL MUSEUM COMMISSION	1	--	--	--	(1)
LOUISIANA AGRICULTURAL FINANCE AUTHORITY	7,863	1,867	3,823	151	(2,022)
LOUISIANA CANCER RESEARCH CENTER	15,914	--	18,412	--	2,498
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION	11,970	6,957	--	--	(5,013)
LOUISIANA HOUSING FINANCE AGENCY	94,267	18,738	83,033	--	7,504
LOUISIANA NAVAL WAR MEMORIAL COMMISSION **	928	509	179	--	(240)
LOUISIANA PUBLIC FACILITIES AUTHORITY **	3,062	2,750	--	--	(312)
METROPOLITAN HUMAN SERVICES DISTRICT	31,915	(1)	--	--	(31,916)
MILLENIUM PORT AUTHORITY	60	--	--	--	(60)
OTHER LEVEE DISTRICTS	33,043	6	2,309	290	(30,438)
ROAD HOME CORPORATION	609	--	--	66,849	66,240
SABINE RIVER AUTHORITY	8,161	5,755	--	--	(2,406)
WHITE LAKE PRESERVATION, INCORPORATED	121	2	--	--	(119)
TOTAL NONMAJOR COMPONENT UNITS	\$ 321,971	\$ 69,130	\$ 111,687	\$ 68,018	\$ (73,136)

	GENERAL REVENUES		CHANGE IN NET ASSETS	NET ASSETS	
	PAYMENTS FROM	OTHER		BEGINNING	NET ASSETS
	PRIMARY GOVERNMENT	GENERAL REVENUES		OF YEAR	END OF YEAR
NONMAJOR COMPONENT UNITS:					
BOARDS AND COMMISSIONS	\$ 225	\$ 1,658	\$ 16	\$ 28,266	\$ 28,282
CAPITAL AREA HUMAN SERVICES DISTRICT	29,026	4,576	3,073	2,655	5,728
FLORIDA PARISHES HUMAN SERVICES DISTRICT	17,734	1,071	902	399	1,301
GREATER BATON ROUGE PORT COMMISSION **	--	903	332	61,907	62,239
GREATER NEW ORLEANS EXPRESSWAY COMMISSION *	--	7,984	3,895	67,221	71,116
JEFFERSON PARISH HUMAN SERVICES AUTHORITY	23,764	94	1,966	2,387	4,353
KENNER NAVAL MUSEUM COMMISSION	--	2	1	--	1
LOUISIANA AGRICULTURAL FINANCE AUTHORITY	--	2,594	572	39,611	40,183
LOUISIANA CANCER RESEARCH CENTER	--	1,242	3,740	36,918	40,658
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION	29,060	13,408	37,455	51,435	88,890
LOUISIANA HOUSING FINANCE AGENCY	--	14,488	21,992	115,297	137,289
LOUISIANA NAVAL WAR MEMORIAL COMMISSION **	--	9	(231)	3,135	2,904
LOUISIANA PUBLIC FACILITIES AUTHORITY **	--	726	414	21,480	21,894
METROPOLITAN HUMAN SERVICES DISTRICT	31,289	938	311	59	370
MILLENIUM PORT AUTHORITY	--	--	(60)	96	36
OTHER LEVEE DISTRICTS	1,507	38,757	9,826	131,632	141,458
ROAD HOME CORPORATION	--	1	66,241	--	66,241
SABINE RIVER AUTHORITY	--	8,057	5,651	48,611	54,262
WHITE LAKE PRESERVATION, INCORPORATED	--	--	(119)	137	18
TOTAL NONMAJOR COMPONENT UNITS	\$ 132,605	\$ 96,508	\$ 155,977	\$ 611,246	\$ 767,223

* For the period ending October 31, 2006.

** For the period ending December 31, 2006.



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 overall financial health.

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State of Louisiana

NET ASSETS BY COMPONENT LAST SIX FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	<u>2007</u>		<u>2006</u>		<u>2005</u>		<u>2004</u>
GOVERNMENTAL ACTIVITIES							
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	\$ 11,841,240	\$	11,304,859	\$	10,982,851	\$	10,438,398
RESTRICTED	5,504,064		6,988,644		6,825,025		5,750,785
UNRESTRICTED	<u>379,890</u>		<u>(3,460,580)</u>		<u>(4,449,263)</u>		<u>(4,065,966)</u>
TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS	<u>\$ 17,725,194</u>	\$	<u>14,832,923</u>	\$	<u>13,358,613</u>	\$	<u>12,123,217</u>
BUSINESS-TYPE ACTIVITIES							
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	\$ 22,290	\$	22,353	\$	20,251	\$	21,512
RESTRICTED	1,476,729		1,407,337		1,547,700		1,573,788
UNRESTRICTED	<u>905,398</u>		<u>467,360</u>		<u>433,632</u>		<u>397,431</u>
TOTAL BUSINESS-TYPE ACTIVITIES NET ASSETS	<u>\$ 2,404,417</u>	\$	<u>1,897,050</u>	\$	<u>2,001,583</u>	\$	<u>1,992,731</u>
PRIMARY GOVERNMENT							
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	\$ 11,863,530	\$	11,327,212	\$	11,003,102	\$	10,459,910
RESTRICTED	6,980,793		8,395,981		8,372,725		7,324,573
UNRESTRICTED	<u>1,285,288</u>		<u>(2,993,220)</u>		<u>(4,015,631)</u>		<u>(3,668,535)</u>
TOTAL PRIMARY GOVERNMENT NET ASSETS	<u>\$ 20,129,611</u>	\$	<u>16,729,973</u>	\$	<u>15,360,196</u>	\$	<u>14,115,948</u>

Note: Ten years are required; however, only six fiscal years since the implementation of GASB 34 in Fiscal Year 2002.

Source: Office of Statewide Reporting and Accounting Policy

State of Louisiana

<u>2003</u>	<u>2002</u>
\$ 9,963,831	\$ 9,844,678
5,513,915	5,313,419
<u>(2,982,946)</u>	<u>(2,881,310)</u>
\$ <u>12,494,800</u>	\$ <u>12,276,787</u>
\$ 22,036	\$ 46,716
1,602,480	1,648,089
<u>369,811</u>	<u>348,715</u>
\$ <u>1,994,327</u>	\$ <u>2,043,520</u>
\$ 9,985,867	\$ 9,891,394
7,116,395	6,961,508
<u>(2,613,135)</u>	<u>(2,532,595)</u>
\$ <u>14,489,127</u>	\$ <u>14,320,307</u>

State of Louisiana

CHANGES IN NET ASSETS LAST SIX FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
EXPENSES				
GOVERNMENTAL ACTIVITIES:				
GENERAL GOVERNMENT	\$ 7,492,929	\$ 4,806,262	\$ 2,655,471	\$ 2,620,442
CULTURE, RECREATION, AND TOURISM	100,246	66,927	69,415	63,512
TRANSPORTATION AND DEVELOPMENT	889,606	1,054,044	835,901	820,757
PUBLIC SAFETY	337,962	301,338	271,118	225,307
HEALTH AND WELFARE	7,626,096	7,412,815	7,458,289	7,267,104
CORRECTIONS	540,284	550,627	664,961	640,371
YOUTH SERVICES	121,335	116,975	--	--
CONSERVATION AND ENVIRONMENT	331,891	283,692	297,097	289,712
EDUCATION	6,085,878	5,514,318	5,310,194	5,162,768
OTHER	40,008	26,251	33,833	16,048
INTERGOVERNMENTAL	182,741	1,037,043	375,373	354,846
INTEREST ON LONG-TERM DEBT	296,223	230,976	216,750	216,514
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES	<u>24,045,199</u>	<u>21,401,268</u>	<u>18,188,402</u>	<u>17,677,381</u>
BUSINESS-TYPE ACTIVITIES:				
UNEMPLOYMENT TRUST FUND	185,308	823,987	264,458	338,910
NONMAJOR ENTERPRISE FUNDS	307,483	298,879	274,268	327,375
TOTAL BUSINESS-TYPE ACTIVITIES EXPENSES	<u>492,791</u>	<u>1,122,866</u>	<u>538,726</u>	<u>666,285</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 24,537,990</u>	<u>\$ 22,524,134</u>	<u>\$ 18,727,128</u>	<u>\$ 18,343,666</u>
PROGRAM REVENUES				
GOVERNMENTAL ACTIVITIES:				
CHARGES FOR SERVICES				
GENERAL GOVERNMENT	\$ 2,116,712	\$ 2,017,870	\$ 1,905,839	\$ 1,597,757
CULTURE, RECREATION, AND TOURISM	34,932	30,531	29,145	27,435
TRANSPORTATION AND DEVELOPMENT	197,283	79,099	136,642	65,507
PUBLIC SAFETY	273,481	276,020	271,052	252,990
HEALTH AND WELFARE	266,603	187,920	305,674	581,160
CORRECTIONS	41,657	33,926	33,407	36,376
YOUTH SERVICES	1,073	513	--	--
CONSERVATION AND ENVIRONMENT	841,171	653,286	647,685	618,354
EDUCATION	30,058	49,735	39,783	50,026
INTERGOVERNMENTAL	1,027	954	1,396	1,273
OPERATING GRANTS AND CONTRIBUTIONS	8,962,433	9,323,509	7,052,411	6,914,691
CAPITAL GRANTS AND CONTRIBUTIONS	3,964,479	978,072	520,376	552,527
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES	<u>16,730,909</u>	<u>13,631,435</u>	<u>10,943,410</u>	<u>10,698,096</u>
BUSINESS-TYPE ACTIVITIES:				
CHARGES FOR SERVICES				
UNEMPLOYMENT TRUST FUND	249,631	264,349	267,602	255,914
NONMAJOR ENTERPRISE FUNDS	447,678	422,489	385,309	445,427
OPERATING GRANTS AND CONTRIBUTIONS	3,800	419,438	7,104	46,221
CAPITAL GRANTS AND CONTRIBUTIONS	19,355	16,588	21,188	30,344
TOTAL BUSINESS-TYPE ACTIVITIES PROGRAM REVENUES	<u>720,464</u>	<u>1,122,864</u>	<u>681,203</u>	<u>777,906</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 17,451,373</u>	<u>\$ 14,754,299</u>	<u>\$ 11,624,613</u>	<u>\$ 11,476,002</u>

Note: Ten years are required; however, only six fiscal years since the implementation of GASB 34 in Fiscal Year 2002.

Source: Office of Statewide Reporting and Accounting Policy

(Continued)

State of Louisiana

	<u>2003</u>		<u>2002</u>
\$	2,726,764	\$	2,392,167
	69,659		71,718
	807,856		746,564
	291,283		289,396
	6,805,797		6,755,431
	625,391		609,607
	--		--
	274,926		298,436
	4,789,472		4,425,915
	4,793		2,042
	362,099		322,025
	149,798		117,769
	<u>16,907,838</u>		<u>16,031,070</u>
	372,160		307,878
	<u>297,902</u>		<u>303,784</u>
	670,062		611,662
\$	<u><u>17,577,900</u></u>	\$	<u><u>16,642,732</u></u>

\$	1,717,172	\$	1,161,310
	23,696		5,453
	74,451		60,849
	253,206		264,066
	533,205		968,463
	36,878		33,645
	--		--
	513,999		465,156
	23,496		36,663
	1,265		1,187
	6,369,929		5,858,641
	<u>578,082</u>		<u>492,072</u>
	<u>10,125,379</u>		<u>9,347,505</u>
	252,430		232,828
	412,562		396,212
	70,249		142,735
	<u>15,221</u>		<u>22,473</u>
	750,462		794,248
\$	<u><u>10,875,841</u></u>	\$	<u><u>10,141,753</u></u>

State of Louisiana

CHANGES IN NET ASSETS LAST SIX FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
NET (EXPENSE) REVENUE				
GOVERNMENTAL ACTIVITIES	\$ (7,314,290)	\$ (7,769,833)	\$ (7,244,992)	\$ (6,979,285)
BUSINESS-TYPE ACTIVITIES	<u>227,673</u>	<u>(2)</u>	<u>142,477</u>	<u>111,621</u>
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	<u>\$ (7,086,617)</u>	<u>\$ (7,769,835)</u>	<u>\$ (7,102,515)</u>	<u>\$ (6,867,664)</u>

GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS

GOVERNMENTAL ACTIVITIES:

TAXES				
INCOME TAXES	\$ 4,140,496	\$ 3,129,906	\$ 3,030,085	\$ 2,457,114
SALES TAXES	3,059,073	3,108,824	2,483,101	2,455,444
FRANCHISE TAXES	299,602	262,392	276,891	181,044
GASOLINE TAXES, restricted	617,498	621,683	590,286	559,274
TOBACCO TAXES	104,051	96,872	105,476	102,231
MISCELLANEOUS TAXES	1,437,427	1,112,506	1,093,984	942,950
TOBACCO SETTLEMENT	61,016	50,102	57,249	58,987
GAMING	726,165	711,378	624,271	596,693
UNRESTRICTED INVESTMENT EARNINGS	6,071	25,739	4,127	28,518
MISCELLANEOUS	6,105	--	8,940	18,682
OTHER	13,337	23,924	14,148	--
EXTRAORDINARY ITEM - loss on impairment of capital assets	--	(24,464)	--	--
TRANSFERS	<u>(270,126)</u>	<u>119,977</u>	<u>108,582</u>	<u>120,808</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>10,200,715</u>	<u>9,238,839</u>	<u>8,397,140</u>	<u>7,521,745</u>

BUSINESS-TYPE ACTIVITIES:

OTHER	9,568	13,505	3,232	4,824
EXTRAORDINARY ITEM - gain on impairment of capital assets	--	186	--	--
TRANSFERS	<u>270,126</u>	<u>(119,977)</u>	<u>(108,582)</u>	<u>(120,808)</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>279,694</u>	<u>(106,286)</u>	<u>(105,350)</u>	<u>(115,984)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 10,480,409</u>	<u>\$ 9,132,553</u>	<u>\$ 8,291,790</u>	<u>\$ 7,405,761</u>

CHANGE IN NET ASSETS

GOVERNMENTAL ACTIVITIES	\$ 2,886,425	\$ 1,469,006	\$ 1,152,148	\$ 542,460
BUSINESS-TYPE ACTIVITIES	<u>507,367</u>	<u>(106,288)</u>	<u>37,127</u>	<u>(4,363)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 3,393,792</u>	<u>\$ 1,362,718</u>	<u>\$ 1,189,275</u>	<u>\$ 538,097</u>

(Concluded)

State of Louisiana

<u>2003</u>	<u>2002</u>
\$ (6,782,459)	\$ (6,683,565)
80,400	182,586
<u>\$ (6,702,059)</u>	<u>\$ (6,500,979)</u>

\$ 2,022,765	\$ 2,054,025
2,489,153	2,605,908
187,447	247,471
446,706	481,562
82,217	128,570
903,328	1,010,102
66,234	1,135,519
578,152	547,695
76,586	99,150
114,379	63,613
786	49
--	--
<u>108,596</u>	<u>108,411</u>
<u>7,076,349</u>	<u>8,482,075</u>

8,297	22,803
--	--
<u>(108,596)</u>	<u>(108,411)</u>
<u>(100,299)</u>	<u>(85,608)</u>
<u>\$ 6,976,050</u>	<u>\$ 8,396,467</u>

\$ 293,890	\$ 1,798,510
<u>(19,899)</u>	<u>96,978</u>
<u>\$ 273,991</u>	<u>\$ 1,895,488</u>

State of Louisiana

FUND BALANCES, GOVERNMENTAL FUNDS LAST SIX FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	<u>2007</u>		<u>2006</u>		<u>2005</u>		<u>2004</u>
GENERAL FUND							
RESERVED	\$ 620,540	\$	340,384	\$	312,266	\$	298,138
UNRESERVED	<u>1,157,981</u>		<u>442,346</u>		<u>264,185</u>		<u>(10,998)</u>
TOTAL GENERAL FUND	<u>\$ 1,778,521</u>	\$	<u>782,730</u>	\$	<u>576,451</u>	\$	<u>287,140</u>
ALL OTHER GOVERNMENTAL FUNDS							
RESERVED	\$ 4,653,805	\$	2,250,615	\$	2,744,131	\$	2,055,580
UNRESERVED, REPORTED IN:							
SPECIAL REVENUE FUNDS	4,256,788		3,383,163		2,880,995		2,389,374
DEBT SERVICE FUNDS	1,399		--		--		--
CAPITAL PROJECTS FUNDS	383		21		157		204
PERMANENT FUNDS	<u>1,258,805</u>		<u>1,209,392</u>		<u>1,207,338</u>		<u>1,140,736</u>
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>\$ 10,171,180</u>	\$	<u>6,843,191</u>	\$	<u>6,832,621</u>	\$	<u>5,585,894</u>

Note: Ten years are required; however, only six fiscal years since the implementation of GASB 34 in Fiscal Year 2002.

Source: Office of Statewide Reporting and Accounting Policy

State of Louisiana

<u>2003</u>	<u>2002</u>
\$ 327,878	\$ 424,998
<u>18,330</u>	<u>(33,953)</u>
\$ <u>346,208</u>	\$ <u>391,045</u>
\$ 2,249,286	\$ 2,087,078
2,106,328	1,929,626
2,859	3,042
366	297
<u>1,128,191</u>	<u>1,032,244</u>
\$ <u>5,487,030</u>	\$ <u>5,052,287</u>

State of Louisiana

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST SIX FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
REVENUES				
INTERGOVERNMENTAL REVENUES	\$ 13,389,561	\$ 9,727,962	\$ 7,669,450	\$ 7,313,906
TAXES	9,655,262	8,118,548	7,618,194	6,719,543
GAMING	730,812	715,446	628,757	601,762
TOBACCO SETTLEMENT	138,124	131,952	142,794	141,653
USE OF MONEY AND PROPERTY	1,242,707	710,240	849,292	557,457
LICENSES, PERMITS, AND FEES	604,204	588,034	592,363	568,391
SALES OF COMMODITIES AND SERVICES	1,074,537	1,320,721	983,254	905,207
OTHER	587,956	437,717	576,553	889,689
TOTAL REVENUES	<u>27,423,163</u>	<u>21,750,620</u>	<u>19,060,657</u>	<u>17,697,608</u>
EXPENDITURES				
GENERAL GOVERNMENT	6,473,720	4,373,467	2,300,964	2,172,105
CULTURE, RECREATION, AND TOURISM	92,220	61,264	64,548	60,370
TRANSPORTATION AND DEVELOPMENT	385,408	350,486	356,665	330,164
PUBLIC SAFETY	321,763	303,951	272,785	256,403
HEALTH AND WELFARE	7,564,017	7,386,464	7,408,900	7,061,555
CORRECTIONS	535,772	542,143	651,974	623,629
YOUTH SERVICES	120,926	115,369	--	--
CONSERVATION AND ENVIRONMENT	274,861	235,235	244,059	240,743
EDUCATION	5,940,907	5,253,731	5,077,793	4,929,255
OTHER	264,145	211,181	220,012	210,800
INTERGOVERNMENTAL	572,363	850,151	477,374	445,930
CAPITAL OUTLAY	1,696,915	1,621,367	1,184,140	1,126,958
DEBT SERVICE:				
PRINCIPAL RETIREMENT	214,559	131,835	212,956	247,278
INTEREST AND FISCAL CHARGES	296,431	231,146	216,152	206,990
TOTAL EXPENDITURES	<u>24,754,007</u>	<u>21,667,790</u>	<u>18,688,322</u>	<u>17,912,180</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,669,156	82,830	372,335	(214,572)
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	20,778,329	17,110,073	14,846,799	13,211,047
TRANSFERS OUT	(21,048,455)	(16,990,096)	(14,735,078)	(13,090,239)
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	(710,543)	--
LONG-TERM DEBT ISSUED	1,927,456	--	1,807,149	--
OTHER	4,681	4,534	(58,430)	2,475
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,662,011</u>	<u>124,511</u>	<u>1,149,897</u>	<u>123,283</u>
NET CHANGES IN FUND BALANCES	<u>\$ 4,331,167</u>	<u>\$ 207,341</u>	<u>\$ 1,522,232</u>	<u>\$ (91,289)</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	2.3%	1.9%	2.5%	2.8%

Note: Ten years are required; however, only six fiscal years since the implementation of GASB 34 in Fiscal Year 2002.

Source: Office of Statewide Reporting and Accounting Policy

State of Louisiana

	<u>2003</u>	<u>2002</u>
\$	6,824,065	\$ 6,237,834
	6,292,535	6,546,634
	582,795	552,734
	66,234	1,135,519
	827,233	565,457
	546,596	534,581
	910,719	759,136
	<u>773,508</u>	<u>1,191,539</u>
	<u>16,823,685</u>	<u>17,523,434</u>
	2,121,596	1,872,348
	60,647	59,745
	323,289	303,177
	221,504	223,170
	6,625,988	6,704,422
	611,685	594,467
	--	--
	234,402	219,965
	4,674,987	4,335,452
	167,133	233,735
	447,504	400,549
	1,159,534	1,009,660
	352,402	248,329
	<u>152,569</u>	<u>115,544</u>
	<u>17,153,240</u>	<u>16,320,563</u>
	(329,555)	1,202,871
	12,737,089	14,067,966
	(12,628,493)	(13,959,551)
	--	--
	588,684	296,825
	<u>3,654</u>	<u>8,093</u>
	<u>700,934</u>	<u>413,333</u>
\$	<u>371,379</u>	\$ <u>1,616,204</u>
	3.2%	2.4%

State of Louisiana

TAXABLE SALES BY CATEGORY LAST TEN CALENDAR YEARS

(IN THOUSANDS)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
RETAIL SALES	\$ *	\$ 56,638	\$ 52,810	\$ 50,074	\$ 48,311
BEVERAGE STORES	*	6,374	6,663	6,190	6,370
EATING AND DRINKING ESTABLISHMENTS	*	5,846	5,425	5,079	4,854
GENERAL MERCHANDISE	*	9,548	8,906	8,440	7,390
HOME FURNISHINGS	*	1,920	1,818	1,659	1,494
AUTO DEALERS AND SUPPLIES	*	12,522	12,409	12,140	12,833
TOTALS	\$ --	\$ 92,848	\$ 88,031	\$ 83,582	\$ 81,252
STATE DIRECT SALES TAX RATE	4%	4%	4%	4%	4%

*Information not available

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
RETAIL SALES	\$ 49,918	\$ 47,947	\$ 41,200	\$ 39,122	\$ 37,956
BEVERAGE STORES	6,519	6,383	7,518	7,289	7,347
EATING AND DRINKING ESTABLISHMENTS	4,874	4,552	3,985	3,747	3,545
GENERAL MERCHANDISE	7,626	7,352	6,272	5,971	5,703
HOME FURNISHINGS	1,705	1,720	1,664	1,566	1,508
AUTO DEALERS AND SUPPLIES	13,612	13,505	10,641	9,993	9,659
TOTALS	\$ 84,254	\$ 81,459	\$ 71,280	\$ 67,688	\$ 65,718
STATE DIRECT SALES TAX RATE	4%	4%	4%	4%	4%

Source: Louisiana Department of Economic Development

State of Louisiana

SALES TAX RATES LAST TEN YEARS

<u>YEAR</u>	<u>TANGIBLE PERSONAL PROPERTY</u>	<u>COMMUNICATIONS</u>	<u>COMMERCIAL UTILITIES</u>	<u>HOME UTILITIES</u>
2007	4.0 %	3.0 %	3.3 - 3.8 %	4.0 %
2006	4.0	3.0	3.3 - 3.8	4.0
2005	4.0	3.0	3.8	0.0
2004	4.0	3.0	3.8	0.0
2003	4.0	3.0	4.0	3.9
2002	4.0	3.0	4.0	4.0
2001	4.0	3.0	4.0	4.0
2000	4.0	3.0	3.0	3.0
1999	4.0	3.0	3.0	3.0
1998	4.0	3.0	3.0	3.0

Source: Louisiana Department of Revenue and Taxation

State of Louisiana

TAX RATE BY MAJOR SOURCES OF REVENUE

TAX TYPE	COLLECTION UNIT	RATE/DESCRIPTION
<u>Alcoholic Beverage Taxes</u>		
Beer Tax	Department of Revenue	\$10 per 31-gallon barrel. This includes all alcoholic beverages with alcohol content of 6% or less.
Liquor and Wine Tax	Department of Revenue	\$0.66 per liter on liquor; \$0.42 per liter on sparkling wine and still wines with alcoholic content more than 24%; \$0.03 per liter on still wine with alcoholic content not more than 14%; \$0.06 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 amount of tax paid by a corporation is \$10 per year.
<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 1/32 cent per gallon, which was collected through August 31, 2003. Effective September 1, 2003, the fee was raised to 4/32 cents per gallon.
<u>Hazardous Liquid Pipeline Tax</u>	Department of Natural Resources	Annual user fee of \$20 per mile, or fraction thereof, of hazardous liquids pipeline operated.
<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, 2002, 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 \$12,500, and 6% on the taxable income above \$25,000. 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 \$25,000; and 6% on the taxable income above \$50,000. 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	<p>A. Inheritances of a surviving spouse are totally exempt from the tax.</p> <p>B. Inheritances are taxed on all amounts that exceed the following exemption per heir or legatee: Class A (lineal descendants and ascendants), \$25,000; Class B (collateral relationships such as brothers and sisters and their descendants), \$1,000; Class C (nonrelated), \$500. The tax rate for Class A is two percent of the first \$20,000 of taxable value and three percent of amounts over \$20,000 of taxable value. Class B is taxed at five percent of the first \$20,000 of taxable value and at seven percent of amounts over \$20,000 of taxable value. Class C is taxed at five percent of the first \$5,000 of taxable value and at 10 percent of amounts over \$5,000 of taxable value.</p> <p>C. For deaths occurring after June 30, 1998 and before July 1, 2001, the tax rates were reduced by eighteen percent; for deaths occurring after June 20, 2001, and before July 1, 2002, the tax rate shall be reduced by forty percent; for deaths occurring after June 30, 2002 and before July 1, 2003, the tax rates shall be reduced by sixty percent; for deaths occurring after June 30, 2003, and before July 1, 2004, the tax rates shall be reduced by eighty percent; and for deaths occurring after June 30, 2004, the tax shall not apply when judgment of possessions is rendered or when the succession is judicially opened no later than the last day of the ninth month following the death of the decedent.</p>
<u>Insurance Excise License Tax</u>	Department of Insurance	<p>A. The tax rate for life, accident, health and service is \$140 for annual premiums up to \$7,000 and \$225 for each additional \$10,000 or fraction thereof.</p> <p>B. The rate for fire, marine, transportation and casualty and surety is \$185 for annual premiums up to \$6,000 and \$300 for each additional \$10,000 or fraction thereof.</p>

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TAX TYPE	COLLECTION UNIT	RATE/DESCRIPTION
<u>Mineral Resources - 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 contained within the lease form, such as "delay rentals," "in-lieu royalty," and "deferred development" payments, and 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.
<u>Motor Vehicle - Licenses and Fees</u>	Department of Public Safety	<p>A. The minimum vehicle registration license tax is \$20 biannually for private passenger vehicles purchased before January 1, 1990. If purchased after January 1, 1990, the registration is based on the value of the vehicle – .1% of the value of the vehicle per year; with a minimum base of \$10,000. The license plates are sold in two-year increments; therefore, the minimum price is \$20.00. The registration fee is \$40 (four-year increments) for trucks up to 6,000 pounds and the fees vary annually for trucks over 6,000 pounds depending on the use and the gross axle weight (usually from \$10 to \$480).</p> <p>B. Driver's license fees range from \$13.50 to \$36.00 for four years for drivers of private vehicles. Other driver's license fees may vary.</p> <p>C. A fee not to exceed \$3 per service or transaction, at a local field office, enacted by LRS 32:429, is used solely to defray cost of operations of that office not fully funded by the State.</p>
<u>Natural Gas Franchise</u>	Department of Revenue	1% of the gross receipts from the operation of franchises or charters in the State.
<u>Sales Tax</u>	Department of Revenue	4% 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; 3% aggregate sales tax is collected on intrastate telecommunications and certain prepaid telephone services; effective April 1, 2004, the sales tax rate on interstate telecommunication services was reduced to 2%. Most statutory exemptions have been partially and temporarily suspended from July 1, 1986, through June 30, 2009, and are currently taxed at the suspended rate of 4% except for sales of electricity, water, natural gas and steam for other than residential use. For the period January 1, 2006, to June 30, 2009, sale for nonresidential purposes of natural gas for energy and electric power will be subject to a suspended rate of 3.3 percent. Sales of steam and water for nonresidential use will continue to be taxed at the suspended rate of 3.8 percent.
<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 1/8% of the value. Stripper oil is exempt as long as the average value is less than \$20 per barrel.</p> <p>B. The severance tax on natural gas is based on per thousand cubic feet. The full rate is adjusted annually on July 1, and may never be less than 7 cents per thousand cubic feet. As of July 1, 2007, the full rate is \$0.269 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 Testing Fee of 4/32 cents per gallon effective September 1, 2003.
<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 \$0.018 per cigarette.
<u>Transportation and Communications Utilities Tax</u>	Department of Revenue	2% of the gross receipts from intrastate business.

State of Louisiana

LEGAL DEBT MARGIN AND DEBT LIMITATIONS LAST TEN FISCAL YEARS

(EXPRESSED IN THOUSANDS)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
LEGAL DEBT MARGIN				
BOND AUTHORIZATION LIMITATION	\$ 24,443,616	\$ 22,239,690	\$ 20,693,990	\$ 20,742,360
TOTAL NET DEBT APPLICABLE TO LIMITATION	<u>2,383,665</u>	<u>2,038,810</u>	<u>2,121,610</u>	<u>1,846,790</u>
LEGAL DEBT MARGIN	<u>\$ 22,059,951</u>	<u>\$ 20,200,880</u>	<u>\$ 18,572,380</u>	<u>\$ 18,895,570</u>
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	9.75%	9.16%	10.25%	8.90%

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2007

BSRF REVENUES (3 YEARS)	\$ 36,665,423
DEBT LIMIT CALCULATION (Revenues divided by 3 times 2)	24,443,616
DEBT APPLICABLE TO LIMIT:	
GENERAL OBLIGATION BONDS	<u>2,383,665</u>
LEGAL DEBT MARGIN	<u>\$ 22,059,951</u>

TAX-SUPPORTED DEBT LIMITATION

ESTIMATED GENERAL FUND AND DEDICATED FUND REVENUE PER REVENUE ESTIMATING	\$ 8,949,200	\$ 9,005,330	\$ 8,325,500	\$ 7,889,700
PERCENTAGE ESTABLISHED PER LRS 39:1367	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>
NET STATE TAX-SUPPORTED DEBT LIMIT	<u>536,952</u>	<u>540,320</u>	<u>499,530</u>	<u>473,382</u>
TOTAL NET STATE TAX-SUPPORTED DEBT PAID	<u>\$ 432,818</u>	<u>\$ 289,724</u>	<u>\$ 348,715</u>	<u>\$ 373,134</u>
PERCENTAGE OF ESTIMATED GENERAL FUND AND DEDICATED FUND REVENUES PER REVENUE ESTIMATING	4.84%	3.22%	4.19%	4.73%

GENERAL OBLIGATION DEBT LIMITATION

THREE YEAR AVERAGE BOND SECURITY REVENUES	\$ 12,221,817	\$ 11,119,845	\$ 10,346,995	\$ 10,371,180
PERCENTAGE DEBT LIMITATION	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>
GENERAL OBLIGATION DEBT LIMITATION	<u>1,222,182</u>	<u>1,111,985</u>	<u>1,034,700</u>	<u>1,037,118</u>
HIGHEST CURRENT OR FUTURE ANNUAL GENERAL OBLIGATION DEBT SERVICE REQUIREMENT	<u>\$ 266,212</u>	<u>\$ 240,685</u>	<u>\$ 240,685</u>	<u>\$ 264,601</u>
PERCENTAGE OF THE GENERAL OBLIGATION DEBT SERVICE REQUIREMENT	21.78%	21.64%	23.26%	25.51%

State of Louisiana

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
\$ 20,458,126	\$ 19,585,399	\$ 17,373,270	\$ 16,046,056	\$ 15,501,084	\$ 14,724,210
<u>2,010,977</u>	<u>2,000,590</u>	<u>1,941,026</u>	<u>1,759,655</u>	<u>1,761,745</u>	<u>1,898,683</u>
\$ <u>18,447,149</u>	\$ <u>17,584,809</u>	\$ <u>15,432,244</u>	\$ <u>14,286,401</u>	\$ <u>13,739,339</u>	\$ <u>12,825,527</u>
9.83%	10.21%	11.18%	10.97%	11.37%	12.89%
\$ 7,837,100	\$ 7,858,900	\$ 7,556,100	\$ 7,222,100	\$ 6,902,100	\$ 6,574,700
<u>6.50%</u>	<u>6.40%</u>	<u>6.60%</u>	<u>7.00%</u>	<u>9.00%</u>	<u>10.20%</u>
<u>509,412</u>	<u>502,970</u>	<u>498,703</u>	<u>505,547</u>	<u>621,189</u>	<u>670,619</u>
\$ <u>479,909</u>	\$ <u>368,921</u>	\$ <u>311,714</u>	\$ <u>165,751</u>	\$ <u>266,927</u>	\$ <u>315,539</u>
6.13%	4.70%	4.13%	2.30%	3.87%	4.80%
\$ 10,229,060	\$ 9,792,696	\$ 8,686,635	\$ 8,023,028	\$ 7,750,542	\$ 7,362,105
<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>
<u>1,022,906</u>	<u>979,270</u>	<u>868,664</u>	<u>802,303</u>	<u>775,054</u>	<u>736,211</u>
\$ <u>268,395</u>	\$ <u>286,909</u>	\$ <u>309,553</u>	\$ <u>281,709</u>	\$ <u>281,709</u>	\$ <u>282,031</u>
26.24%	29.30%	35.64%	35.11%	36.35%	38.31%

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
PRIMARY GOVERNMENT:								
PUBLIC FACILITIES BONDS:								
Louisiana Correctional Facilities Corporation	2007	\$ 1,081	\$ 147	\$ 934	\$ 5,075	\$ 857	\$ 5,932	0.16
	2006	1,271	161	1,110	4,840	1,097	5,937	0.19
	2005	1,474	34	1,440	4,610	1,326	5,936	0.24
	2004	3,413	904	2,509	4,410	1,526	5,936	0.42
	2003	9,967	133	9,834	38,705	2,524	41,229	0.24
	2002	5,766	53	5,713	15,290	2,304	17,594	0.32
	2001	6,523	28	6,495	14,315	3,093	17,408	0.37
	2000	121	1,420	(1,299)	13,435	3,805	17,240	(0.08)
	1999	246	3,078	(2,832)	12,645	4,444	17,089	(0.17)
	1998	737	1,193	(456)	11,925	5,022	16,947	(0.03)
Louisiana Office Building Corporation *	2007	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	--
	2006	--	--	--	--	--	--	--
	2005	--	--	--	--	--	--	--
	2004	--	--	--	--	--	--	--
	2003	--	--	--	--	--	--	--
	2002	--	--	--	--	--	--	--
	2001	--	--	--	--	--	--	--
	2000	274	89	185	130	6	136	1.36
	1999	360	60	300	585	34	619	0.48
	1998	346	77	269	485	57	542	0.50
Louisiana Office Facilities Corporation	2007	\$ 43,997	\$ 20,975	\$ 23,022	\$ 16,580	\$ 16,242	\$ 32,822	0.70
	2006	32,529	13,411	19,118	11,680	16,854	28,534	0.67
	2005	33,618	15,555	18,063	11,160	17,364	28,524	0.63
	2004	30,975	21,433	9,542	10,700	15,415	26,115	0.37
	2003	22,844	11,952	10,892	6,775	13,001	19,776	0.55
	2002	19,592	7,267	12,325	6,500	14,360	20,860	0.59
	2001	11,421	3,267	8,154	1,075	8,444	9,519	0.86
	2000	9,024	3,250	5,774	820	5,651	6,471	0.89
	1999	3,278	3,634	(356)	670	1,025	1,695	(0.21)
	1998	4,961	2,451	2,510	625	1,071	1,696	1.48
COMPONENT UNITS:								
HOUSING LOAN BONDS:								
Louisiana Housing Finance Authority	2007	\$ 21,931	\$ 10,405	\$ 11,526	\$ 21,140	\$ 2,795	\$ 23,935	0.48
	2006	18,716	12,599	6,117	39,965	2,843	42,808	0.14
	2005	14,398	7,494	6,904	4,005	4,299	8,304	0.83
	2004	11,956	7,967	3,989	1,625	604	2,229	1.79
	2003	13,630	6,445	7,185	465	569	1,034	6.95
INFRASTRUCTURE BONDS:								
Greater Baton Rouge Port Commission **	2007	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	--
	2006	--	--	--	--	--	--	--
	2005	4,980	4,919	61	320	433	753	0.08
	2004	4,827	4,025	802	300	455	755	1.06
	2003	5,280	3,850	1,430	285	477	762	1.88
	2002	6,391	4,136	2,255	270	499	769	2.93
	2001	4,899	3,217	1,682	260	520	780	2.16
	2000	4,154	2,849	1,305	2,730	375	3,105	0.42
	1999	4,025	3,216	809	400	119	519	1.56
	1998	4,316	2,857	1,459	385	82	467	3.12
Greater New Orleans Expressway Commission	2007	\$ 20,402	\$ 15,235	\$ 5,167	\$ 1,760	\$ 2,981	\$ 4,741	1.09
	2006	14,276	10,925	3,351	1,750	3,013	4,763	0.70
	2005	16,090	11,024	5,066	1,230	1,961	3,191	1.59
	2004	15,934	8,935	6,999	650	3,709	4,359	1.61
	2003	15,130	8,275	6,855	5,795	3,867	9,662	0.71
	2002	17,314	8,051	9,263	--	4,014	4,014	2.31
	2001	582	381	201	2,685	4,147	6,832	0.03
	2000	769	438	331	1,985	3,795	5,780	0.06
	1999	587	952	(365)	1,895	3,612	5,507	(0.07)
	1998	399	342	57	1,540	3,685	5,225	0.01

* Bonds paid off in fiscal year 2000.

** Greater Baton Rouge Port Commission reclassified the bonds payable as notes payable in fiscal year 2005-2006.

Source: Office of Statewide Reporting and Accounting Policy

State of Louisiana

	FISCAL YEAR ENDED JUNE 30	GROSS REVENUE	DIRECT OPERATING EXPENSES	AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	ANNUAL DEBT SERVICE	COVERAGE RATIO
Orleans Levee District	2007	\$ 8,950	\$ 15,685	\$ (6,735)	\$ 5,110	\$ 3,530	\$ 8,640	(0.78)
	2006	9,233	22,882	(13,649)	4,775	3,808	8,583	(1.59)
	2005	18,147	28,194	(10,047)	4,455	4,067	8,522	(1.18)
	2004	14,981	25,365	(10,384)	1,495	1,711	3,206	(3.24)
	2003	15,158	22,833	(7,675)	1,395	1,786	3,181	(2.41)
	2002	16,098	22,600	(6,502)	1,310	1,866	3,176	(2.05)
	2001	13,143	10,559	2,584	1,230	1,941	3,171	0.81
	2000	11,306	7,976	3,330	1,183	3,053	4,236	0.79
	1999	9,883	5,684	4,199	1,118	3,109	4,227	0.99
	1998	10,523	6,290	4,233	1,066	3,167	4,233	1.00
Other Levee Districts	2007	\$ 6,704	\$ 7,252	\$ (548)	\$ 1,320	\$ 316	\$ 1,636	(0.33)
	2006	3,501	4,644	(1,143)	1,195	140	1,335	(0.86)
	2005	482	5,709	(5,227)	1,150	165	1,315	(3.97)
	2004	3,963	6,612	(2,649)	1,650	141	1,791	(1.48)
	2003	5,734	9,381	(3,647)	810	197	1,007	(3.62)
	2002	3,573	7,502	(3,929)	615	299	914	(4.30)
	2001	14,308	13,401	907	725	356	1,081	0.84
	2000	11,769	12,838	(1,069)	1,080	537	1,617	(0.66)
	1999	12,299	9,744	2,555	630	439	1,069	2.39
	1998	10,651	11,301	(650)	585	478	1,063	(0.61)
Sabine River Authority	2007	\$ 5,755	\$ 4,129	\$ 1,626	\$ 695	\$ 274	\$ 969	1.68
	2006	4,581	4,457	124	660	386	1,046	0.12
	2005	6,581	4,253	2,328	630	282	912	2.55
	2004	6,282	3,603	2,679	9,035	724	9,759	0.27
	2003	6,042	4,030	2,012	1,985	473	2,458	0.82
	2002	5,922	3,570	2,352	1,210	523	1,733	1.36
	2001	7,054	4,259	2,795	1,150	572	1,722	1.62
	2000	5,033	3,868	1,165	635	595	1,230	0.95
	1999	6,796	4,085	2,711	945	160	1,105	2.45
	1998	7,222	4,139	3,083	900	208	1,108	2.78
PUBLIC FACILITIES BONDS:								
Louisiana Agricultural Finance Authority	2007	\$ 7,474	\$ 10,286	\$ (2,812)	\$ --	\$ 1,171	\$ 1,171	(2.40)
	2006	22,866	14,270	8,596	7,608	266	7,874	1.09
	2005	4,624	5,364	(740)	841	929	1,770	(0.42)
	2004	5,791	6,379	(588)	275	72	347	(1.69)
	2003	1,937	3,679	(1,742)	7,275	79	7,354	(0.24)
	2002	1,590	2,946	(1,356)	820	116	936	(1.45)
	2001	2,416	2,983	(567)	785	152	937	(0.61)
	2000	2,394	4,537	(2,143)	640	180	820	(2.61)
	1999	2,239	1,568	671	1,640	75	1,715	0.39
	1998	1,804	1,233	571	2,075	241	2,316	0.25
Louisiana Stadium and Exposition District	2007	\$ 25,569	\$ 37,868	\$ (12,299)	\$ --	\$ 6,904	\$ 6,904	(1.78)
	2006	7,404	19,517	(12,113)	4,580	9,586	14,166	(0.86)
	2005	25,130	43,596	(18,466)	4,545	9,820	14,365	(1.29)
	2004	30,597	45,581	(14,984)	4,120	9,663	13,783	(1.09)
	2003	32,112	48,331	(16,219)	3,905	9,876	13,781	(1.18)
	2002	29,466	43,045	(13,579)	3,710	10,076	13,786	(0.98)
	2001	29,079	39,838	(10,759)	3,520	10,264	13,784	(0.78)
	2000	27,078	34,810	(7,732)	3,185	10,598	13,783	(0.56)
	1999	19,023	27,636	(8,613)	--	1,632	1,632	(5.28)
	1998	17,860	24,751	(6,891)	2,375	11,777	14,152	(0.49)
STUDENT UNIVERSITY BONDS:								
Colleges and Universities	2007	\$ 909,169	\$ 3,040,456	\$ (2,131,287)	\$ 24,406	\$ 34,629	\$ 59,035	(36.10)
	2006	851,690	4,036,354	(3,184,664)	15,728	22,043	37,771	(84.32)
	2005	848,806	2,916,686	(2,067,880)	75,675	21,739	97,414	(21.23)
	2004	757,334	2,687,044	(1,929,710)	32,430	20,773	53,203	(36.27)
	2003	669,838	2,502,360	(1,832,522)	51,851	13,611	65,462	(27.99)
	2002	656,545	2,316,838	(1,660,293)	12,494	12,435	24,929	(66.60)

State of Louisiana

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

(EXPRESSED IN THOUSANDS)

FISCAL YEAR	GOVERNMENTAL ACTIVITIES				
	GENERAL OBLIGATION BONDS (1)	TIMED BONDS	TOBACCO SETTLEMENT FINANCING CORPORATION	OFFICE FACILITIES CORPORATION	OTHER (2)
2007	\$ 3,844,626	\$ 4,158,092	\$ 1,476,119	\$ 443,363	151,732
2006	2,844,454	1,568,930	1,563,849	476,186	168,891
2005	3,033,297	1,612,998	1,648,561	504,719	181,520
2004	2,608,149	494,088	1,740,216	350,468	198,675
2003	2,876,617	545,788	1,831,987	223,226	218,719
2002	2,778,041	67,807	1,941,223	238,129	92,415
2001	2,661,486	101,710	--	15,035	115,269
2000	2,360,814	135,612	--	16,713	137,786
1999	2,453,476	169,518	--	--	162,660
1998	2,677,781	211,844	--	--	162,366

FISCAL YEAR	BUSINESS-TYPE ACTIVITIES			
	OFFICE FACILITIES CORPORATION (3)	OTHER (4)	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME
2007	\$ --	\$ 267,600	\$ 10,341,532	* %
2006	--	274,224	6,896,534	1.28
2005	--	277,889	7,258,984	1.61
2004	182,776	--	5,574,372	1.13
2003	155,826	851	5,853,014	1.26
2002	160,806	3,261	5,281,682	1.17
2001	399,228	5,468	3,298,196	0.75
2000	245,835	7,749	2,904,509	0.70
1999	20,034	10,473	2,816,161	0.72
1998	21,729	11,870	3,085,590	0.80

(1) General Obligation Bonds less Reimbursable Contracts

(2) Includes Crescent City Connection, Health Education Authority, LA Correctional Facilities Corporation, Public Safety LPFA, Ascension-St. James Bridge Authority, LA Agricultural Finance Authority, LA Office Building Corporation, and Parish Road Fund

(3) Part of Office Facilities Corporation was an enterprise fund, then reclassified to a governmental fund in fiscal year 2004-2005.

(4) Includes the Louisiana Transportation Authority, Drinking Water Revolving Loan Fund and Louisiana Opportunity Loan Fund.

* Information not yet available

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DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

YEAR	POPULATION	PERSONAL INCOME	PER CAPITA PERSONAL INCOME	MEDIAN AGE
	(A)(B)(1)(3)	(A)(3)	(C)(3)	(1)
2006	4,288	\$ 134,504,614	\$ 31,369	35.7
2005	4,524	111,200,646	24,582	35.2
2004	4,516	122,913,214	27,581	34.9
2003	4,496	116,176,096	26,038	34.7
2002	4,483	112,709,180	25,370	34.5
2001	4,465	110,256,197	24,084	34.3
2000	4,469	103,150,742	23,041	34.0
1999	4,372	98,199,625	22,847	34.1
1998	4,369	96,677,099	21,385	33.9
1997	4,352	91,431,716	20,473	33.6

YEAR	CIVILIAN LABOR FORCE	LOUISIANA UNEMPLOYMENT RATE	U.S. UNEMPLOYMENT RATE
	(A)(1)(4)	(1)(4)	(1)
2006	1,990	4.0 %	4.6 %
2005	2,077	6.7	5.1
2004	2,058	5.7	5.5
2003	2,037	6.6	6.0
2002	2,006	6.1	5.8
2001	2,050	6.0	4.8
2000	2,030	5.5	4.0
1999	2,052	5.1	4.2
1998	2,063	5.7	4.5
1997	2,024	6.1	4.9

(A) Expressed in thousands

(B) Population figures are estimated by the U.S. Census Bureau and are revised yearly; however, only the original estimates are reported here

(C) Expressed in dollars

Sources: (1) U.S. Census Bureau
 (2) Louisiana Department of Labor
 (3) Survey of Current Business, U.S. Department of Commerce, Bureau of Economic Analysis
 (4) Labor Market Statistics, Local Area Unemployment Statistics Program, Bureau of Labor Statistics

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PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

2007 EMPLOYER	RANGE	1998 EMPLOYER
STATE OF LOUISIANA (1)	50,000+	WAL-MART STORES, INC
LOUISIANA STATE UNIVERSITY SYSTEM (2) (3)	25,000+	WINN DIXIE LOUISIANA, INC
BARKSDALE AIR FORCE BASE	10,000+	AVONDALE INDUSTRIES, INC
UNIVERSITY OF LOUISIANA SYSTEM (2) (3)	5,000 - 9,999	EXXON CORPORATION
OCHSNER HEALTH SYSTEM (3)	5,000 - 9,999	BELLSOUTH TELECOMMUNICATIONS
NORTHROP GRUMMAN SHIP SYSTEMS	5,000 - 9,999	THE HIBERNIA NATIONAL BANK
TULANE UNIVERSITY (3)	5,000 - 9,999	K MART CORPORATION
HARRAH'S ENTERTAINMENT (3)	5,000 - 9,999	BURGER KING, CORP.
LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM (2) (3)	5,000 - 9,999	SEARS ROEBUCK & CO.
WILLIS KNIGHTON HEALTH SYSTEM	1,000 - 4,999	GENERAL MOTORS, CORP.
US POST OFFICE (3)	1,000 - 4,999	ALTON OCHSNER FOUNDATION HOSP.
ACADIANA SHARPENING SERVICE	1,000 - 4,999	FALCON DRILLING COMPANY, INC.
SOUTHERN UNIVERSITY SYSTEM (2) (3)	1,000 - 4,999	TULANE UNIVERSITY
J RAY McDERMOTT INC	1,000 - 4,999	DILLARDS DEPARTMENT STORES, INC.
GENERAL MOTORS CORP	1,000 - 4,999	CONAGRA POULTRY COMPANY

1998 employer list is from the Office of Statewide Reporting and Accounting Policy archive files - range information not available and limited to private employers.

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

State of Louisiana

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
CULTURE, RECREATION, AND TOURISM					
STATE PARKS	24	24	24	24	24
STATE PARKS (ACREAGE)	30,984	30,984	30,984	30,984	30,664
STATE HISTORIC SITES	20	20	21	21	21
STATE HISTORIC SITES (ACREAGE)	2,539	2,539	2,617	2,617	2,617
TRANSPORTATION AND DEVELOPMENT					
STATE HIGHWAYS (MILES)	16,691	16,691	16,697	16,694	16,699
PARISH ROADS (MILES)	33,280	33,319	33,332	33,311	33,311
CITY STREETS (MILES)	10,949	10,935	10,921	10,932	10,907
BRIDGES ON STATE HIGHWAYS	7,914	7,889	7,899	7,887	7,875
BRIDGES OFF STATE HIGHWAYS	5,261	5,292	5,307	5,336	5,374
PUBLIC SAFETY					
TROOPS	9	9	9	9	9

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
CULTURE, RECREATION, AND TOURISM					
STATE PARKS	23	23	23	17	16
STATE PARKS (ACREAGE)	27,649	26,907	26,207	22,581	21,229
STATE HISTORIC SITES	21	22	22	15	13
STATE HISTORIC SITES (ACREAGE)	2,617	2,620	2,613	2,072	2,052
TRANSPORTATION AND DEVELOPMENT					
STATE HIGHWAYS (MILES)	16,706	16,698	16,701	16,701	16,681
PARISH ROADS (MILES)	33,223	33,220	33,219	33,157	33,137
CITY STREETS (MILES)	10,898	10,899	10,895	10,887	10,879
BRIDGES ON STATE HIGHWAYS	7,869	7,928	7,936	7,927	7,928
BRIDGES OFF STATE HIGHWAYS	5,405	5,612	5,669	5,738	5,760
PUBLIC SAFETY					
TROOPS	9	9	9	9	9

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

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LOUISIANA STATE EMPLOYEES BY FUNCTION/PROGRAM LAST SIX FISCAL YEARS

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
GENERAL GOVERNMENT				
CLASSIFIED	6,322	6,138	6,414	6,282
UNCLASSIFIED	4,273	4,229	4,165	4,030
CULTURE, RECREATION, AND TOURISM				
CLASSIFIED	665	594	715	722
UNCLASSIFIED	406	352	676	664
TRANSPORTATION AND DEVELOPMENT				
CLASSIFIED	4,641	4,705	5,005	5,168
UNCLASSIFIED	122	96	92	103
PUBLIC SAFETY				
CLASSIFIED	2,833	2,835	2,890	2,892
UNCLASSIFIED	96	85	93	125
HEALTH AND WELFARE				
CLASSIFIED	16,835	16,373	17,688	17,687
UNCLASSIFIED	1,341	1,030	1,091	1,020
CORRECTIONS				
CLASSIFIED	5,902	5,794	7,370	7,378
UNCLASSIFIED	334	256	546	583
YOUTH SERVICES *				
CLASSIFIED	1,005	1,029	--	--
UNCLASSIFIED	179	175	--	--
CONSERVATION AND ENVIRONMENT				
CLASSIFIED	2,162	2,098	2,239	2,235
UNCLASSIFIED	177	146	244	255
EDUCATION				
CLASSIFIED	1,133	1,135	1,269	1,249
UNCLASSIFIED	2,331	1,091	1,165	1,162
COLLEGES AND UNIVERSITIES				
CLASSIFIED	17,076	16,129	19,759	19,995
UNCLASSIFIED	26,613	25,716	27,663	26,887
OTHER				
CLASSIFIED	1,830	2,040	2,189	2,261
UNCLASSIFIED	979	898	827	808
TOTAL	<u>97,255</u>	<u>92,944</u>	<u>102,100</u>	<u>101,506</u>

* Office of Youth Services moved from Corrections in FY 2006.

Source: Louisiana Department of Civil Service

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<u>2003</u>	<u>2002</u>
6,343	6,287
4,082	4,027
708	754
665	685
5,228	5,181
105	91
2,834	2,762
113	112
17,840	17,672
1,010	1,000
7,660	7,701
536	569
--	--
--	--
2,219	2,163
262	288
1,194	1,167
1,357	1,307
20,634	20,552
26,394	24,640
2,270	2,282
768	713
<u>102,222</u>	<u>99,953</u>

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OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN YEARS

	2007	2006	2005	2004
GENERAL GOVERNMENT				
AGRICULTURE - CROPS (thousands of dollars) - [1]	*	\$1,321,910	\$1,204,605	\$1,347,810
AGRICULTURE - LIVESTOCK (thousands of dollars) - [1]	*	\$864,269	\$920,093	\$877,993
AGRICULTURE - TIMBER (thousands of dollars) - [1]	*	\$727,747	\$581,709	\$593,094
ELECTIONS - REGISTERED VOTERS (in thousands) - [1]	*	2,894	2,845	2,820
REVENUE - TAX RETURNS FILED (in thousands) - [2]	*	3,848	4,061	4,195
REVENUE - TAX RETURNS FILED ELECTRONICALLY - [2]	*	41%	32%	25%
CULTURE, RECREATION, AND TOURISM				
STATE PARKS VISITORS (in thousands) - [2]	1,678	1,596	2,183	2,087
TRANSPORTATION AND DEVELOPMENT				
NUMBER OF BRIDGES	13,175	13,181	13,206	13,223
OPERATIONAL COST FOR STATE-OWNED HIGHWAYS - [2]	\$18,576	\$15,269	\$15,514	\$14,006
PUBLIC SAFETY				
STATE POLICE ROAD PATROL MILEAGE (in thousands) - [2]	9,262	10,119	10,204	10,904
HEALTH AND WELFARE				
DHH - MEDICAID CLAIMS PROCESSED (in thousands) - [2]	64,914	46,725	51,930	47,133
DHH - CHILDREN IMMUNIZED - [1]	*	95.3%	95.0%	92.3%
CORRECTIONS				
AVERAGE DAILY COST PER INMATE BED - [2]	\$48.97	\$47.00	\$48.99	\$44.97
CONSERVATION AND ENVIRONMENT				
WLF - FISH AND SHELLFISH (thousands of dollars) - [1]	*	\$270,633	\$251,895	\$275,634
WLF - ALLIGATOR AND GAME (thousands of dollars) - [1]	*	*	\$52,617	\$44,748
WLF - HUNTER DAYS ANNUALLY (in millions) - [1]	*	5.0	5.0	--
WLF - LICENSED COMMERCIAL FISHERMEN - [1]	*	12,095	14,120	15,832
EDUCATION				
GRADES K-12 (number of students) - [3]	*	636,233	587,205	701,471
AVERAGE ACT SCORE - [4]	20.1	20.1	19.8	19.8
START PRINCIPAL DEPOSITS (thousands of dollars) - [1]	*	\$127,082	\$93,217	\$63,049
TOPS TUITION AWARDS (thousands of dollars) - [2]	\$121,660	\$116,203	\$118,882	\$110,926
TOPS AWARDS RECIPIENTS (number of students) - [2]	43,952	42,130	42,435	41,034
COLLEGES & UNIVERSITIES (number of students) - [5]	*	195,380	205,300	214,345

* Information for this year is not 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 reported on September 1

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2003	2002	2001	2000	1999	1998
\$1,296,021	\$1,159,194	\$1,115,793	\$1,166,533	\$1,227,563	\$1,245,131
\$697,345	\$614,049	\$701,131	\$653,274	\$620,036	\$645,493
\$605,357	\$568,440	\$559,383	\$654,770	\$680,314	\$744,597
2,787	2,720	2,763	2,725	2,726	2,651
3,949	4,084	4,341	--	--	--
17%	14%	11%	--	--	--
2,064	2,008	1,970	1,713	1,469	1,442
13,249	13,274	13,540	13,605	13,665	13,688
--	--	--	--	--	--
10,447	10,378	11,452	11,732	11,751	--
40,399	35,242	32,753	30,076	28,796	28,918
90.4%	95.0%	97.3%	97.0%	96.7%	96.5%
\$43.38	\$41.62	\$40.33	\$37.93	\$35.04	\$34.87
\$271,113	\$279,989	\$345,091	\$418,918	\$336,963	\$291,893
\$37,252	\$32,886	\$25,614	\$32,543	\$24,031	\$19,127
5.8	6.0	5.8	6.0	6.7	6.8
17,070	18,419	19,080	18,061	17,778	17,004
705,534	708,238	714,020	727,255	738,624	752,897
19.6	19.6	19.6	19.6	19.6	19.5
\$37,317	\$9,207	\$7,707	\$4,020	\$2,600	\$1,400
\$103,729	\$103,273	\$90,492	\$67,084	\$53,407	--
40,107	40,851	35,726	29,120	23,509	--
210,527	204,197	201,295	191,673	192,965	154,923



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