

State of  
**LOUISIANA**

**Comprehensive Annual  
Financial Report**

**For the fiscal year ended  
June 30, 2020**



*Jeff Henry*  
PHOTOGRAPHS

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**State of Louisiana  
Comprehensive Annual Financial Report  
for the Year Ended June 30, 2020**

**JOHN BEL EDWARDS**  
Governor



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

# On the Cover

The image of a Roseate Spoonbill on this year's cover was taken by Jeff Henry on Parish Road 3086, north of Welsh, Louisiana, in Jefferson Davis Parish. The flamboyant Roseate Spoonbill has bright pink feathers, red eyes, a partly bald head, and a large spoon-shaped bill. Groups of these birds sweep their spoonbills through shallow fresh or salt waters snapping up crustaceans and fish. They fly with necks outstretched, to and from foraging and nesting areas along the coastal southeastern United States and South America. These social birds nest and roost in trees and shrubs with other large wading birds such as the state bird of Louisiana, the Brown Pelican.

**Jeff Henry** is a self-taught photographer that fell in love with the art while photographing his daughters as young children. Over the last decade, he's developed a passion for capturing the beauty of Louisiana wildlife and landscapes. He loves spending the weekends traveling the bayous and backroads of his home state. Jeff has been an employee of Phillips 66 for 25 years and is the father of two (now adult) daughters; Hannah Newman and Meryl Henry. He resides in Lake Charles with his wife, Laura, and their two rescue cats, Jagger Lee and Turd Lee.



**John Bel Edwards**

**Governor**

**State of Louisiana**



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# State of Louisiana

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# I. INTRODUCTORY SECTION



Office of the Commissioner  
State of Louisiana  
Division of Administration

JOHN BEL EDWARDS  
GOVERNOR



JAY DARDENNE  
COMMISSIONER OF ADMINISTRATION

December 31, 2020

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

It is my privilege to present the State of Louisiana's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020. State law requires that the CAFR be prepared for the State within six months after the close of each fiscal year. The report was prepared in conformity with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

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

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

The basic financial statements have been audited by the Louisiana Legislative Auditor and unmodified ("clean") opinions have been issued on the financial statements for the year ended June 30, 2020. This audit report is located at the front of the "Financial Section" of this report.

The independent audit of the basic financial statements of the State of Louisiana was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the internal controls of the government and

compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the separately issued Single Audit Report for the State of Louisiana.

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

## **PROFILE OF THE GOVERNMENT**

Located on the Gulf of Mexico and bordered by Arkansas, Texas, and Mississippi, Louisiana serves a population of 4,649,000. The powers of government of the state are divided into three separate branches: legislative, executive, and judicial. Except as otherwise provided by the Louisiana Constitution, no one of these branches, or any person holding office in one of them, shall exercise power belonging to another branch.

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

The State's financial reporting entity includes 58 active component units, which are reported discretely in the financial statements. These component units include colleges and universities, boards and commissions, ports, levee districts, and other special purpose authorities.

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

## **ECONOMIC CONDITIONS AND OUTLOOK**

For the first 8 months of the 2019-2020 fiscal year, the State's economy was poised for continued economic growth, until the COVID-19 pandemic caused the State's economy to take a drastic turn. The COVID-19 pandemic struck creating tremendous uncertainty and widespread economic disruptions for the global and Louisiana economy. Actions taken to stop the spread of the virus have led to business closures in many industries and record numbers of individuals filing for unemployment. Louisiana nonfarm employment fell a stunning 273,200 jobs, a decline of 13.7%. The leisure/hospitality sector—which includes Louisiana's large casino industry, hotels, movie theaters and restaurants—suffered mightily, dropping 108,900 jobs or nearly half its workforce. Retail trade earned the dubious second place, losing 13.2% of its jobs, followed by the "other services" sector (barber shops, beauty shops, nail salons, repair services, churches) at -12.7%. Counterintuitively, the healthcare sector was high on the list of losers (-30,800 jobs or -11.4%) as clinics closed and elective surgeries were postponed. Interestingly, the mining sector was just 1.1% down, as the price drop had not fully translated into employment reductions.

Louisiana has suffered through six recessions in the last four decades. The State is projected to rebound from the sixth and should recover 72,600 jobs in 2021 (+3.9%) and another 21,500 jobs in 2022 (+1.1%). Despite these additions, by 2022 Louisiana will still be 11,300 jobs below its pre-COVID-19 level in 2019.

The forecasts are based on several assumptions that the national economy will recover about 72% of the losses in the first half of 2020 and will achieve 100% recovery sometime in 2022; inflation and interest rates will remain low to aid the economy's rebound; oil prices will increase from \$40 per barrel this year to \$48 in 2022; and natural gas prices will rise from \$1.60 per MMBtu this year to \$3.10 by 2022.

Louisiana is home to nine metropolitan statistical areas (MSA), each with unique demographic and economic profiles. The economic outlook for each MSA is forecasted as follows:

- Because of its heavily hit tourism, casino, and exploration base, the **New Orleans MSA** was the hardest hit in the State by the pandemic, losing 37,300 jobs (-6.4%). The MSA is projected to add 29,100 jobs (+5.3%) in 2021 and 6,800 jobs (+1.2%) in 2022—leaving the region about 1,400 short of full recovery. Final investment decisions on a couple of large industrial projects and recovery back to pre-COVID-19 norms will drive this employment pattern.
- Pounded by losses in industrial construction and closed casinos, the **Baton Rouge MSA** was hit as badly as New Orleans in 2020, also losing 5.3% of its employment (-21,800 jobs). Full recovery of its casinos and a newly robust industrial construction sector—driven by large turnarounds, resumption of construction on stalled projects, and final investment decisions on new ones—should cause this MSA to add 17,300 jobs in 2021 (+4.4%) and another 5,800 in 2022 (+1.4%). This MSA should be one of only three in the State to recover all jobs lost during the pandemic by 2022.
- Standard COVID-19 impacts combined with weak oil prices clobbered the **Lafayette MSA** causing it to lose 5.3% (-10,800) of its jobs in 2020. Oil prices below \$50 a barrel will tend to hold back growth in this MSA, but stability in its Big Six—Stuller, Acadian Ambulance, the SCP Group, GCI, Waitr, and LHC—will help this MSA resume growth. Lafayette is projected to generate 5,400 new jobs (+2.8%) in 2021 and 1,800 jobs (+0.9%) in 2022 leaving it about 3,600 jobs short of full recovery.
- The State's fourth largest **MSA—Shreveport-Bossier**—is also Louisiana's second largest casino market which was closed for three months due to COVID-19. It also lost three large employers in 2020, leading to the third largest loss in 2020 (-10,600 jobs or -5.9%). This MSA is projected to add 6,400 jobs in 2021 and another 1,000 in 2022, recovering only about 70% of the jobs lost during 2020. Activity at the Port of Caddo-Bossier and NCRP remains a bright spot in this economy.
- The **Lake Charles MSA** contains the State's largest casino market and one of its largest industrial construction markets, both heavily impacted by COVID-19. Lake Charles lost 7,000 jobs in 2020, the second worst hit (-6.1%) in the state. The good news is this MSA has \$13 billion in LNG projects underway and potentially \$58 billion in the wings. Lake Charles is expected to add 5,000 jobs (+4.7%) in 2021 and another 2,100 jobs (+1.9%) in 2022, fully recovering all the COVID-19-related jobs lost.
- After stabilizing in 2018-19, the **Houma MSA** resumed its downward march in 2020, pummeled not only by COVID-19 but also by weak oil prices that drove the rig count in the Gulf down to only 12. This MSA lost 4,600 jobs in 2020 (-5.3%). The MSA is expected to recover 2,500 jobs in 2021 and 700 jobs in 2022 (+3.0%), leaving the region still about 1,300 jobs below its pre-COVID-19 level.

- The **Monroe MSA**, having no casino market and little industrial construction or exploration activity was one of the least impacted MSAs in the state by COVID-19, losing 2,600 jobs (-3.3%). Growth coming from this MSA's healthcare sector will help Monroe recover. Approximately 800 new jobs (+1.1%) are projected in 2021 and 400 more (+0.5%) in 2022. Monroe is not expected to recover all its pre-COVID-19 related job losses by 2022.
- Like Monroe, the **Alexandria MSA** was saved by the worst parts of the pandemic by the absence of casinos, major industrial construction and exploration activity. The MSA lost an estimated 2,000 jobs (-3.3%) in 2020. Employment at this MSA's major employers remains solid, but no major economic development projects are on the immediate horizon. An estimated 1,100 new jobs are expected for 2021 (+1.8%) and another 400 jobs in 2022 (+0.7%). This would leave the MSA about 500 jobs short of its pre-COVID-19 peak.
- The **Hammond MSA**, like Monroe and Alexandria, is devoid of the hard-hit sectors like casinos, major industrial construction and exploration activity so it was more lightly tapped by the pandemic than its sister MSAs. Tangipahoa Parish lost an estimated 1,500 jobs in 2020 to COVID-19. With its two major employers—SLU and North Oaks Hospital—Hammond will need growth in New Orleans and Baton Rouge to generate new jobs for its large commuter group. This college town and region is expected to recover 1,000 jobs in 2021 (+2.2%) and another 500 in 2022 (+1.1%), just recovering all the jobs lost due to the pandemic.
- COVID-19 exacerbated an employment decline in Louisiana's 29 rural parishes that began back in 2014. The virus tagged this region with a loss of 7,200 jobs in 2020, a decline of 3.3%. Approximately 4,000 new jobs (4.0%) are expected in these parishes in 2021 and 2,000 jobs (+1.1%) in 2022. This growth will leave the rural regions of the state about 1,200 jobs short of its pre-COVID-19 peak.

The information for the Economic outlook conditions and outlook section of this letter is from *The Louisiana Economic Outlook: 2021 and 2022*, by Loren C. Scott, Greg Upton, and Judy S. Collins; published in September, 2020.

## MAJOR FISCAL INITIATIVES

Louisiana had a continued path of growth as FY20 began, then the world changed with the arrival of COVID-19. The pandemic blunted that anticipated economic growth; however, the state was able to forestall crippling budget cuts by using targeted federal dollars made available through the CARES Act.

When the books closed on FY20, the state registered a \$270 million cash surplus despite the fiscal woes caused by the pandemic. It was the fourth straight year-end surplus and a far cry from the early days of this administration five years ago when the state faced a \$2 billion deficit.

Due to the continued surpluses, the Budget Stabilization Fund, or “rainy day” fund, is at its highest level since FY12—over half a billion dollars. The surpluses have also allowed more money to go toward other state financial priorities such as addressing state pension systems' unfunded accrued liabilities, investing in coastal restoration and preservation and transportation projects as well deferred maintenance needs.

Improved funding for education at all levels and adequate funding for health care remained top budget priorities. An educated and healthy workforce is essential to moving Louisiana forward

economically and making it a better place to live. It inspires confidence in employers to invest in Louisiana and gives opportunity and prosperity to people.

Some initiatives in FY20 that resulted in major fiscal impacts:

- Pay raises for public school teachers and support workers amounted to a \$101 million general fund investment. It was the first teacher pay raise in a decade. Public schools also got a per pupil boost in their funding formula.
- Higher education's base level funding received a modest increase.
- The Managed Care Incentive Payment Program was implemented to provide monetary incentive arrangements with Medicaid Managed Care Organizations to achieve quality reforms increasing access to health care, improving the quality of care, and enhancing the health of patients the MCOs serve.
- The State received \$14.35 million in additional federal transportation dollars because of its efficient management of projects and funding. The money was applied to various needs on projects throughout the State.
- Efforts continued to implement the Integrated Eligibility Solution System under which a single online application is used to apply for Disaster Supplemental Nutrition Assistance Program (DSNAP), Supplemental Nutrition Assistance Program (SNAP), and Temporary Assistance for Needy Families (TANF) programs. This is a joint project with the Louisiana Department of Health which is aimed at better serving clients as well as reducing fraud.
- The multi-year transition into a more modern financial and budget development system (LaGov) neared an end. The new system will better protect the state's fiscal data because of its more efficient and streamlined processes. The information will become accessible on the Louisiana Checkbook website as various departments and agencies complete the move.

## **RELEVANT FINANCIAL POLICIES**

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

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

To aid the State in balancing its budget in years of declining revenue, the Budget Stabilization Fund was created. The fund was created in the 1990s and receives its monies from excess mineral revenues, non-recurring revenues, monies in excess of the expenditure limit, and other monies appropriated by the legislature. The monies can be spent if the official forecast for recurring revenues for the next fiscal year is less than the official forecast of recurring revenues for the current fiscal year, or if a deficit for the current fiscal year is projected due to a decrease in recurring revenues. At the end of the fiscal year, the fund balance in the Budget Stabilization Fund was \$568 million.

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

#### **ACKNOWLEDGEMENTS**

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

Sincerely yours,



Jay Dardenne  
Commissioner of Administration



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# CERTIFICATE OF ACHIEVEMENT

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**State of Louisiana**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# State of Louisiana

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## PRINCIPAL STATE OFFICIALS

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### Executive (Elected)

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

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### Legislative (Elected)

Clay Schexnayder  
Speaker of the House of Representatives  
Patrick Page Cortez  
President of the Senate

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### Judicial (Elected)

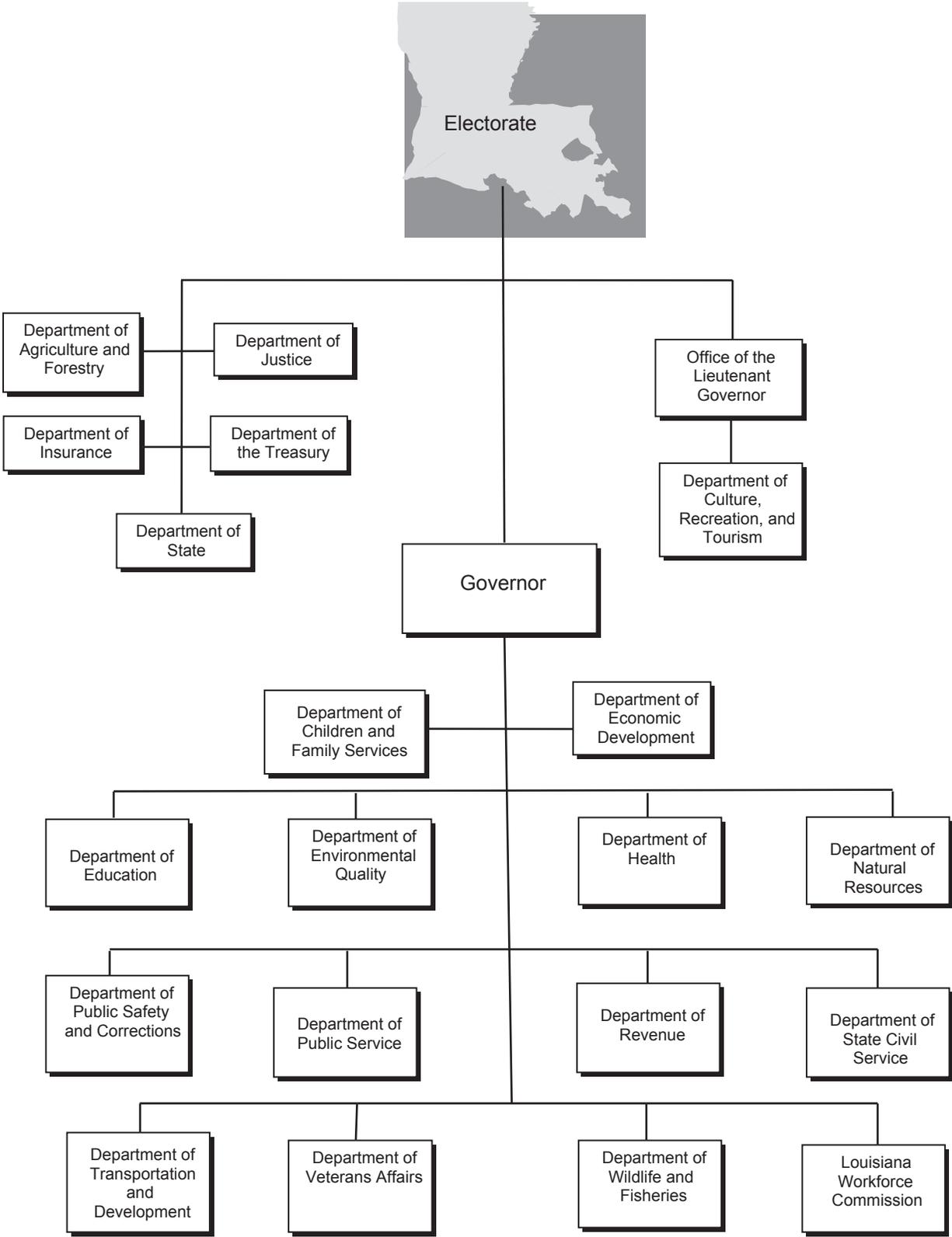
Bernette J. Johnson  
Chief Justice of the Supreme Court of Louisiana

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### Executive (Appointed)

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

## STATE ORGANIZATIONAL CHART





# II. FINANCIAL SECTION





LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

December 31, 2020

## Independent Auditor's Report

Honorable John Bel Edwards, Governor  
Honorable Patrick Page Cortez, President, and  
Members of the Senate  
Honorable Clay Schexnayder, Speaker, and  
Members of the House of Representatives  
State of Louisiana

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Louisiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the state's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

Opinion Unit	Percentage of Total Assets and Deferred Outflows of Resources	Percentage of Expenditures/ Expenses (Including Deductions)	Percentage of Revenues (Including Additions)
Business-Type Activities	18.19%	1.57%	1.94%
Aggregate Discretely Presented Component Units	58.48%	12.85%	30.67%
Aggregate Remaining Funds (includes pension trust funds)	83.34%	51.95%	34.24%

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

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

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

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

### **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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 June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matters**

As disclosed in note 6 to the financial statements, the total net pension liability for the primary government was approximately \$6.6 billion at June 30, 2020, as determined by certain state and statewide pension systems. The related actuarial valuations were performed by the pension systems' actuaries using various assumptions. Because actual experience may differ from the assumptions used, there is a risk that this amount at June 30, 2020, could be under or overstated.

As disclosed in note 6 to the financial statements, the primary government's proportionate share of the Louisiana State Employees' Retirement System's (LASERS) net pension liability was \$5.8 billion at June 30, 2020. The actuarial valuation of the total pension liability is very sensitive to the underlying actuarial assumptions, including a discount rate as of June 30, 2019, of 7.60%. A 1% reduction in the current discount rate would increase the primary government's net pension liability by \$1.5 billion. LASERS reduced the discount rate to 7.55% for the valuation that will be reflected in the state's fiscal year 2021 net pension liability.

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

As disclosed in note 12 to the financial statements, the Unemployment Trust Fund, a major fund, experienced an unprecedented number of unemployment benefit claims during fiscal year 2020 and continuing into fiscal year 2021 due to the coronavirus (COVID-19) pandemic. In October 2020, the trust fund was depleted, and the state is currently borrowing from the federal government to pay the state's share of traditional unemployment benefits. As of December 21, 2020, the balance of the borrowings from the federal government was \$133,460,334.

As disclosed in note 12 to the financial statements, as of November 10, 2020, the Louisiana Workforce Commission has identified approximately 74,000 claims filed through June 30, 2020, that were paid totaling \$416 million with various issues indicating potential overpayments to claimants.

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that *Management's Discussion and Analysis* and the *Required Supplementary Information Other Than Management's Discussion and Analysis* presented on pages 19 through 27 and 129 through 145, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the state of Louisiana's basic financial statements. The accompanying Introductory Section (pages 1 through 11), the Budgetary Comparison Schedule - Budget to Actual - Bond Security and Redemption Fund (page 147), the Combining and Individual Fund Statements - Nonmajor Funds (pages 150 through 185), and the Statistical Section (pages 187 through 216) listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors.

In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the Combining and Individual Fund Statements – Nonmajor Funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, a report on our consideration of the state's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters will be issued under separate cover in the *State of Louisiana Single Audit Report*. The purpose of that report is solely 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 effectiveness of the state's internal control over financial reporting or on compliance. That report, upon its issuance, is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the state's internal control over financial reporting and compliance.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE  
Legislative Auditor

BF:BQD:EFS:ch



# 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, 2020. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Transmittal Letter presented on pages 1-6 and the financial statements of the State, which begin on page 30.

### FINANCIAL HIGHLIGHTS

- The State's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$4.4 billion, an increase of 12.4% from the prior fiscal year.
- The State experienced a \$964 million increase and a \$480 million decrease in net position for governmental activities and business-type activities, respectively, in comparison with prior year. The increases and decreases in net position include restatements, which are discussed in further detail in the Government-wide Financial Analysis section of this MD&A and in Note 10.
- At the end of fiscal year 2020, the actual revenues in the State's General Fund exceeded its actual expenditures by approximately \$403 million.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

### Reporting the State as a Whole

#### *Government-wide Financial Statements*

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

Two financial statements are presented beginning on page 30 to assist the reader in assessing the State's financial position as a whole. First, the Statement of Net Position, presents the State's financial position – called net position – as of the fiscal year-end. Second, the Statement of Activities, details whether net position has improved or deteriorated since the prior year-end.

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

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

# State of Louisiana

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

*Component Units* – Component units are legally separate organizations for which the elected officials of the government are financially accountable or have significant influence in governing board appointments. Among the component units are public colleges and universities, the Louisiana Lottery Corporation, and others. For a list of the component units included in the government-wide statements, see Note 1 (page 47) of the notes to the basic financial statements.

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

### *Fund Financial Statements*

The fund financial statements begin on page 33 and provide more detailed information than the government-wide statements by providing information about the most significant funds of the State – not the State as a whole. The three categories into which the funds of the State can be classified are governmental funds, proprietary funds, and fiduciary funds.

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

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

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

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47 – 127 of this report.

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

In addition to the basic financial statements and accompanying notes, this CAFR also presents budgetary comparison schedules for the General Fund, additional information concerning pensions, and funding status on its obligation to provide Other Postemployment Benefits (OPEB) to its employees. Required supplementary information can be found on page 129 of this report.

## **Other Information**

The CAFR also includes other information that is not part of the basic financial statements or required by the GASB. This information is included for additional analysis and is comprised of the Fund Combining Statements (pages 150 – 185), the budgetary comparison schedule for the Bond Security and Redemption Fund (page 147), and the Statistical Section.

## THE STATE AS A WHOLE

### Government-wide Financial Analysis

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

### Condensed Statement of Net Position

(in thousands)

	Governmental Activities		Business-type Activities		Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 16,208,613	\$ 13,415,849	\$ 2,363,118	\$ 2,658,760	\$ 18,571,731	\$ 16,074,609
Capital Assets	15,974,061	15,606,430	1,045,096	1,036,147	17,019,157	16,642,577
Total Assets	32,182,674	29,022,279	3,408,214	3,694,907	35,590,888	32,717,186
Total Deferred Outflows of Resources	1,903,151	1,536,371	146,587	117,768	2,049,738	1,654,139
Other Liabilities	6,605,447	4,372,929	307,088	89,511	6,912,535	4,462,440
Long-term debt outstanding	23,639,553	23,851,440	1,441,646	1,441,398	25,081,199	25,292,838
Total Liabilities	30,245,000	28,224,369	1,748,734	1,530,909	31,993,734	29,755,278
Total Deferred Inflows of Resources	1,157,638	733,401	121,456	114,543	1,279,094	847,944
Net Investment in Capital Assets	12,549,039	12,124,794	424,397	436,013	12,973,436	12,560,807
Restricted	5,761,907	5,175,816	783,632	1,309,498	6,545,539	6,485,314
Unrestricted	(15,627,759)	(15,699,730)	476,582	421,712	(15,151,177)	(15,278,018)
Total Net Position	\$ 2,683,187	\$ 1,600,880	\$ 1,684,611	\$ 2,167,223	\$ 4,367,798	\$ 3,768,103

As noted earlier, net position over time may serve as a useful indicator of a government's financial health. In the case of Louisiana, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4.4 billion, at the close of the fiscal year. The largest portion of Louisiana's net position, \$13.0 billion, reflects its investment in capital assets (e.g., land, roads, buildings, machinery, and equipment), less any related outstanding debt that was issued to acquire those assets. The State uses these assets to provide services to residents of the State, and consequently are not available for future spending. Although the State's investment in capital assets is reported net of related debt, this debt must be paid from other sources since the capital assets themselves cannot be used to liquidate these liabilities. An additional \$6.5 billion of Louisiana's net position is subject to external restrictions. These restricted amounts are only available for spending as provided for by law and/or contract and grant agreements.

The remaining portion of net position is considered to be unrestricted. Any positive amounts reported for unrestricted net position could be used to meet Louisiana's ongoing obligations to its residents and creditors. This year, however, Louisiana's net investment in capital assets and restricted assets and deferred outflows of resources less its restricted liabilities and deferred inflows of resources exceeded the State's total net position resulting in the State reporting unrestricted net position of negative \$15.2 billion. The State's negative unrestricted net position is mainly caused by the following and is partially offset by the State's cash, investments, and other current assets.

- A net pension liability and pension-related deferred inflows and outflows for the State's participation in various defined benefit plans of approximately \$5.5 billion.
- The effect of continued issuance of long-term debt to fund annual expenses for capital grants to other entities of approximately \$3.2 billion.
- An estimated liability recorded for \$1.7 billion to recognize the State's share of the costs in three partnerships with the Federal Government to construct and improve levee systems in the greater New Orleans area.
- A liability for post-employment benefits other than pensions of \$5.8 billion attributable to continuous under-fundings of annual required contributions.

# State of Louisiana

- Unfunded reserves for incurred claims payable to outside parties for worker's compensation, disallowed costs, and various lawsuits of approximately \$2.2 billion.

## Condensed Statement of Activities

(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 2,709,429	\$ 2,509,221	\$ 479,350	\$ 499,627	\$ 3,188,779	\$ 3,008,848
Operating Grants & Contributions	17,171,529	14,412,186	3,540,055	194,025	20,711,584	14,606,211
Capital Grants & Contributions	586,194	669,490	38,865	41,184	625,059	710,674
<b>General Revenues:</b>						
Income Taxes	4,163,523	4,134,987	--	--	4,163,523	4,134,987
Sales & Use Taxes	3,729,536	3,843,976	--	--	3,729,536	3,843,976
Other Taxes	2,589,018	2,716,902	--	--	2,589,018	2,716,902
Other	1,334,228	1,670,411	(162)	4,912	1,334,066	1,675,323
Total Revenues	<u>32,283,457</u>	<u>29,957,173</u>	<u>4,058,108</u>	<u>739,748</u>	<u>36,341,565</u>	<u>30,696,921</u>
<b>Expenses</b>						
<b>Governmental Activities:</b>						
General Government	2,314,015	2,216,867	--	--	2,314,015	2,216,867
Culture, Recreation & Tourism	116,014	100,426	--	--	116,014	100,426
Transportation & Development	1,415,047	1,445,953	--	--	1,415,047	1,445,953
Public Safety	2,008,320	1,008,130	--	--	2,008,320	1,008,130
Health & Welfare	16,194,195	14,755,484	--	--	16,194,195	14,755,484
Corrections	707,416	779,224	--	--	707,416	779,224
Youth Development	112,321	86,781	--	--	112,321	86,781
Conservation & Environment	565,621	651,864	--	--	565,621	651,864
Education	6,610,669	6,357,514	--	--	6,610,669	6,357,514
Agriculture & Forestry	140,607	201,646	--	--	140,607	201,646
Economic Development	233,454	213,769	--	--	233,454	213,769
Military & Veterans Affairs	209,300	189,476	--	--	209,300	189,476
Workforce Support & Training	235,317	255,141	--	--	235,317	255,141
Interest on Long-term Debt	284,761	278,405	--	--	284,761	278,405
<b>Business-Type Activities:</b>						
Higher Education	--	--	515,007	471,802	515,007	471,802
Lending & Financing Activities	--	--	32,557	26,396	32,557	26,396
Property Assistance	--	--	8,116	8,288	8,116	8,288
Prison Enterprises	--	--	26,866	27,043	26,866	27,043
Regulation & Oversight	--	--	50,099	47,107	50,099	47,107
Unemployment Insurance	--	--	4,078,459	152,840	4,078,459	152,840
Total Expenses	<u>31,147,057</u>	<u>28,540,680</u>	<u>4,711,104</u>	<u>733,476</u>	<u>35,858,161</u>	<u>29,274,156</u>
Net Increase (Decrease) before Transfers	1,136,400	1,416,493	(652,996)	6,272	483,404	1,422,765
Transfers In (Out)	(172,666)	(160,648)	172,666	160,648	--	--
Net Increase (Decrease)	<u>963,734</u>	<u>1,255,845</u>	<u>(480,330)</u>	<u>166,920</u>	<u>483,404</u>	<u>1,422,765</u>
Net Position - Beginning, as Restated	1,719,453	345,035	2,164,941	2,000,303	3,884,394	2,345,338
Net Position - Ending	<u>\$ 2,683,187</u>	<u>\$ 1,600,880</u>	<u>\$ 1,684,611</u>	<u>\$ 2,167,223</u>	<u>\$ 4,367,798</u>	<u>\$ 3,768,103</u>

Louisiana's overall net position increased by \$483.4 million from the prior fiscal year. The State's net position in governmental activities increased by \$964 million, while net position in business-type activities decreased by \$480 million. The following contributed to the changes in the state's net position:

- The State saw a \$2.7 billion increase in federal revenues and \$2.4 billion increase in expenditures in governmental activities due mainly to additional funding and related expenses related to COVID-19. On March 1, 2020 President Donald J. Trump proclaimed a national emergency due to the COVID-19 outbreak in the United States. As a result of the President's emergency declaration, Congress enacted the Coronavirus Aid, Relief, and

Economic Security Act, also known as the CARES Act, to aid state and local governments with unbudgeted costs associated with the COVID-19 outbreak.

- Charges for Services in Governmental Activities increased by \$200 million. A portion of this is due to an increase in Managed Care and Medicaid Expansion. The Medicaid program is an entitlement program, and as the utilization of the program increases, so do the associated state matches of the federal draws.
- The State's net position in business-type activities decreased by approximately \$480 million due to the significant increase in Unemployment Trust Fund (UI) expenditures caused by a large increase in unemployment due to the shut-down of non-essential businesses in the wake of the pandemic.

## THE STATE'S FUNDS

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

### Governmental Funds

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

The fund balance of the General Fund increased by \$403 million. Federal funding increased in the second half of the fiscal year primarily due to the COVID-19 pandemic, when Congress enacted a succession of federal legislation aimed at providing aid to lessen the economic impact of the pandemic on governments, businesses, and individuals, the CARES Act. The federal aid that the State received under the CARES Act positively off set the decreases in collections of gasoline taxes, sales taxes, corporate taxes, and royalties that were a direct result of the effects of the pandemic on the State's economy.

The fund balance for the Capital Outlay Escrow Fund (COEF) increased by \$218 million due largely to the issue of new bonds for capital outlay projects. The bond proceeds are reported in the COEF, while the debt is reported in the government-wide financial statements. The fund balance for the nonmajor governmental funds decreased by \$78.5 million. This is due in part to the transfer of funds from the Transportation Trust Fund (TTF) to cover expenditures for various infrastructure projects financed by GARVEE bonds that were issued last year.

### Enterprise Funds

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

- Net position for the Unemployment Insurance Trust Fund (UTF) decreased by \$547.5 million due mainly to an increase in unemployment claims, which resulted from the COVID-19 pandemic. The unemployment insurance claims skyrocketed in the 4th quarter of FY 2020. Unemployment insurance continued claims were 300,389 in the last week of June 2020 compared to 17,617 for the week ending June 29, 2019.
- The Louisiana Community and Technical Colleges System (LCTCS) experienced an increase in net position of \$55.1 million due in part to an increase in capital assets of \$20.6 million as a result of capital improvements and enhancements to certain LCTCS facilities authorized by Act 360 of the 2013 Regular Session. Also, LCTCS had an increase of \$16.3 million in due from other funds relating to the CARES Act funding.
- Net position for aggregate remaining nonmajor enterprise funds increased by \$12.2 million. The majority of this increase is reported in the Clean Water State Revolving Loan Fund and the Drinking Water Revolving Loan Fund.

# State of Louisiana

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## **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

The fiscal year ended with a cash surplus of \$270 million, which was from the excess of revenues over expenditures of state government operations. The excess revenues consisted primarily of higher than expected collections in individual income tax, corporate collections and gaming revenue (riverboat casinos, video poker, racetrack slots).

The General Fund final budget revenues were \$1.4 billion higher than appropriated in the original budget, and the final budgeted expenditures were \$1.5 billion greater than the budgeted expenditures originally appropriated by the Legislature. A major reason for the increase in budgeted revenues was due to a supplemental appropriation for the COVID-19 pandemic and for other budget related matters for the Governor's Office of Homeland Security and Emergency Preparedness, which increased by \$791 million; the Department of Education's Office of Subgrantee Assistance, which increased by \$244 million; and the Louisiana Department of Health's Medical Vendor Payments, which increased by \$103 million.

Actual budgetary basis General Fund revenues were \$807 million less than the final budget and actual expenditures were \$2.1 billion less than final budgeted amounts. This variance is partly because forecasts for budgeted expenditures for federal receipts are largely based on remaining grant balances. Since the entire remaining allocation of grants are rarely spent within one year, budgeted amounts are inflated relative to actual. For example, the revenues and expenditures were \$207 million less than final budgeted amounts for the Restore Louisiana program. Restore Louisiana is a federally funded statewide program intended to aid homeowners looking to rebuild after the 2016 flood.

For various state agencies the COVID-19 pandemic caused reductions in billings and program activities, uncollected amounts, and funding delays which decreased both actual revenue and actual expenditures when compared to the final budget. For instance, Medical Vendor Payments (an agency under the LA Department of Health) had \$291 million less actual revenue and \$395 million less actual expenditures than the final budget. The expenditures were less as a result of fiscal year 2020 drug rebates being higher than budgeted due to increased collections associated with Hepatitis C and Single Preferred Drug List. The net effect of increased drug rebates is a reduction in expenditures. Other major reasons for the expenditure variance include a decrease in utilization in Fee for Service lines (private and public) partially driven by COVID-19 and the related moratorium on service; decreased utilization based on COVID-19; and lower than projected managed care expenditures. The actual revenues were less than budgeted due mainly to lower than projected collections due to expenditures under budget.

In other instances, funds were received in accordance with the budget; however, delays in expenditures occurred due to various factors. In these cases, the cash and budget authority were carried forward to fiscal year 2021.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of the fiscal year, the State had \$17.0 billion invested in a broad range of capital assets. This amount represents a net increase of \$376.6 million from the prior year.

# State of Louisiana

## Capital Assets

(net of depreciation and amortization in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,300,821	\$ 2,299,925	\$ 62,903	\$ 62,616	\$ 2,363,724	\$ 2,362,541
Building & Improvements (Net)	1,496,415	1,546,638	629,113	606,534	2,125,528	2,153,172
Machinery & Equipment (Net)	155,329	129,743	46,117	41,323	201,446	171,066
Infrastructure (Net)	10,053,369	9,925,119	282,109	291,514	10,335,478	10,216,633
Intangible Assets (Net)	170,162	82,664	4,719	6,339	174,881	89,003
Construction in Progress	1,797,965	1,622,341	20,135	27,821	1,818,100	1,650,162
Total	\$ 15,974,061	\$ 15,606,430	\$ 1,045,096	\$ 1,036,147	\$ 17,019,157	\$ 16,642,577

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

Intangibles for governmental activities increased by approximately \$88 million. Examples of intangible assets are software, patents, trademarks, copyrights, etc. The Louisiana Departments of Health and Children and Family Services added approximately \$113 million of intangible assets to the LaMEDS system in fiscal year 2020. LaMEDS is an on-line self-service portal which assists Louisiana residents in eligibility determination and enrollment in programs such as Medicaid, Supplemental Nutrition Assistance Program (SNAP), Louisiana Combined Application Project (LaCap), Family Independence Temporary Assistance Payments (FITAP), Kinship Care Subsidy Program (KCSP), and child support benefits. The LaMEDS portal allows residents to receive notice of their eligibility in the various programs within minutes. The system also assists clients in communicating with caseworkers and increases applicants' access to program information.

Construction in Progress (CIP) for governmental activities increased by approximately \$176 million. CIP includes infrastructure, buildings, and intangible assets that are under construction or being developed. The Department of Transportation and Development (DOTD) reported \$634.5 million in infrastructure CIP additions during the fiscal year 2020. The Comite River Diversion Canal project added \$53 million in construction costs. The project is estimated to cost nearly \$353 million upon completion. Louisiana broke ground on the \$126 million Loyola Avenue Project adding \$43 million in construction costs. The project will create an enhanced I-10 access to the new \$1 billion terminal at the Louis Armstrong New Orleans International Airport. A \$124.7 million project to widen a section of I-10 from I-49 to LA 328 (Breux Bridge) added \$39 million of construction costs. A \$72 million project to widen 6.5-miles of I-10 from four to six lanes between Highland Road in Baton Rouge to LA 73 in Ascension Parish added \$31 million in construction costs. A total of \$606 million in construction projects were completed in fiscal year 2020. This included \$601 million in infrastructure and \$5 million in building projects, including a \$4 million multi-building renovation project at the Jackson Barracks in New Orleans.

BTA's buildings increased approximately \$23 million. The Louisiana Community and Technical College System completed construction and/or renovations on six buildings across various campuses, including a \$10 million 50,000 square foot building at the Central Louisiana Technical College's campus in downtown Alexandria.

Refer to Note 5 – "Capital Assets" on page 80 for more details of the changes in capital assets.

# State of Louisiana

## Debt Administration

The State's bonded debt decreased by \$155.4 million, or -1.8%, from the prior year. Presented below is a table comparing outstanding bonds for the current and prior year.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 3,622,885	\$ 3,647,050	\$ --	\$ --	\$ 3,622,885	\$ 3,647,050
Revenue bonds and notes	3,452,598	3,594,503	595,615	596,350	4,048,213	4,190,853
Unamortized discounts & premiums	701,210	686,881	47,240	50,201	748,450	737,082
Total	<u>\$ 7,776,693</u>	<u>\$ 7,928,434</u>	<u>\$ 642,855</u>	<u>\$ 646,551</u>	<u>\$ 8,419,548</u>	<u>\$ 8,574,985</u>

The State's bonded debt decreased by \$151.7 million for governmental activities and \$3.7 million for BTAs. The decrease in the governmental activities was driven by debt payments of \$427.1 million, but was partially offset by the issuance of \$263.2 million in general obligation bonds. In addition, \$98.6 million of general obligation bonds were issued to advance refund an outstanding bonds series (G.O. Bonds series 2010-A) resulting in an economic gain of \$3.8 million.

The State's credit rating of AA- remained the same by Standard & Poor's Ratings Services during fiscal year 2020 with a stable outlook. As of June 30, 2020, Moody's rating remained at Aa3 with a stable outlook. Additional details on long-term debt, including a discussion of debt authorization and limitations are included in Note 8, Long-term Obligations (page 100).

## A LOOK FORWARD

The COVID-19 pandemic is continuing to affect the State's economy. The state received \$1.8 billion in direct state aid from the CARES Act in fiscal year 2020. Portions of these funds were used in the current fiscal year, while the remainder was allocated to fiscal year 2021. Additional state COVID-19 relief funding included in a \$908 billion bipartisan coronavirus stimulus package is currently under negotiations in Congress.

On August 27, 2020, Hurricane Laura made landfall as a strong Category 4 hurricane near Cameron Parish. Hurricane Laura caused major damage in Cameron, Calcasieu, and other parishes from southeast to northern Louisiana. In anticipation of the potential damage to the State, Governor Edwards declared a state of emergency on August 21, 2020. In November, the state received \$40 million in federal Hazard Mitigation Grant Program (HMGP) funding that can be used on projects that potentially save lives and reduce property loss. The State is projected to receive approximately \$130 million in HMGP funding for this disaster.

During the 2019 regular legislative session, the Louisiana Legislature approved a \$690 million road improvement plan which provides funding for 10 projects statewide. This legislation represents the largest investment in roads and bridges since the Transportation Infrastructure Model for Economic Development (TIMED) was approved in 1989. The bill includes \$50 million in funding for two TIMED projects that are unfinished. The projects will be financed mainly by funds received from the British Petroleum (BP) oil settlement. As a result of a settlement reached for the 2010 Deepwater Horizon Gulf oil spill, the State will continue to receive \$53 million per year for 13 more years.

The REC met 3 times during fiscal year 2020 after the start of the COVID-19 pandemic to adjust current and future revenues estimates. A few of the measures taken by REC affecting the State's general fund in fiscal year 2021 are as follows:

- Mineral Revenues (severance and royalties) were reduced by \$436 million for fiscal year 2021, associated with the rapid drop off in oil prices. Oil prices are now forecasted to average \$32.17 for a barrel of oil during fiscal year 2021 (down from \$60.00). Near-term historical declines in oil volumes are projected, with no assumption of material shut-in production.

- Sales Taxes (general and vehicle) were reduced by \$379 million for fiscal year 2021. A slow reopening is assumed through fiscal year 2021.
- Gaming Revenues (especially riverboats, video poker, and racetrack slots) were reduced \$269 million for fiscal year 2021 due to a total shutdown from March 17 through nearly the end of fiscal year 2020. Only a gradual return to 60% of the pre-pandemic baseline projection is assumed during fiscal year 2021 and 90% during fiscal year 2022.
- Motor Fuels Taxes (gasoline and diesel fuel) were reduced by \$52 million for fiscal year 2021 associated with diminished vehicle use.
- Various legislative instruments were passed that reduced total major state tax revenue by some \$20.4 million in fiscal year 2021. Combined with associated changes to dedications of tax receipts, State General Fund receipts were reduced by some \$15.8 million to \$9.16 billion. The vast majority of the reductions come from a tax exemption granted gaming operators on a portion of their promotional play granted to customers and a one-year suspension of a portion of the corporate franchise tax.

## **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 [www.doa.la.gov](http://www.doa.la.gov).



# BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**



# State of Louisiana

## STATEMENT OF NET POSITION

JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL PRIMARY GOVERNMENT	
<b>ASSETS</b>				
CASH & CASH EQUIVALENTS	\$ 5,735,122	\$ 1,159,559	\$ 6,894,681	\$ 1,656,249
INVESTMENTS	3,557,919	118,814	3,676,733	2,428,859
RECEIVABLES (NET)	4,141,454	92,372	4,233,826	2,964,310
AMOUNTS DUE FROM PRIMARY GOVERNMENT	--	--	--	146,045
AMOUNTS DUE FROM COMPONENT UNITS	53,309	--	53,309	--
DUE FROM FEDERAL GOVERNMENT	2,445,913	233,217	2,679,130	101,809
INVENTORIES	86,034	7,681	93,715	13,757
PREPAYMENTS	197,458	1,200	198,658	54,198
INTERNAL BALANCES	(8,610)	8,610	--	--
NOTES RECEIVABLES	--	726,809	726,809	407,607
OTHER ASSETS	14	14,856	14,870	117,356
CAPITAL ASSETS (NOTE 5)				
LAND	2,300,821	62,903	2,363,724	318,412
BUILDING & IMPROVEMENTS (NET)	1,496,415	629,113	2,125,528	4,378,384
MACHINERY & EQUIPMENT (NET)	155,329	46,117	201,446	282,970
INFRASTRUCTURE (NET)	10,053,369	282,109	10,335,478	1,292,892
INTANGIBLE ASSETS (NET)	170,162	4,719	174,881	6,139
CONSTRUCTION IN PROGRESS	1,797,965	20,135	1,818,100	8,670,059
<b>TOTAL ASSETS</b>	<b>32,182,674</b>	<b>3,408,214</b>	<b>35,590,888</b>	<b>22,839,046</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
ACCRUED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE	86,868	--	86,868	--
DEFERRED AMOUNTS ON DEBT REFUNDING	216,208	--	216,208	55,998
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	449,172	32,295	481,467	500,336
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	1,150,903	114,292	1,265,195	816,460
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,903,151</b>	<b>146,587</b>	<b>2,049,738</b>	<b>1,372,794</b>
<b>LIABILITIES</b>				
ACCOUNTS PAYABLE	2,269,977	46,891	2,316,868	305,934
ACCRUED INTEREST	72,324	1,926	74,250	22,402
DERIVATIVE INSTRUMENTS	86,868	--	86,868	--
AMOUNTS DUE TO PRIMARY GOVERNMENT	--	--	--	53,309
AMOUNTS DUE TO COMPONENT UNITS	146,045	--	146,045	--
DUE TO FEDERAL GOVERNMENT	690,962	1,198	692,160	10,261
DUE TO LOCAL GOVERNMENTS	955,780	--	955,780	--
UNEARNED REVENUES	1,625,581	19,368	1,644,949	1,685,709
TAX REFUNDS PAYABLE	504,089	--	504,089	--
UNCLAIMED PROPERTY LIABILITY	213,658	--	213,658	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	40,162	3,020	43,182	46,009
OTHER LIABILITIES	1	234,685	234,686	69,559
CURRENT PORTION OF LONG-TERM LIABILITIES (NOTE 8):				
CONTRACTS PAYABLE	7,300	--	7,300	2,463
COMPENSATED ABSENCES PAYABLE	15,671	1,494	17,165	18,138
CAPITAL LEASE OBLIGATIONS	--	120	120	6,013
NOTES PAYABLE	7,427	177	7,604	6,990
BONDS PAYABLE	440,001	19,303	459,304	222,553
OPEB LIABILITY	195,018	10,635	205,653	111,031
POLLUTION REMEDIATION OBLIGATIONS	6,319	--	6,319	--
ESTIMATED LIABILITY FOR CLAIMS	305,998	--	305,998	16,049
OTHER LONG-TERM LIABILITIES	5,059	4,369	9,428	85,442
NONCURRENT PORTION OF LONG-TERM LIABILITIES (NOTE 8):				
COMPENSATED ABSENCES PAYABLE	192,789	23,150	215,939	159,336
CAPITAL LEASE OBLIGATIONS	--	2,109	2,109	346,348
NOTES PAYABLE	23,235	1,058	24,293	103,083
BONDS PAYABLE	7,336,692	623,552	7,960,244	2,511,183
OPEB LIABILITY	5,270,911	304,212	5,575,123	3,205,987
NET PENSION LIABILITY	6,162,663	451,467	6,614,130	3,389,779
POLLUTION REMEDIATION OBLIGATIONS	13,774	--	13,774	--
ESTIMATED LIABILITY FOR CLAIMS	1,879,298	--	1,879,298	2,657
ESTIMATED LIABILITY FOR CONSTRUCTION CONTRACTS	1,659,630	--	1,659,630	--
OTHER LONG-TERM LIABILITIES	117,768	--	117,768	85,467
<b>TOTAL LIABILITIES</b>	<b>30,245,000</b>	<b>1,748,734</b>	<b>31,993,734</b>	<b>12,465,702</b>

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

# State of Louisiana

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL PRIMARY GOVERNMENT	
DEFERRED INFLOWS OF RESOURCES				
DEFERRED AMOUNTS ON DEBT REFUNDING	--	5,771	5,771	193
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	619	--	619	4,420
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	1,042,441	65,427	1,107,868	515,306
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	114,578	50,258	164,836	229,835
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,157,638</b>	<b>121,456</b>	<b>1,279,094</b>	<b>749,754</b>
NET POSITION				
NET INVESTMENT IN CAPITAL ASSETS	12,549,039	424,397	12,973,436	12,909,163
RESTRICTED FOR:				
EXPENDABLE:				
ADMINISTRATION & REGULATORY OVERSIGHT	61,114	--	61,114	--
AGRICULTURE & FORESTRY PROGRAMS	760	--	760	--
BUDGET STABILIZATION	568,237	--	568,237	--
CAPITAL PROJECTS	620,190	9	620,199	54,263
CONSERVATION & ENVIRONMENT PROGRAMS:				
ARTIFICIAL REEF DEVELOPMENT	16,581	--	16,581	--
COASTAL PROTECTION & RESTORATION	451,567	--	451,567	--
OILFIELD SITE RESTORATION	36,608	--	36,608	--
WILDLIFE & FISHERIES CONSERVATION	106,134	--	106,134	--
OTHER CONSERVATION & ENVIRONMENT PROGRAMS	7,756	--	7,756	--
CORRECTIONS PROGRAMS	123	--	123	--
CULTURE, RECREATION, & TOURISM PROGRAMS	4,983	--	4,983	--
DEBT SERVICE	205,605	--	205,605	249,270
EDUCATION PROGRAMS:				
MINIMUM FOUNDATION PROGRAM	172,007	--	172,007	--
HIGHER EDUCATION	--	194,205	194,205	--
OTHER EDUCATION PROGRAMS	349,026	--	349,026	--
ELECTIONS & VOTER AWARENESS	12,787	--	12,787	--
ENDOWMENTS - EXPENDABLE	--	2,771	2,771	1,039,649
HEALTH & WELFARE PROGRAMS:				
STATE MEDICAID MATCH	62,439	--	62,439	--
OTHER HEALTH & WELFARE PROGRAMS	308,008	--	308,008	--
MILITARY & VETERANS AFFAIRS PROGRAMS	24,094	--	24,094	--
OTHER PURPOSES	--	5,126	5,126	354,863
TRANSPORTATION & DEVELOPMENT PROGRAMS	2,522	--	2,522	--
UNEMPLOYMENT COMPENSATION	461	572,425	572,886	--
WORKFORCE SUPPORT & TRAINING PROGRAMS	3,342	--	3,342	--
YOUTH PROGRAMS	712	--	712	--
NONEXPENDABLE:				
CULTURE, RECREATION, & TOURISM PROGRAMS	100	--	100	--
EDUCATION PROGRAMS	2,279,577	--	2,279,577	--
ENDOWMENTS	--	9,096	9,096	785,983
HEALTH & WELFARE PROGRAMS	467,174	--	467,174	--
UNRESTRICTED	(15,627,759)	476,582	(15,151,177)	(4,396,807)
<b>TOTAL NET POSITION</b>	<b>\$ 2,683,187</b>	<b>\$ 1,684,611</b>	<b>\$ 4,367,798</b>	<b>\$ 10,996,384</b>

# State of Louisiana

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			COMPONENT UNITS
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	PRIMARY GOVERNMENT				
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL		
PRIMARY GOVERNMENT:									
GOVERNMENTAL ACTIVITIES:									
GENERAL GOVERNMENT	\$ 2,314,015	\$ 1,288,419	\$ 507,943	\$ 4,289	\$ (513,364)		\$ (513,364)		
CULTURE, RECREATION & TOURISM	116,014	13,018	15,902	--	(87,094)		(87,094)		
TRANSPORTATION & DEVELOPMENT	1,415,047	183,311	209,976	581,905	(439,855)		(439,855)		
PUBLIC SAFETY	2,008,320	309,491	1,242,700	--	(456,129)		(456,129)		
HEALTH & WELFARE	16,194,195	556,953	12,904,129	--	(2,733,113)		(2,733,113)		
CORRECTIONS	707,416	36,138	40,477	--	(630,801)		(630,801)		
YOUTH DEVELOPMENT	112,321	69	570	--	(111,682)		(111,682)		
CONSERVATION & ENVIRONMENT	565,621	192,356	542,500	--	169,235		169,235		
EDUCATION	6,610,669	7,365	1,352,438	--	(5,250,866)		(5,250,866)		
AGRICULTURE & FORESTRY	140,607	21,702	87,337	--	(31,568)		(31,568)		
ECONOMIC DEVELOPMENT	233,454	3,321	13,794	--	(216,339)		(216,339)		
MILITARY & VETERANS AFFAIRS	209,300	14,247	111,278	--	(83,775)		(83,775)		
WORKFORCE SUPPORT & TRAINING	235,317	83,039	142,485	--	(9,793)		(9,793)		
INTEREST ON LONG-TERM DEBT	284,761	--	--	--	(284,761)		(284,761)		
TOTAL GOVERNMENTAL ACTIVITIES	<u>31,147,057</u>	<u>2,709,429</u>	<u>17,171,529</u>	<u>586,194</u>	<u>(10,679,905)</u>		<u>(10,679,905)</u>		
BUSINESS-TYPE ACTIVITIES:									
HIGHER EDUCATION	515,007	172,574	197,445	8,154		\$ (136,834)	(136,834)		
LENDING & FINANCING ACTIVITIES	32,557	21,522	10,682	30,708		30,355	30,355		
PROPERTY ASSISTANCE	8,116	8,592	--	--		476	476		
PRISON ENTERPRISES	26,866	26,687	--	3		(176)	(176)		
REGULATION & OVERSIGHT	50,099	50,902	116	--		919	919		
UNEMPLOYMENT INSURANCE	4,078,459	199,073	3,331,812	--		(547,574)	(547,574)		
TOTAL BUSINESS-TYPE ACTIVITIES	<u>4,711,104</u>	<u>479,350</u>	<u>3,540,055</u>	<u>38,865</u>		<u>(652,834)</u>	<u>(652,834)</u>		
TOTAL PRIMARY GOVERNMENT	<u>\$ 35,858,161</u>	<u>\$ 3,188,779</u>	<u>\$ 20,711,584</u>	<u>\$ 625,059</u>	<u>(10,679,905)</u>	<u>(652,834)</u>	<u>(11,332,739)</u>		
TOTAL DISCRETELY PRESENTED COMPONENT UNITS									
	<u>\$ 6,187,965</u>	<u>\$ 2,704,355</u>	<u>\$ 1,442,961</u>	<u>\$ 105,262</u>					<u>\$ (1,935,387)</u>
GENERAL REVENUES:									
CORPORATE INCOME TAXES					473,836		473,836		
INDIVIDUAL INCOME TAXES					3,689,687		3,689,687		
SALES & USE TAXES					3,729,536		3,729,536		
SEVERANCE TAXES					426,434		426,434		
TOBACCO TAXES					277,694		277,694		
FRANCHISE TAXES					148,317		148,317		
GAS & FUELS TAXES, restricted for transportation					586,273		586,273		
INSURANCE PREMIUM TAXES					956,281		956,281		
ALCOHOL TAXES					77,523		77,523		
OCCUPANCY TAXES					52,874		52,874		
OTHER TAXES					63,622		63,622		
UNCLAIMED PROPERTY					2,441		2,441		
GAMING					777,718		777,718		
USE OF MONEY & PROPERTY					554,069	(162)	553,907		
UNRESTRICTED PAYMENTS FROM PRIMARY GOVERNMENT					--	--	--	1,389,421	
OTHER GENERAL REVENUES					--	--	--	2,464,111	
ADDITIONS TO PERMANENT ENDOWMENTS					--	--	--	18,016	
TRANSFERS					(172,666)	172,666	--	--	
TOTAL GENERAL REVENUES, ADDITIONS TO PERMANENT ENDOWMENTS, AND TRANSFERS					<u>11,643,639</u>	<u>172,504</u>	<u>11,816,143</u>	<u>3,871,548</u>	
CHANGE IN NET POSITION					963,734	(480,330)	483,404	1,936,161	
NET POSITION - BEGINNING AS RESTATED					<u>1,719,453</u>	<u>2,164,941</u>	<u>3,884,394</u>	<u>9,060,223</u>	
NET POSITION - ENDING					<u>\$ 2,683,187</u>	<u>\$ 1,684,611</u>	<u>\$ 4,367,798</u>	<u>\$ 10,996,384</u>	

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

**GOVERNMENTAL FUND  
FINANCIAL STATEMENTS**

# GOVERNMENTAL FUND FINANCIAL STATEMENTS

## Major Funds

### GENERAL FUND

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

### BOND SECURITY AND REDEMPTION FUND

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

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

### LOUISIANA EDUCATION QUALITY TRUST FUND

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

### CAPITAL OUTLAY ESCROW FUND

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

# State of Louisiana

## BALANCE SHEET

### GOVERNMENTAL FUNDS

**JUNE 30, 2020**

(EXPRESSED IN THOUSANDS)

	GENERAL FUND	BOND SECURITY & REDEMPTION FUND	CAPITAL OUTLAY ESCROW FUND	LOUISIANA EDUCATION QUALITY TRUST FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS:</b>						
CASH & CASH EQUIVALENTS	\$ 4,154,623	\$ 252,029	\$ 690,566	\$ --	\$ 619,928	\$ 5,717,146
INVESTMENTS	280,915	--	2,209	1,520,376	1,698,598	3,502,098
RECEIVABLES (NET)	732,969	2,200,911	863	36	19,939	2,954,718
DUE FROM OTHER FUNDS	1,710,849	363,241	357,999	--	91,450	2,523,539
AMOUNTS DUE FROM COMPONENT UNITS	33,567	19,742	--	--	--	53,309
DUE FROM FEDERAL GOVERNMENT	2,276,696	--	1,694	--	80,327	2,358,717
INVENTORIES	79,418	--	--	--	--	79,418
PREPAYMENTS	187,432	--	--	--	--	187,432
OTHER ASSETS	14	--	--	--	--	14
<b>TOTAL ASSETS</b>	<b>\$ 9,456,483</b>	<b>\$ 2,835,923</b>	<b>\$ 1,053,331</b>	<b>\$ 1,520,412</b>	<b>\$ 2,510,242</b>	<b>\$ 17,376,391</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
ACCOUNTS PAYABLE	\$ 1,876,827	\$ 173	\$ 222,065	\$ 2,302	\$ 6,145	\$ 2,107,512
TAX REFUNDS PAYABLE	--	504,089	--	--	--	504,089
UNCLAIMED PROPERTY LIABILITY	213,658	--	--	--	--	213,658
DUE TO OTHER FUNDS	633,723	1,626,680	93,654	6,462	146,625	2,507,144
AMOUNTS DUE TO COMPONENT UNITS	140,061	--	587	5,388	9	146,045
DUE TO FEDERAL GOVERNMENT	685,114	--	--	--	--	685,114
DUE TO LOCAL GOVERNMENTS	945,641	7	3,194	--	6,938	955,780
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	40,085	--	77	40,162
UNEARNED REVENUES	1,589,870	35,653	--	--	--	1,625,523
ESTIMATED LIABILITY FOR CLAIMS	79,504	--	--	--	--	79,504
OTHER LIABILITIES	1	--	--	--	--	1
<b>TOTAL LIABILITIES</b>	<b>6,164,399</b>	<b>2,166,602</b>	<b>359,585</b>	<b>14,152</b>	<b>159,794</b>	<b>8,864,532</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
UNAVAILABLE REVENUE	--	669,321	--	--	262	669,583
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	619	--	--	--	--	619
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>619</b>	<b>669,321</b>	<b>--</b>	<b>--</b>	<b>262</b>	<b>670,202</b>
<b>FUND BALANCES:</b>						
NONSPENDABLE	110,226	--	--	1,348,596	1,398,255	2,857,077
RESTRICTED	1,855,350	--	2,209	157,664	910,198	2,925,421
COMMITTED	1,378,232	--	691,537	--	46,814	2,116,583
UNASSIGNED	(52,343)	--	--	--	(5,081)	(57,424)
<b>TOTAL FUND BALANCES</b>	<b>3,291,465</b>	<b>--</b>	<b>693,746</b>	<b>1,506,260</b>	<b>2,350,186</b>	<b>7,841,657</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 9,456,483</b>	<b>\$ 2,835,923</b>	<b>\$ 1,053,331</b>	<b>\$ 1,520,412</b>	<b>\$ 2,510,242</b>	<b>\$ 17,376,391</b>

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

# State of Louisiana

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

(Expressed in Thousands)

**Total Fund Balances - Governmental Funds** \$ 7,841,657

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

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

Land	\$ 2,300,520	
Buildings and Improvements	2,690,948	
Machinery and Equipment	874,005	
Infrastructure	28,480,682	
Intangible Assets	302,695	
Construction in Progress	1,797,965	
Accumulated Depreciation and Amortization	<u>(20,506,945)</u>	15,939,870

Net position of the internal service funds is reported separately in the proprietary funds, but is included in governmental activities in the government-wide statements. (227,086)

The difference between the net carrying amount of refunded debt and the cost of refunding are deferred and amortized in the statement of net position, however these amounts are not reported at the fund level. 216,208

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

Compensated Absences	(201,058)	
Bonds Payable	(7,776,693)	
Total OPEB Liability	(5,917,063)	
Net Pension Liability	(4,951,032)	
Pollution Remediation Obligations	(20,093)	
Estimated Liabilities for Claims	(2,105,792)	
Estimated Liability for Construction Contracts	(1,659,630)	
Accrued Interest Payable	(72,324)	
Accounts Payable	(100,003)	
Due to Federal Government	(5,848)	
Other Liabilities	<u>(122,827)</u>	(22,932,363)

Some of the State's revenues are not available to pay for the current period's expenditures and are not reported in the funds. 1,844,901

**Net Position of Governmental Activities** \$ 2,683,187

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, 2020

(EXPRESSED IN THOUSANDS)

	GENERAL FUND	BOND SECURITY & REDEMPTION FUND	CAPITAL OUTLAY ESCROW FUND	LOUISIANA EDUCATION QUALITY TRUST FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>						
INTERGOVERNMENTAL REVENUES	\$ 15,961,789	\$ 652,660	\$ 110,197	\$ --	\$ 734,685	\$ 17,459,331
TAXES	96	10,259,104	--	--	161,495	10,420,695
TOBACCO SETTLEMENT	--	57,552	--	--	86,328	143,880
GAMING	--	777,718	--	--	--	777,718
USE OF MONEY & PROPERTY	12,239	539,940	795	--	5,462	558,436
LICENSES, PERMITS & FEES	24,265	1,308,917	2,723	--	91,262	1,427,167
SALES OF COMMODITIES & SERVICES	5,601	1,014,736	--	--	--	1,020,337
UNCLAIMED PROPERTY	--	2,440	--	--	--	2,440
OTHER SETTLEMENTS	--	53,333	--	--	--	53,333
GIFTS, DONATIONS, AND CONTRIBUTIONS	127,934	59,593	2,974	--	--	190,501
OTHER	70,160	50,495	3,014	949	9	124,627
<b>TOTAL REVENUES</b>	<b>16,202,084</b>	<b>14,776,488</b>	<b>119,703</b>	<b>949</b>	<b>1,079,241</b>	<b>32,178,465</b>
<b>EXPENDITURES:</b>						
<b>CURRENT:</b>						
GENERAL GOVERNMENT	1,806,541	187	--	--	129	1,806,857
CULTURE, RECREATION & TOURISM	81,240	--	--	--	1,504	82,744
TRANSPORTATION & DEVELOPMENT	519,531	--	--	--	--	519,531
PUBLIC SAFETY	1,324,963	--	--	--	--	1,324,963
HEALTH & WELFARE	16,163,931	--	--	--	--	16,163,931
CORRECTIONS	623,714	--	--	--	--	623,714
YOUTH DEVELOPMENT	101,921	--	--	--	--	101,921
CONSERVATION & ENVIRONMENT	341,190	--	--	--	--	341,190
EDUCATION	845,722	--	--	--	280	846,002
AGRICULTURE & FORESTRY	149,884	--	--	--	1	149,885
ECONOMIC DEVELOPMENT	88,788	--	--	--	--	88,788
MILITARY & VETERANS AFFAIRS	152,883	--	--	--	--	152,883
WORKFORCE SUPPORT & TRAINING	208,241	--	--	--	--	208,241
<b>INTERGOVERNMENTAL:</b>						
GENERAL GOVERNMENT	255,364	7	--	--	73,112	328,483
CULTURE, RECREATION & TOURISM	17,363	--	--	--	--	17,363
TRANSPORTATION & DEVELOPMENT	64,325	--	--	--	6,470	70,795
PUBLIC SAFETY	635,183	--	--	--	--	635,183
HEALTH & WELFARE	165,187	--	--	--	--	165,187
CORRECTIONS	61,444	--	--	--	--	61,444
YOUTH DEVELOPMENT	2,897	--	--	--	--	2,897
CONSERVATION & ENVIRONMENT	1,312	--	--	--	--	1,312
EDUCATION	5,552,500	--	--	19,190	58,420	5,630,110
AGRICULTURE & FORESTRY	4,220	--	--	--	--	4,220
ECONOMIC DEVELOPMENT	140,076	--	--	--	--	140,076
MILITARY & VETERANS AFFAIRS	77	--	--	--	--	77
WORKFORCE SUPPORT & TRAINING	43,819	--	--	--	--	43,819
CAPITAL OUTLAY	111,754	--	1,408,274	--	89	1,520,117
<b>DEBT SERVICE:</b>						
PRINCIPAL	41,845	285,220	--	--	100,060	427,125
INTEREST	23,450	160,784	--	--	143,451	327,685
ISSUANCE COSTS & OTHER CHARGES	2,850	968	--	--	11,155	14,973
<b>TOTAL EXPENDITURES</b>	<b>29,532,215</b>	<b>447,166</b>	<b>1,408,274</b>	<b>19,190</b>	<b>394,671</b>	<b>31,801,516</b>
<b>EXCESS(DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES</b>	<b>(13,330,131)</b>	<b>14,329,322</b>	<b>(1,288,571)</b>	<b>(18,241)</b>	<b>684,570</b>	<b>376,949</b>
<b>OTHER FINANCING SOURCES(USES)</b>						
TRANSFERS IN	14,294,606	32,823	1,173,162	59,061	724,899	16,284,551
TRANSFERS OUT	(561,503)	(14,373,153)	(5,822)	(22,756)	(1,487,983)	(16,451,217)
LONG-TERM DEBT ISSUED	--	--	263,165	--	--	263,165
PREMIUM ON LONG-TERM DEBT ISSUED	--	853	76,459	--	--	77,312
REFUNDING BONDS ISSUED	--	98,620	--	--	--	98,620
PREMIUM ON REFUNDING BONDS ISSUED	--	4,528	--	--	--	4,528
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	(103,141)	--	--	--	(103,141)
SALES OF GENERAL CAPITAL ASSETS	22	687	--	--	1	710
INSURANCE RECOVERIES	8	9,461	--	--	--	9,469
<b>TOTAL OTHER FINANCING SOURCES(USES)</b>	<b>13,733,133</b>	<b>(14,329,322)</b>	<b>1,506,964</b>	<b>36,305</b>	<b>(763,083)</b>	<b>183,997</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>403,002</b>	<b>--</b>	<b>218,393</b>	<b>18,064</b>	<b>(78,513)</b>	<b>560,946</b>
<b>FUND BALANCES AT BEGINNING OF YEAR AS RESTATED</b>	<b>2,888,463</b>	<b>--</b>	<b>475,353</b>	<b>1,488,196</b>	<b>2,428,699</b>	<b>7,280,711</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 3,291,465</b>	<b>\$ --</b>	<b>\$ 693,746</b>	<b>\$ 1,506,260</b>	<b>\$ 2,350,186</b>	<b>\$ 7,841,657</b>

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

# State of Louisiana

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

(Expressed in Thousands)

**Net Change in Fund Balances - Total Governmental Funds** \$ 560,946

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

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

Capital Outlay	\$ 878,034	
Depreciation/Amortization Expense	<u>(664,352)</u>	213,682

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 56,638

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

Bond Proceeds and Premiums Received	(443,626)	
Repayment of Bond Principal	427,125	
Payment to Refunded Bond Escrow Agent	103,141	
Amortization of Bond Premiums	61,717	
Amortization of Deferred Refunding Costs	<u>(22,578)</u>	125,779

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. (176)

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

Compensated Absences	(8,656)	
Notes Payable	158	
Accrued Interest	(1,191)	
Estimated Liabilities for Claims	(27,926)	
Total OPEB Liability	151,761	
Net Pension Liability	(130,791)	
Pollution Remediation Obligations	(1,438)	
Estimated Liability for Construction Contracts	(16,993)	
Other Liabilities	4,976	
Other Payables	<u>36,965</u>	<u>6,865</u>

**Change in Net Position of Governmental Activities** \$ 963,734

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

PROPRIETARY FUND  
FINANCIAL STATEMENTS

# PROPRIETARY FUND FINANCIAL STATEMENTS

## Major Funds

### UNEMPLOYMENT TRUST FUND

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

### LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM

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

# State of Louisiana

## STATEMENT OF NET POSITION

### PROPRIETARY FUNDS

JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	UNEMPLOYMENT TRUST FUND	LOUISIANA COMMUNITY & TECHNICAL COLLEGES SYSTEM	NONMAJOR ENTERPRISE FUNDS	TOTAL	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
CASH & CASH EQUIVALENTS	\$ 550,173	\$ 162,205	\$ 401,017	\$ 1,113,395	\$ 17,976
INVESTMENTS	--	--	21,541	21,541	18,828
RESTRICTED INVESTMENTS	--	--	--	--	16,264
RECEIVABLES (NET)	55,002	24,297	9,525	88,824	98,614
DUE FROM OTHER FUNDS	--	18,318	693	19,011	--
DUE FROM FEDERAL GOVERNMENT	213,996	19,221	--	233,217	--
INVENTORIES	--	10	7,671	7,681	6,616
PREPAYMENTS	--	343	857	1,200	10,026
NOTES RECEIVABLE	--	--	53,211	53,211	--
OTHER CURRENT ASSETS	--	13	3	16	--
TOTAL CURRENT ASSETS	819,171	224,407	494,518	1,538,096	168,324
<b>NON-CURRENT ASSETS:</b>					
<b>RESTRICTED ASSETS</b>					
CASH	--	41,374	4,790	46,164	--
INVESTMENTS	--	96,121	134	96,255	2,406
RECEIVABLES	--	2,934	414	3,348	--
OTHER ASSETS	--	586	--	586	--
INVESTMENTS	--	--	1,018	1,018	18,323
NOTES RECEIVABLE	--	--	673,598	673,598	--
LEASES RECEIVABLE	--	--	200	200	--
<b>CAPITAL ASSETS (NOTE 5)</b>					
LAND	--	53,315	9,588	62,903	301
BUILDING & IMPROVEMENTS (NET)	--	594,413	34,700	629,113	--
MACHINERY & EQUIPMENT (NET)	--	37,758	8,359	46,117	33,890
INFRASTRUCTURE (NET)	--	--	282,109	282,109	--
INTANGIBLE ASSETS (NET)	--	4,541	178	4,719	--
CONSTRUCTION IN PROGRESS	--	19,471	664	20,135	--
OTHER NONCURRENT ASSETS	--	13,731	523	14,254	--
TOTAL NON-CURRENT ASSETS	--	864,244	1,016,275	1,880,519	54,920
TOTAL ASSETS	819,171	1,088,651	1,510,793	3,418,615	223,244
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	--	27,802	4,493	32,295	11,790
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	--	100,995	13,297	114,292	38,594
TOTAL DEFERRED OUTFLOWS OF RESOURCES	--	128,797	17,790	146,587	50,384
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES:</b>					
ACCOUNTS PAYABLE	--	39,319	7,572	46,891	62,462
ACCRUED INTEREST	--	--	1,926	1,926	--
DUE TO OTHER FUNDS	9,772	56	573	10,401	25,005
DUE TO FEDERAL GOVERNMENT	1,184	14	--	1,198	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	1,702	1,255	63	3,020	--
UNEARNED REVENUES	--	11,329	8,039	19,368	58
OTHER CURRENT LIABILITIES	234,088	1	596	234,685	--
<b>CURRENT PORTION OF LONG-TERM LIABILITIES:</b>					
CONTRACTS PAYABLE	--	--	--	--	7,300
COMPENSATED ABSENCES PAYABLE	--	1,158	336	1,494	466
CAPITAL LEASE OBLIGATIONS	--	97	23	120	--
NOTES PAYABLE	--	--	177	177	7,427
BONDS PAYABLE	--	16,535	2,768	19,303	--
OPEB LIABILITY	--	9,385	1,250	10,635	2,758
OTHER LONG-TERM LIABILITIES	--	4,369	--	4,369	--
TOTAL CURRENT LIABILITIES	246,746	83,518	23,323	353,587	105,476
<b>NONCURRENT LIABILITIES</b>					
<b>NONCURRENT PORTION OF LONG-TERM LIABILITIES:</b>					
COMPENSATED ABSENCES PAYABLE	--	21,397	1,753	23,150	6,936
CAPITAL LEASE OBLIGATIONS	--	2,095	14	2,109	--
NOTES PAYABLE	--	--	1,058	1,058	23,235
BONDS PAYABLE	--	460,513	163,039	623,552	--
OPEB LIABILITY	--	265,187	39,025	304,212	124,778
NET PENSION LIABILITY	--	382,161	69,306	451,467	212,539
TOTAL NON-CURRENT LIABILITIES	--	1,131,353	274,195	1,405,548	367,488
TOTAL LIABILITIES	246,746	1,214,871	297,518	1,759,135	472,964
<b>DEFERRED INFLOWS OF RESOURCES</b>					
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	5,771	5,771	--
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	--	57,277	8,150	65,427	26,389
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	--	48,097	2,161	50,258	1,361
TOTAL DEFERRED INFLOWS OF RESOURCES	--	105,374	16,082	121,456	27,750
<b>NET POSITION</b>					
NET INVESTMENT IN CAPITAL ASSETS	--	260,377	164,020	424,397	34,191
RESTRICTED FOR CAPITAL PROJECTS	--	--	9	9	--
RESTRICTED FOR HIGHER EDUCATION	--	194,205	--	194,205	--
RESTRICTED FOR UNEMPLOYMENT COMPENSATION	572,425	--	--	572,425	--
RESTRICTED FOR ENDOWMENTS - EXPENDABLE	--	2,771	--	2,771	--
RESTRICTED FOR ENDOWMENTS - NONEXPENDABLE	--	9,096	--	9,096	--
RESTRICTED FOR DEBT SERVICE	--	--	--	--	18,670
RESTRICTED FOR OTHER PURPOSES	--	--	5,126	5,126	--
UNRESTRICTED	--	(569,246)	1,045,828	476,582	(279,947)
TOTAL NET POSITION	\$ 572,425	\$ (102,797)	\$ 1,214,983	\$ 1,684,611	\$ (227,086)

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

# State of Louisiana

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

### PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	UNEMPLOYMENT TRUST FUND	LOUISIANA COMMUNITY & TECHNICAL COLLEGES SYSTEM	NONMAJOR ENTERPRISE FUNDS	TOTAL	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
<b>OPERATING REVENUES:</b>					
SALES OF COMMODITIES & SERVICES	\$ --	\$ 119,893	\$ 35,442	\$ 155,335	\$ 445,468
ASSESSMENTS	174,719	--	3,503	178,222	--
USE OF MONEY & PROPERTY	24,354	--	13,089	37,443	32,012
LICENSES, PERMITS & FEES	--	--	42,798	42,798	4,618
FEDERAL GRANTS & CONTRACTS	3,331,812	53,582	983	3,386,377	--
OTHER	--	21,040	8,149	29,189	258
TOTAL OPERATING REVENUES	<u>3,530,885</u>	<u>194,515</u>	<u>103,964</u>	<u>3,829,364</u>	<u>482,356</u>
<b>OPERATING EXPENSES:</b>					
COST OF SALES & SERVICES	--	331,166	38,755	369,921	42,328
ADMINISTRATIVE	--	132,817	46,573	179,390	423,273
DEPRECIATION	--	28,463	13,303	41,766	11,928
AMORTIZATION	--	2,176	163	2,339	--
UNEMPLOYMENT INSURANCE BENEFITS	4,078,459	--	--	4,078,459	--
TOTAL OPERATING EXPENSES	<u>4,078,459</u>	<u>494,622</u>	<u>98,794</u>	<u>4,671,875</u>	<u>477,529</u>
OPERATING INCOME (LOSS)	<u>(547,574)</u>	<u>(300,107)</u>	<u>5,170</u>	<u>(842,511)</u>	<u>4,827</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
INTERGOVERNMENTAL REVENUES	--	--	29	29	--
INTERGOVERNMENTAL EXPENSES	--	--	(1,205)	(1,205)	--
GAIN ON SALE OF CAPITAL ASSETS	--	--	252	252	--
LOSS ON SALE OF CAPITAL ASSETS	--	--	(698)	(698)	--
FEDERAL GRANTS	--	143,863	9,786	153,649	--
INTEREST EXPENSE	--	(14,442)	(4,669)	(19,111)	(254)
OTHER REVENUES	--	31,640	4,309	35,949	1,285
OTHER EXPENSES	--	(5,943)	(12,272)	(18,215)	(34)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>--</u>	<u>155,118</u>	<u>(4,468)</u>	<u>150,650</u>	<u>997</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(547,574)</u>	<u>(144,989)</u>	<u>702</u>	<u>(691,861)</u>	<u>5,824</u>
CAPITAL CONTRIBUTIONS	--	8,154	30,711	38,865	--
TRANSFERS IN	--	193,650	9,318	202,968	--
TRANSFERS OUT	--	(1,759)	(28,543)	(30,302)	(6,000)
CHANGE IN NET POSITION	<u>(547,574)</u>	<u>55,056</u>	<u>12,188</u>	<u>(480,330)</u>	<u>(176)</u>
TOTAL NET POSITION - BEGINNING AS RESTATED	<u>1,119,999</u>	<u>(157,853)</u>	<u>1,202,795</u>	<u>2,164,941</u>	<u>(226,910)</u>
TOTAL NET POSITION - ENDING	<u>\$ 572,425</u>	<u>\$ (102,797)</u>	<u>\$ 1,214,983</u>	<u>\$ 1,684,611</u>	<u>\$ (227,086)</u>

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

# State of Louisiana

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

#### BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

	UNEMPLOYMENT TRUST FUND	LOUISIANA COMMUNITY & TECHNICAL COLLEGES SYSTEM	NONMAJOR ENTERPRISE FUNDS	TOTAL	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
RECEIPTS FROM CUSTOMERS	\$ 3,310,140	\$ 121,184	\$ 85,814	\$ 3,517,138	\$ 37,615
RECEIPTS FROM INTERFUND SERVICES PROVIDED	--	--	2,234	2,234	426,478
RECEIPTS FROM INTERFUND REIMBURSEMENTS	--	--	107	107	--
RECEIPTS OF PRINCIPAL/INTEREST FROM LOAN PROGRAMS	--	--	51,632	51,632	--
OTHER OPERATING RECEIPTS	33,664	76,730	5,313	115,707	162
PAYMENTS TO SUPPLIERS & SERVICE PROVIDERS	(3,869,801)	(112,110)	(45,684)	(4,027,595)	(322,867)
PAYMENTS FOR LOANS MADE UNDER LOAN PROGRAMS	--	--	(83,845)	(83,845)	--
PAYMENTS TO EMPLOYEES FOR SERVICES	--	(292,575)	(33,892)	(326,467)	(104,678)
PAYMENTS FOR INTERFUND SERVICES USED	--	--	(1,449)	(1,449)	(21,752)
PAYMENTS FOR SCHOLARSHIPS AND FELLOWSHIPS	--	(81,375)	--	(81,375)	--
OTHER OPERATING PAYMENTS	--	--	(136)	(136)	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(525,997)	(288,146)	(19,906)	(834,049)	14,958
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
PROCEEDS FROM THE ISSUANCE OF NON-CAPITAL DEBT	--	--	3,200	3,200	--
RECEIPTS FROM OPERATING GRANTS	--	146,637	9,525	156,162	--
RECEIPTS FOR PRINCIPAL AND INTEREST DEBT SERVICE	--	--	20,688	20,688	--
RECEIPTS FROM OTHER FUNDS	--	329,538	12,877	342,415	260
PAYMENTS FOR PRINCIPAL ON NON-CAPITAL DEBT	--	--	(3,200)	(3,200)	--
PAYMENTS FOR INTEREST ON NON-CAPITAL DEBT	--	--	(120)	(120)	--
PAYMENTS FOR GRANTS AND SUBSIDIES	--	--	(9,543)	(9,543)	--
PAYMENTS TO OTHER FUNDS	--	(172,036)	(31,594)	(203,630)	--
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	--	304,139	1,833	305,972	260
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
PROCEEDS FROM THE ISSUANCE OF CAPITAL DEBT	--	57,429	--	57,429	--
RECEIPTS FROM CAPITAL GRANTS	--	40,990	30,708	71,698	--
PROCEEDS FROM THE SALE OF CAPITAL ASSETS	--	--	1,564	1,564	--
PAYMENTS TO ACQUIRE, CONSTRUCT & IMPROVE CAPITAL ASSETS	--	(86,312)	(2,427)	(88,739)	(36)
PAYMENTS FOR PRINCIPAL ON CAPITAL DEBT	--	(17,175)	(2,788)	(19,963)	--
PAYMENTS FOR INTEREST ON CAPITAL DEBT	--	(22,594)	(5,202)	(27,796)	--
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	--	(27,662)	21,855	(5,807)	(36)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
PURCHASES OF INVESTMENTS	--	(20,730)	(23,408)	(44,138)	(15,692)
PROCEEDS FROM THE SALE OF INVESTMENTS	--	21,480	23,166	44,646	6,060
INTEREST AND DIVIDENDS	--	4,466	769	5,235	1,275
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	--	5,216	527	5,743	(8,357)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(525,997)	(6,453)	4,309	(528,141)	6,825
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR AS RESTATED	1,076,170	210,032	401,498	1,687,700	11,151
CASH & CASH EQUIVALENTS AT END OF YEAR	\$ 550,173	\$ 203,579	\$ 405,807	\$ 1,159,559	\$ 17,976
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
OPERATING INCOME (LOSS)	\$ (547,574)	\$ (300,107)	\$ 5,170	\$ (842,511)	\$ 4,827
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
DEPRECIATION/AMORTIZATION	--	30,639	13,466	44,105	11,928
NONEMPLOYER CONTRIBUTING ENTITY REVENUE	--	1,268	1	1,269	--
OTHER	--	2,200	(1,397)	803	(1,953)
<b>CHANGES IN ASSETS AND LIABILITIES:</b>					
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	10,120	3,716	(995)	12,841	(17,421)
(INCREASE)/DECREASE IN DUE FROM OTHER FUNDS	(213,973)	(15)	394	(213,594)	195
(INCREASE)/DECREASE IN PREPAYMENTS	--	335	(248)	87	(3,672)
(INCREASE)/DECREASE IN INVENTORIES	--	(3)	(776)	(779)	(1,283)
(INCREASE)/DECREASE IN OTHER ASSETS	--	14	(39,431)	(39,417)	(645)
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO OPEB	--	(5,910)	(533)	(6,443)	(4,450)
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO PENSIONS	--	(19,285)	(2,632)	(21,917)	(7,607)
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS	183	(15,674)	1,158	(14,333)	41,255
INCREASE/(DECREASE) IN COMPENSATED ABSENCES	--	2,307	295	2,602	562
INCREASE/(DECREASE) IN DUE TO OTHER FUNDS	9,608	(117)	(577)	8,914	--
INCREASE/(DECREASE) IN UNEARNED REVENUES	--	(568)	1,012	444	(11,725)
INCREASE/(DECREASE) IN TOTAL OPEB LIABILITY	--	(13,389)	(3,393)	(16,782)	(9,456)
INCREASE/(DECREASE) IN NET PENSION LIABILITY	--	21,533	6,570	28,103	14,522
INCREASE/(DECREASE) IN OTHER LIABILITIES	--	149	(412)	215,376	(10,715)
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO OPEB	215,639	21,666	3,766	25,432	12,250
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO PENSIONS	--	(16,905)	(1,344)	(18,249)	(1,654)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (525,997)	\$ (288,146)	\$ (19,906)	\$ (834,049)	\$ 14,958

(Continued)

# State of Louisiana

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

### NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

	2020
LOUISIANA AGRICULTURAL FINANCE AUTHORITY	
GAIN ON DISPOSAL OF CAPITAL ASSETS	19
LOSS ON DISPOSAL OF CAPITAL ASSETS	(2)
LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM	
GAIN ON DISPOSAL OF CAPITAL ASSETS	914
LOSS ON DISPOSAL OF CAPITAL ASSETS	(980)
CAPITAL APPROPRIATION FOR PURCHASE OF CAPITAL ASSETS	5,351
LOSS ON BOND REFUNDING	(2,059)
UNREALIZED GAIN ON INVESTMENTS	602
DECREASE IN CAPITAL ACCOUNTS AND RETAINAGE PAYABLE	(2,237)
INCREASE IN ACCRUED INTEREST PAYABLE	660
AMORTIZATION OF BOND PREMIUM	5,489
ACCRETION OF BOND DISCOUNT	707
AMORTIZATION OF BOND ISSUANCE COSTS	509
INCREASE IN NONOPERATING ACCOUNTS RECEIVABLE	3,390
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS	
GAIN ON DISPOSAL OF CAPITAL ASSETS	2
PRISON ENTERPRISES	
CONTRIBUTIONS OF CAPITAL ASSETS	3
GAIN ON DISPOSAL OF CAPITAL ASSETS	231
LOSS ON DISPOSAL OF CAPITAL ASSETS	(687)

(Concluded)

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

FIDUCIARY FUND  
FINANCIAL STATEMENTS

# FIDUCIARY FUND FINANCIAL STATEMENTS

## FIDUCIARY FUNDS

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

### PENSION TRUST FUNDS

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

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

### INVESTMENT TRUST FUNDS

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

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

### PRIVATE-PURPOSE TRUST FUNDS

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

- Louisiana Education Tuition and Savings Fund
- Achieving a Better Life Experience in Louisiana Fund
- START K-12 Program

### AGENCY FUNDS

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

# State of Louisiana

## STATEMENT OF FIDUCIARY NET POSITION

### FIDUCIARY FUNDS

JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	PENSION TRUST FUNDS	INVESTMENT TRUST FUNDS	PRIVATE-PURPOSE TRUST FUNDS *	AGENCY FUNDS
<b>ASSETS</b>				
CASH & CASH EQUIVALENTS	\$ 394,848	\$ 26,576	\$ 75,815	\$ 364,859
<b>RECEIVABLES:</b>				
EMPLOYER CONTRIBUTIONS	264,505	--	--	--
MEMBER CONTRIBUTIONS	75,283	--	--	--
INVESTMENT PROCEEDS	2,149,935	--	--	--
INTEREST & DIVIDENDS	77,001	558	279	--
OTHER	25,212	281	--	103,492
TOTAL RECEIVABLES	2,591,936	839	279	103,492
<b>INVESTMENTS (AT FAIR VALUE):</b>				
SHORT-TERM INVESTMENTS	1,439,225	1,086,627	4,992	--
U.S. GOVERNMENT AND AGENCY OBLIGATIONS	1,447,955	703,083	182,422	--
BONDS - DOMESTIC	2,060,627	6,189	133,593	--
BONDS - INTERNATIONAL	2,583,220	--	--	--
EQUITIES - DOMESTIC	8,776,874	--	602,376	--
EQUITIES - INTERNATIONAL	6,993,204	--	42,664	--
ALTERNATIVE INVESTMENTS	11,374,720	--	--	--
COLLATERAL HELD UNDER SECURITIES LENDING PROGRAM	3,341,493	--	--	--
REPURCHASE AGREEMENTS	--	468,957	--	--
OTHER INVESTMENTS	--	15,848	--	281,202
<b>INVESTMENTS (AT CONTRACT VALUE):</b>				
SYNTHETIC GUARANTEED INVESTMENT CONTRACT	565,302	--	--	--
TOTAL INVESTMENTS	38,582,620	2,280,704	966,047	281,202
OTHER ASSETS	218	22	--	557
PROPERTY PLANT AND EQUIPMENT (NET)	14,303	21	--	--
TOTAL ASSETS	41,583,925	2,308,162	1,042,141	750,110
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	3,015	--	--	--
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	2,818	--	--	--
TOTAL DEFERRED OUTFLOWS OF RESOURCES	5,833	--	--	--
<b>LIABILITIES</b>				
ACCOUNTS PAYABLE	36,763	440	2,703	--
RETIREMENT BENEFITS PAYABLE	3,438	--	--	--
INVESTMENT COMMITMENTS PAYABLE	2,747,649	--	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	676,851
OBLIGATIONS UNDER SECURITIES LENDING PROGRAM	3,341,487	--	--	--
TOTAL OPEB LIABILITY	46,963	--	--	--
NET PENSION LIABILITY	16,951	--	--	--
REFUNDS PAYABLE	5,911	--	--	--
OTHER LIABILITIES	2,337	65	--	73,259
TOTAL LIABILITIES	6,201,499	505	2,703	750,110
<b>DEFERRED INFLOWS OF RESOURCES</b>				
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	9,088	--	--	--
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	504	--	--	--
TOTAL DEFERRED INFLOWS OF RESOURCES	9,592	--	--	--
<b>NET POSITION</b>				
RESTRICTED FOR PENSIONS	35,378,667	--	--	--
HELD IN TRUST FOR INVESTMENT POOL PARTICIPANTS	--	2,307,657	--	--
HELD IN TRUST FOR INDIVIDUALS, PRIVATE ORGANIZATIONS, AND OTHER GOVERNMENTS	--	--	1,039,438	--
TOTAL NET POSITION	\$ 35,378,667	\$ 2,307,657	\$ 1,039,438	\$ --

\* For the period ending December 31, 2019.

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

# State of Louisiana

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

### FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	PENSION TRUST FUNDS	INVESTMENT TRUST FUNDS	PRIVATE-PURPOSE TRUST FUNDS *
<b>ADDITIONS</b>			
CONTRIBUTIONS:			
EMPLOYER	\$ 2,212,466	\$ --	\$ --
MEMBER	546,405	--	--
POOL PARTICIPANTS (DEPOSITS)	--	3,017,433	104,175
NON-EMPLOYER	43,151	--	--
TOTAL CONTRIBUTIONS	2,802,022	3,017,433	104,175
INVESTMENT INCOME:			
NET INCREASE (DECREASE) IN FAIR VALUE OF INVESTMENTS	(739,223)	622	129,614
INTEREST & DIVIDENDS	571,994	26,742	24,232
ALTERNATIVE INVESTMENT INCOME	64,205	--	--
LESS ALTERNATIVE INVESTMENT EXPENSES	(135,875)	--	--
GAIN ON SALE OF INVESTMENTS	--	14	--
SECURITIES LENDING INCOME	54,556	--	--
LESS SECURITIES LENDING EXPENSES	(37,141)	--	--
OTHER INVESTMENT INCOME	1,000	27,525	--
LESS INVESTMENT EXPENSES OTHER THAN ALTERNATIVE INVESTMENTS AND SECURITIES LENDING	(85,900)	--	--
NET INVESTMENT INCOME (LOSS)	(306,384)	54,903	153,846
OTHER INCOME	58,597	--	--
TOTAL ADDITIONS	2,554,235	3,072,336	258,021
<b>DEDUCTIONS</b>			
RETIREMENT BENEFITS	3,819,555	--	--
REFUNDS OF CONTRIBUTIONS	85,164	--	--
ADMINISTRATIVE EXPENSES	36,832	2,514	--
DEPRECIATION & AMORTIZATION EXPENSES	1,524	--	--
DISTRIBUTIONS TO POOL PARTICIPANTS	--	2,664,369	61,844
OTHER	1,414	--	--
TOTAL DEDUCTIONS	3,944,489	2,666,883	61,844
CHANGE IN NET POSITION:			
RESTRICTED FOR PENSIONS	(1,390,254)	--	--
HELD IN TRUST FOR INVESTMENT POOL PARTICIPANTS	--	405,453	--
HELD IN TRUST FOR INDIVIDUALS, PRIVATE ORGANIZATIONS, AND OTHER GOVERNMENTS	--	--	196,177
NET POSITION - BEGINNING OF YEAR	36,768,921	1,902,204	843,261
NET POSITION - END OF YEAR	\$ 35,378,667	\$ 2,307,657	\$ 1,039,438

\* For the period ending December 31, 2019.

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

# COMPONENT UNIT FINANCIAL STATEMENTS

# COMPONENT UNIT FINANCIAL STATEMENTS

## Major Component Units

### COLLEGES AND UNIVERSITIES

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

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

### LOUISIANA STADIUM AND EXPOSITION DISTRICT

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

### LOUISIANA LOTTERY CORPORATION

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



# State of Louisiana

## COMBINING STATEMENT OF NET POSITION

### COMPONENT UNITS

JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	LOUISIANA STATE UNIVERSITY SYSTEM	UNIVERSITY OF LOUISIANA SYSTEM	SOUTHERN UNIVERSITY SYSTEM
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
CASH & CASH EQUIVALENTS	\$ 278,686	\$ 222,653	\$ 14,076
RESTRICTED CASH & CASH EQUIVALENTS	147,141	--	--
INVESTMENTS	449,615	20,017	--
RESTRICTED INVESTMENTS	3,812	--	--
RECEIVABLES (NET)	292,942	100,658	16,077
PLEDGES RECEIVABLE (NET)	18,881	4,896	1,015
LEASES RECEIVABLE (NET)	74,272	--	--
AMOUNTS DUE FROM PRIMARY GOVERNMENT	47,444	50,727	6,361
DUE FROM FEDERAL GOVERNMENT	47,221	30,922	14,530
INVENTORIES	7,063	4,988	279
PREPAYMENTS	32,751	13,223	4,040
NOTES RECEIVABLE	3,038	3,272	208
OTHER CURRENT ASSETS	25,219	256	508
TOTAL CURRENT ASSETS	<u>1,428,085</u>	<u>451,612</u>	<u>57,094</u>
<b>NON-CURRENT ASSETS:</b>			
RESTRICTED ASSETS	1,081,408	537,093	29,061
INVESTMENTS	67,736	35	--
RECEIVABLES (NET)	4,535	--	--
NOTES RECEIVABLE (NET)	--	--	--
PLEDGES RECEIVABLE (NET)	20,138	864	--
LEASES RECEIVABLE (NET)	2,252,718	--	--
<b>CAPITAL ASSETS</b>			
LAND	91,044	103,371	8,201
BUILDING & IMPROVEMENTS (NET)	1,964,483	1,488,514	309,747
MACHINERY & EQUIPMENT (NET)	144,492	94,037	7,829
INFRASTRUCTURE (NET)	19,263	18,378	6,625
INTANGIBLE ASSETS (NET)	363	17	9
CONSTRUCTION IN PROGRESS	73,507	35,360	32,723
OTHER NONCURRENT ASSETS	41,528	1,827	5
TOTAL NON-CURRENT ASSETS	<u>5,761,215</u>	<u>2,279,496</u>	<u>394,200</u>
TOTAL ASSETS	<u>7,189,300</u>	<u>2,731,108</u>	<u>451,294</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
DEFERRED AMOUNTS ON DEBT REFUNDING	23,727	2,807	--
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	408,407	58,100	8,941
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	382,754	297,427	46,224
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>814,888</u>	<u>358,334</u>	<u>55,165</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES:</b>			
ACCOUNTS PAYABLE	129,434	67,889	11,956
ACCRUED INTEREST	--	5,851	--
AMOUNTS DUE TO PRIMARY GOVERNMENT	3,039	337	--
DUE TO FEDERAL GOVERNMENT	5,293	3	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	34,753	10,666	581
UNEARNED REVENUES	161,722	51,008	10,182
OTHER CURRENT LIABILITIES	8,995	3,308	3,263
<b>CURRENT PORTION OF LONG-TERM LIABILITIES:</b>			
CONTRACTS PAYABLE	--	22	--
COMPENSATED ABSENCES PAYABLE	7,512	4,297	859
CAPITAL LEASE OBLIGATIONS	3,354	1,065	319
NOTES PAYABLE	4,562	891	1,513
BONDS PAYABLE	28,031	24,613	793
ESTIMATED LIABILITY FOR CLAIMS	--	--	49
OPEB LIABILITY	65,685	29,600	5,687
OTHER LONG-TERM LIABILITIES	80,522	4,452	182
TOTAL CURRENT LIABILITIES	<u>532,902</u>	<u>204,002</u>	<u>35,384</u>
<b>NONCURRENT LIABILITIES:</b>			
<b>NONCURRENT PORTION OF LONG-TERM LIABILITIES:</b>			
COMPENSATED ABSENCES PAYABLE	85,876	49,076	12,796
CAPITAL LEASE OBLIGATIONS	335,923	3,200	--
NOTES PAYABLE	34,800	4,142	33,842
BONDS PAYABLE	499,276	770,526	22,177
ESTIMATED LIABILITY FOR CLAIMS	--	--	--
OPEB LIABILITY	1,923,678	880,087	156,769
NET PENSION LIABILITY	1,610,874	1,142,600	210,368
OTHER LONG-TERM LIABILITIES	36,452	15,019	4,588
UNEARNED REVENUE	1,408,991	1,881	--
TOTAL NON-CURRENT LIABILITIES	<u>5,935,870</u>	<u>2,866,531</u>	<u>440,540</u>
TOTAL LIABILITIES	<u>6,468,772</u>	<u>3,070,533</u>	<u>475,924</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	--	--	--
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	273,735	163,323	29,909
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	126,228	74,015	11,908
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>399,963</u>	<u>237,338</u>	<u>41,817</u>
<b>NET POSITION</b>			
NET INVESTMENT IN CAPITAL ASSETS	1,415,825	1,003,877	298,823
<b>RESTRICTED FOR:</b>			
CAPITAL PROJECTS	--	9,333	--
DEBT SERVICE	--	6,410	--
NONEXPENDABLE	514,800	258,464	12,719
EXPENDABLE	701,846	284,904	39,537
OTHER PURPOSES	--	--	--
UNRESTRICTED	(1,497,018)	(1,781,417)	(362,361)
TOTAL NET POSITION	<u>\$ 1,135,453</u>	<u>\$ (218,429)</u>	<u>\$ (11,282)</u>

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

# State of Louisiana

BOARD OF REGENTS	LOUISIANA LOTTERY CORPORATION	LOUISIANA STADIUM & EXPOSITION DISTRICT	NONMAJOR DISCRETE COMPONENT UNITS	TOTAL COMPONENT UNITS
\$ 3,525	\$ 16,501	\$ 68,376	\$ 359,988	\$ 963,805
13,362	--	--	143,267	303,770
--	5,918	--	393,537	869,087
--	--	--	59,114	62,926
348	16,219	5,734	75,547	507,525
--	--	--	--	24,792
--	--	--	2,508	76,780
10,849	--	1,565	29,099	146,045
75	--	--	9,061	101,809
--	--	6	1,421	13,757
--	66	82	4,036	54,198
--	--	--	4,626	11,144
--	14	--	17,573	43,570
<u>28,159</u>	<u>38,718</u>	<u>75,763</u>	<u>1,099,777</u>	<u>3,179,208</u>
--	--	15,497	500,501	2,163,560
--	27,725	--	107,994	203,490
--	6,687	--	--	11,222
--	--	--	10,855	10,855
--	--	--	--	21,002
--	--	--	--	2,252,718
--	1,542	20,070	94,184	318,412
2,865	2,280	268,189	342,306	4,378,384
835	424	3,899	31,454	282,970
--	--	--	1,248,626	1,292,892
--	--	--	5,750	6,139
--	--	74,942	8,453,527	8,670,059
--	--	36	4,739	48,135
<u>3,700</u>	<u>38,658</u>	<u>382,633</u>	<u>10,799,936</u>	<u>19,659,838</u>
<u>31,859</u>	<u>77,376</u>	<u>458,396</u>	<u>11,899,713</u>	<u>22,839,046</u>
--	--	25,395	4,069	55,998
3,684	--	--	21,204	500,336
13,788	--	--	76,267	816,460
<u>17,472</u>	<u>--</u>	<u>25,395</u>	<u>101,540</u>	<u>1,372,794</u>
9,586	2,438	36,301	48,330	305,934
--	--	6,771	9,780	22,402
455	18,205	--	31,273	53,309
2,497	--	--	2,468	10,261
--	--	--	9	46,009
--	--	10,858	39,874	273,644
--	26,421	--	27,572	69,559
--	--	--	2,441	2,463
164	487	259	4,560	18,138
--	--	1,170	105	6,013
--	--	--	24	6,990
--	--	13,150	155,966	222,553
--	--	--	16,000	16,049
668	--	--	9,391	111,031
--	--	263	23	85,442
<u>13,370</u>	<u>47,551</u>	<u>68,772</u>	<u>347,816</u>	<u>1,249,797</u>
1,326	--	--	10,262	159,336
--	--	7,111	114	346,348
--	--	30,000	299	103,083
--	--	310,139	909,065	2,511,183
--	--	--	2,657	2,657
24,650	--	--	220,803	3,205,987
37,368	--	--	388,569	3,389,779
--	17,040	9,276	3,092	85,467
--	--	--	1,193	1,412,065
<u>63,344</u>	<u>17,040</u>	<u>356,526</u>	<u>1,536,054</u>	<u>11,215,905</u>
<u>76,714</u>	<u>64,591</u>	<u>425,298</u>	<u>1,883,870</u>	<u>12,465,702</u>
--	--	--	193	193
--	--	--	4,420	4,420
4,621	--	--	43,718	515,306
4,218	--	--	13,466	229,835
<u>8,839</u>	<u>--</u>	<u>--</u>	<u>61,797</u>	<u>749,754</u>
3,700	4,246	149,248	10,033,444	12,909,163
--	--	15,498	29,432	54,263
--	--	41,576	201,284	249,270
--	--	--	--	785,983
13,362	--	--	--	1,039,649
--	--	--	354,863	354,863
<u>(53,284)</u>	<u>8,539</u>	<u>(147,829)</u>	<u>(563,437)</u>	<u>(4,396,807)</u>
<u>\$(36,222)</u>	<u>\$ 12,785</u>	<u>\$ 58,493</u>	<u>\$ 10,055,586</u>	<u>\$ 10,996,384</u>

# State of Louisiana

## COMBINING STATEMENT OF ACTIVITIES

### COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2020

(EXPRESSED IN THOUSAND)

	PROGRAM REVENUES				
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	NET (EXPENSE) REVENUE
COMPONENT UNITS:					
LOUISIANA STATE UNIVERSITY SYSTEM	\$ 2,650,421	\$ 990,638	\$ 951,902	\$ 29,964	\$ (677,917)
UNIVERSITY OF LOUISIANA SYSTEM	1,447,317	732,327	160,080	24,470	(530,440)
SOUTHERN UNIVERSITY SYSTEM	256,286	88,366	51,324	2,578	(114,018)
BOARD OF REGENTS	434,515	12,197	33,429	--	(388,889)
LOUISIANA LOTTERY CORPORATION	512,216	509,348	--	--	(2,868)
LOUISIANA STADIUM & EXPOSITION DISTRICT	140,808	53,250	--	9,605	(77,953)
NONMAJOR COMPONENT UNITS	746,402	318,229	246,226	38,645	(143,302)
TOTAL COMPONENT UNITS	\$ 6,187,965	\$ 2,704,355	\$ 1,442,961	\$ 105,262	\$ (1,935,387)

	GENERAL REVENUES				NET POSITION BEGINNING OF YEAR AS RESTATED	NET POSITION END OF YEAR
	PAYMENTS FROM PRIMARY GOVERNMENT	OTHER GENERAL REVENUES	ADDITIONS TO PERMANENT ENDOWMENTS	CHANGE IN NET POSITION		
COMPONENT UNITS:						
LOUISIANA STATE UNIVERSITY SYSTEM	\$ 449,656	\$ 333,430	\$ 11,702	\$ 116,871	\$ 1,018,582	\$ 1,135,453
UNIVERSITY OF LOUISIANA SYSTEM	287,228	279,957	6,114	42,859	(261,288)	(218,429)
SOUTHERN UNIVERSITY SYSTEM	51,945	71,780	200	9,907	(21,189)	(11,282)
BOARD OF REGENTS	388,971	--	--	82	(36,304)	(36,222)
LOUISIANA LOTTERY CORPORATION	--	2,548	--	(320)	13,105	12,785
LOUISIANA STADIUM & EXPOSITION DISTRICT	51,851	991	--	(25,111)	83,604	58,493
NONMAJOR COMPONENT UNITS	159,770	1,775,405	--	1,791,873	8,263,713	10,055,586
TOTAL COMPONENT UNITS	\$ 1,389,421	\$ 2,464,111	\$ 18,016	\$ 1,936,161	\$ 9,060,223	\$ 10,996,384

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

# NOTES TO THE BASIC FINANCIAL STATEMENTS

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

## NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2020

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. REPORTING ENTITY

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

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

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

#### Blended Component Units

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

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

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

- Tobacco Settlement Financing Corporation, P.O. Box 44154, Baton Rouge, LA 70804-4154, a special purpose, public corporate entity, was established to access a portion of the State's tobacco settlement revenues in a lump sum by issuing bonds secured by a pledge of 60% of the State's allocation of tobacco settlement revenues. Since the issuance of the bonds in fiscal year 2002, the corporation's duties are limited to paying principal and interest on outstanding bonds and refunding outstanding bonds when economically advantageous.
- Louisiana Correctional Facilities Corporation, P.O. Box 94095, Baton Rouge, LA 70804-9095, a nonprofit corporation, acquires and finances correctional facilities for lease to the State and is authorized to issue revenue bonds for its purposes. The board of directors consists of five members appointed by the Governor.
- Office Facilities Corporation, P.O. Box 94095, Baton Rouge, LA 70804-9095, a nonprofit corporation, finances the acquisition or construction of public facilities for lease to the State through the issuance of revenue bonds. The board of directors consists of five members appointed by the Governor.
- Louisiana State Police Retirement System, 9224 Jefferson Highway, Baton Rouge, LA 70809, was established in 1938 for the benefit of commissioned law enforcement officers as well as the secretary and deputy secretary of the Department of Public Safety.

# State of Louisiana

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

- Board of Supervisors of the Louisiana Community and Technical College System (LCTCS), 265 S. Foster Drive, Baton Rouge, LA 70806, is the managing and supervising board of seven community colleges and five technical community colleges.
- Louisiana Agricultural Finance Authority, 5825 Florida Blvd., Ste. 1002, Baton Rouge, LA 70806, 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 Transportation Authority, P.O. Box 94245, Baton Rouge, LA 70804-9245, is a nonprofit corporation established in 2001 to promote, plan, finance, construct, operate, and maintain specific tollways or transitways constructed within Louisiana. The board of directors consists of nine members, including the Governor, the Department of Transportation and the Department of Economic Development secretaries, President of the Senate and Speaker of the House of Representatives, or their designees.

## Discretely Presented Component Units

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

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

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

- Board of Supervisors of the University of Louisiana System, 1201 North Third Street, Suite 7-300, Baton Rouge, LA 70802, is the managing and supervising board for the following regional universities:
  - Grambling State University at Grambling
  - Louisiana Tech University at Ruston
  - McNeese State University at Lake Charles
  - Nicholls State University at Thibodaux
  - Northwestern State University at Natchitoches
  - Southeastern Louisiana University at Hammond
  - University of Louisiana at Lafayette
  - University of Louisiana at Monroe
  - University of New Orleans
- Board of Supervisors of the Southern University System, P.O. Box 10878, Baton Rouge, LA 70813, is the managing and supervising board of the Southern University System, which includes the following campuses:

# State of Louisiana

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

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

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

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

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

- Louisiana State Board of Cosmetology, 11622 Sunbelt Court, Baton Rouge, LA 70809, regulates and licenses members of the Cosmetology industry to maintain public health and welfare standards set by the State of Louisiana.
- Louisiana Motor Vehicle Commission, 3017 Kingman Street, Metairie, LA 70006, regulates all areas of the new car industry, including motor vehicle sales finance companies in Louisiana.
- Louisiana State Board of Private Security Examiners, 15703 Old Hammond Hwy., Baton Rouge, LA 70816, regulates the contract security guard industry.
- Louisiana Stadium and Exposition District, P.O. Box 52439, New Orleans, LA 70152, is responsible for financing and operating an enclosed covered stadium, as well as other related facilities and structures for holding sporting events, athletic contests, exhibitions, and other events of public interest.
- Road Home Corporation, doing business as Louisiana Land Trust, 11100 Mead Road, Baton Rouge, LA 70816, was created for the acquisition, disposition, purchase, renovation, leasing, or expansion of housing stock to help Louisiana residents displaced by hurricanes Katrina or Rita to get back into a home or apartment as quickly and fairly as possible.
- Sabine River Authority of Louisiana, 15091 Texas Highway, Many, LA 71449-5718, is charged with the development of Toledo Bend resources within the State.
- Ascension-St. James Airport and Transportation Authority, 6255 Airport Industrial Blvd., Gonzales, LA 70737, was established for the purpose of acquiring, constructing, maintaining and operating Louisiana Regional Airport.
- Levee Districts provide services necessary to ensure adequate drainage control and to protect lands within their respective districts from damage by flood. They include the following:
  - Atchafalaya Basin Levee District, P.O. Box 170, Port Allen, LA 70767
  - Bossier Levee District, P.O. Box 8279, Bossier City, LA 71113
  - Bunches Bend Protection District, 318 Morgan Street, Lake Providence, LA 71254; the district has a December 31 fiscal year end.
  - Caddo Levee District, P.O. Box 78282, Shreveport, LA 71137-8282
  - Fifth Louisiana Levee District, 102 Burnside Drive, Tallulah, LA 71282
  - Grand Isle Independent Levee District, P.O. Box 757, Grand Isle, LA 70358
  - Lafitte Area Independent Levee District, 2654 Jean Lafitte Blvd., Lafitte, LA 70067
  - Lafourche Basin Levee District, P.O. Box 670, Vacherie, LA 70090; the district has a December 31 fiscal year end.
  - Natchitoches Levee and Drainage District, P.O. Box 1036, Natchitoches, LA 71458
  - Nineteenth Louisiana Levee District, P.O. Box 267, Colfax, LA 71417
  - North Lafourche Conservation, Levee and Drainage District, P.O. Box 309, Thibodaux, LA 70302. The district has a December 31 fiscal year end.
  - Pontchartrain Levee District, P.O. Box 426, Lutcher, LA 70071
  - Red River, Atchafalaya, and Bayou Boeuf Levee District, 10 Calvert Dr., Alexandria, LA 71303-3519
  - Red River Levee and Drainage District, P.O. Box 433, Coushatta, LA 71019
  - South Lafourche Levee District, P.O. Box 426, Galliano, LA 70354

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- Tensas Basin Levee District, P.O. Box 68, Rayville, LA 71269

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

- Louisiana Utilities Restoration Corporation, P.O. Box 91154, Baton Rouge, LA 70821-9154, serves to finance utility system restoration costs.
- State Plumbing Board of Louisiana, 11304 Cloverland Avenue, Baton Rouge, LA 70809, regulates the plumbing industry within the State.

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

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

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

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

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

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

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

- Louisiana Economic Development Corporation, 617 North Third Street, Baton Rouge, LA 70802, was established to serve as the single review board and administrator of the Department of Economic Development's financial assistance programs, such as loan guarantees and venture capital for small and medium-sized businesses.
- Natchitoches Historic District Development Commission, 321 Bienville Street, Natchitoches, LA 71457, created for the purpose of the planning and development of the Natchitoches Historic District, a national landmark.

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

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

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

- Health Education Authority of Louisiana (HEAL), P.O. Box 94095, Baton Rouge, LA 70804-9095, was created to provide affordable capital financing, through the issuance of tax-exempt bonds, for projects of public and private institutions and organizations related to patient care, health science education and biomedical research, as well as, organizations providing facilities and/or services deemed appropriate by HEAL to locate and/or operate in a functional geographic relationship with the geographic area.
- The Louisiana Housing Corporation (LHC) is a discretely presented component unit whose board members are appointed by the State and the State has a financial benefit/burden relationship with the corporation. LHC, 2415 Quail Drive, Baton Rouge, LA 70808, is responsible for managing the State's housing programs, most of which focus on providing affordable housing for persons with low and moderate incomes.
- Louisiana Public Facilities Authority, 2237 S. Acadian Thruway, Suite 650, Baton Rouge, LA 70808, is a public trust authorized to issue obligations and provide funds to finance projects and programs in the best interest of the citizens of Louisiana. The authority has a December 31 fiscal year end.
- Louisiana State Board of Private Investigator Examiners, 7414 Perkins Road, Suite 120, Baton Rouge, LA 70808, regulates and licenses persons and businesses providing private investigative services.

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

- Acadiana Area Human Services District, 302 Dulles Drive, Lafayette, LA 70506 was established to direct the operation and management of community-based programs and services relative to mental health, developmental disabilities, and addictive disorder services for the parishes of Acadia, Evangeline, Iberia, Lafayette, St. Landry, St. Martin, and Vermillion parishes.
- Capital Area Human Services District, 4615 Government Street, Building 2, Baton Rouge, LA 70806, was established to direct the operation of community-based programs and services relative to public health, mental health, developmental disabilities, and addictive disorder services for the parishes of Ascension, East Baton Rouge, East Feliciana, Iberville, Pointe Coupee, West Baton Rouge, and West Feliciana.
- Central Louisiana Human Services District, 5411 Coliseum Blvd., Alexandria, LA 71306-0118, was created with local accountability and management of behavioral health and developmental disabilities services as well as any public health or other services contracted to the district by the Louisiana Department of Health for the parishes of Avoyelles, Catahoula, Concordia, Grant, Lasalle, Rapides, Vernon and Winn parishes.
- Florida Parishes Human Services Authority, 835 Pride Drive, Ste. B, Hammond, LA 70401, was established to direct the operation and management of mental health, developmental disabilities, and addictive disorders services for the residents of Livingston, St. Helena, St. Tammany, Tangipahoa, and Washington parishes.
- Foundation for Excellence in Louisiana Public Broadcasting, 7733 Perkins Road, Baton Rouge, LA 70810 was established to support the Louisiana Educational Television Authority, the state agency charged with promoting public and educational television in Louisiana. The Foundation provides an endowment to support public television in Louisiana and may serve as a "repository" for funds to be utilized for the promotion, development, enhancement and assistance of public television in Louisiana.
- Imperial Calcasieu Human Services Authority, One Lakeshore Drive, Suite 2000, Lake Charles, LA 70629, was created with local accountability and management to provide behavioral health and developmental disabilities services to the parishes of Allen, Beauregard, Calcasieu, Cameron, and Jefferson Davis.
- Jefferson Parish Human Services Authority, 3616 S. I-10 Service Road, West, Suite 200 Metairie, LA 70001, was established to provide administration, management, and operation of mental health, developmental disabilities, and addictive disorders services for the residents of Jefferson Parish.

# State of Louisiana

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- Louisiana Beef Industry Council, 2251 Drusilla Lane, Suite B, Baton Rouge, Louisiana 70809, was established to coordinate the fulfillment of the economic, political and social needs of the Louisiana cattle producers.
- Louisiana Cancer Research Center, 1700 Tulane Avenue, Suite 1000, New Orleans, LA 70112, conducts research and promotes education in the diagnosis, detection, and treatment of cancer.
- Louisiana Citizens Property Insurance Corporation, 1 Galleria Blvd., Suite 720, Metairie, LA 70001, is a nonprofit organization created to provide insurance plans to residential and commercial property applicants who are unable to procure insurance through the voluntary market. Louisiana Citizens Property Insurance has a December 31 fiscal year end.
- Metropolitan Human Services District, 3100 General De Gaulle Drive, New Orleans, LA 70114, was established to direct the operation and management of mental health, developmental disabilities, and addictive disorders services for the residents of Orleans, St. Bernard, and Plaquemines parishes.
- Northeast Delta Human Services Authority, 2513 Ferrand Street, Monroe, LA 71201, was established to direct the operation and management of community-based programs and services relative to mental health, developmental disabilities, and addictive disorder services for the parishes of Caldwell, East Carroll, Franklin, Jackson, Lincoln, Madison, Morehouse, Ouachita, Richland, Tensas, Union, and West Carroll.
- Northwest Louisiana Human Services District, 1310 North Hearne Avenue, Shreveport LA 71107, was established to direct the operation and management of mental health, developmental disabilities, and addictive disorders services for the parishes of Bienville, Bossier, Caddo, Claiborne, DeSoto, Natchitoches, Sabine, Red River, and Webster.
- South Central Louisiana Human Services Authority, 158 Regal Row, Houma, LA 70360, was established to direct the operation and management of community-based programs and services relative to mental health, developmental disabilities, and substance abuse services for the residents of Assumption, Lafourche, St. Charles, St. James, St. John the Baptist, St. Mary, and Terrebonne parishes.
- Southeast Louisiana Flood Protection Authority-East, 6001 Stars and Stripes Blvd., Suite 225, New Orleans, LA 70126, and Southeast Louisiana Flood Protection Authority-West, 7001 River Road, Marrero, LA 70072, were created to provide regional coordination of flood protection. These two authorities are reported together as the Southeast Louisiana Flood Protection Authority-East and West (SLFPA-East and West). Entities under SLFPA-East and West include the Board of Commissioners-SLFPA-East, Board of Commissioners-SLFPA-West, Algiers Levee District, East Jefferson Levee District, Lake Borgne Basin Levee District, Orleans Levee District, and West Jefferson Levee District.
- Relay Administration Board, P.O. Box 91154, Baton Rouge, LA 70821-9154, is charged with oversight of telephone relay services for the State, insuring equal access to telecommunications services for all hearing and speech impaired citizens. The board has a December 31 fiscal year end.

## Related Organizations

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

- Ambulance Service District Commission
- Amite River Basin Drainage Water and Conservation District
- Associated Branch Pilots of the Port of Lake Charles
- Associated Branch Pilots of the Port of New Orleans
- Baton Rouge North Economic Development District
- Bayou Lafourche Fresh Water District
- Black River Lake Recreation and Water Conservation District
- Capital Area Groundwater Conservation District
- Castor Creek Reservoir District
- Crescent River Port Pilots' Association
- Foundation for Louisiana
- Fourteenth and Sixteenth Wards Neighborhood Development District
- Gentilly Development District
- Gentilly Taxing District

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

## **Joint Ventures**

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

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

## **Jointly Governed Organizations**

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

# State of Louisiana

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

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

### *Government-wide Financial Statements*

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

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

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

### *Fund Financial Statements*

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

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

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

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

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

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

## **Governmental Funds**

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

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

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

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

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

## **Proprietary Funds**

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

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

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

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

**Board of Supervisors of the Louisiana Community and Technical College System** - This entity provides strategic management and support for Louisiana's 12 comprehensive community and technical colleges.

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## Fiduciary Funds

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

- *Pension trust funds* account for resources held in trust for members and beneficiaries of employee pension plans. Four separate pension trust funds are maintained for state government employees, teachers, law enforcement officers and school employees.
- *Investment trust funds* account for the portion of the government's investment pools that belong to others. The State has two separate investment trust funds. The Education Excellence Local Government fund allows the state treasurer's office to invest and manage the school boards' tobacco settlement proceeds on its behalf. The Louisiana Asset Management Pool is a cooperative endeavor, which allows local governments to invest funds to benefit from competitive yields, lower fees, and the investment management otherwise available only to large institutional investors.
- *Private-purpose trust funds* report all other trust arrangements benefiting those outside the government. Louisiana has three private-purpose trust funds. The Louisiana Education Tuition and Savings Fund, the largest of the three, is a college savings plan designed to help individuals and families contend with the costs of education after high school.
- *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. The Escrow Fund was established to administratively provide for the deposit of monies received by the State Treasurer, which the State does not have full claim to at the time of deposit, such as monies held in litigation and taxes paid but contested. The various agency funds also include 10% of the royalties from mineral leases on state-owned lands, lake and river beds, and other water bottoms, deposits where lands granted by Congress for public school purposes which have been sold by the State, and operating and payroll bank accounts for estates in receivership of the Louisiana Department of Insurance.

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

### Cash and Investments

The State Treasurer invests the State's cash for which he is responsible – some in separate portfolios and some that are pooled. For the separately invested portfolios, cash is invested and all earnings are credited to the corresponding fund as directed by statute. The pooled investments consist primarily of short-term and long-term U.S. Government Securities and earnings are allocated to the participating funds that are statutorily authorized to receive interest earnings.

For purposes of the financial statements, including the Statement of Cash Flows, all pooled resources are reported as cash and cash equivalents. For activities excluded from the pool, the State considers all highly liquid investments (including restricted investments) with a maturity of three months or less when purchased to be cash equivalents. The investments held by proprietary funds may be classified as current or noncurrent depending on their maturity. Investments with a maturity date of 12 months or less may be classified as current.

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

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

## Internal Balances

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” All internal balances are eliminated in the total primary government column. Interfund services provided and used between governmental funds and internal service funds are eliminated within governmental activities; however, interfund services provided and used between governmental activities and business-type activities are not eliminated in the process of consolidation.

## 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. Inventories of supplies are reported at cost, whereas the items held for resale are reported at lower of cost or market. 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. The consumption method is used to determine when expenditures are recognized for prepaid items and supplies.

All inventory amounts and pre-payments in the General Fund are classified as non-spendable, except the pre-payments reported by the Governor’s Office of Homeland Security & Emergency Preparedness (GOHSEP). The GOHSEP pre-payments are all amounts received for disasters and emergencies from the federal government and are considered restricted with specific purposes.

## Restricted Assets

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

## Capital Assets

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

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

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- Historical treasures and works of art are items held for public exhibition, educational purposes, or research in enhancement of public service instead of financial gain, and therefore are not capitalized or depreciated.
- Donated capital assets are valued at acquisition value at the time of donation.

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

## **Compensated Absences**

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

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

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

## **Revenues and Expenses**

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

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

## **Deferred Outflows/Inflows of Resources**

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

## Fund Balance Classifications and Net Position

Fund balances are reported under the following fund balance classifications:

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

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

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

## D. BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

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

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

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

Governments are required to present the original, final, and actual budgetary basis of the General Fund and each individual major special revenue fund that has a legally adopted annual budget. The accompanying Required Supplementary Information includes notes and a schedule making this comparison for the General Fund. For fiscal year 2020, there are no major special revenue funds. Legally adopted budgets are not adopted for any fund. However, since most revenues that finance General Fund expenditures as well as the State's general obligation debt service payments are accounted for in the Bond Security & Redemption Fund, a budgetary comparison schedule will be prepared and included as Supplementary Information.

## **E. USE OF ESTIMATES**

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

## **NOTE 2: DEPOSITS AND INVESTMENTS**

### **A. DEPOSITS**

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

The following chart presents bank deposit balances for the primary government and fiduciary funds as of June 30, 2020. Deposits are listed in terms of whether they are exposed to custodial credit risk, which is the risk that the state's deposits may not be returned in the event of a bank failure. Deposits are exposed to custodial credit risk if they are either: a) uninsured and uncollateralized, b) uninsured and collateralized with securities held by the pledging financial institution, or c) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the State.

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

	Uninsured and Uncollateralized	Uninsured and Collateralized with Securities Held by Institution	Uninsured and Collateralized with Securities Held by Pledging Institution's Trust Dept. or Agent but not in State's Name	Total Bank Balances – All Deposits
Primary Gov't & Fiduciary:				
Cash	\$ 37,947	\$ 24,163	\$ 175,885	\$ 940,861
Certificates of Deposit	1,059	600	918	213,009
Other	275	--	258	12,665
Total Bank Balances	<u>\$ 39,281</u>	<u>\$ 24,763</u>	<u>\$ 177,061</u>	<u>\$ 1,166,535</u>

## B. INVESTMENTS - VALUATION

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

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

LRS 39:99 directs the State Treasurer to offer each local school board the opportunity to enter into contract with the State to have its share of tobacco settlement monies invested and managed on its behalf by the State Treasurer. The State Treasurer maintains these monies in a pooled investment known as the Louisiana Education Excellence Fund, an external investment pool that is not registered with the SEC as an investment company. The pool invests in Treasury obligations, corporate bonds, and other securities as prescribed by LRS 17:3803. The securities are valued at fair value, which are updated at least weekly and as often as daily. The State Treasurer neither guarantees nor obtains any legally binding guarantee to support the values of the shares in the pool. Participant's share of investments sold and redeemed in the pool is determined on a dollar basis and the earnings of the fund are credited back to the participants on a pro rata basis. As of June 30, 2020 the par value of the securities within the Louisiana Education Excellence Trust Fund is \$25,848,745 and the fair value is \$26,217,445.

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

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

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

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

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

The following chart presents the investments of the primary government and fiduciary funds at June 30, 2020. As required by GASB 72, investments reported at fair value, exceptions noted below, are disclosed by fair value hierarchy level.

# State of Louisiana

## All Investments (Expressed in Thousands)

	<b>Quoted Prices in Active Markets for Identical Assets</b>	<b>Other Observable Inputs</b>	<b>Significant Unobservable Inputs</b>
<b>Total Value</b>	<b>(Level 1 Inputs)</b>	<b>(Level 2 Inputs)</b>	<b>(Level 3 Inputs)</b>
<b>Investments by Fair Value Level</b>			
Negotiable Certificates of Deposit	\$2,732	\$2,732	
U.S. Government Securities	5,693,600	624,499	\$5,069,101
U.S. Agency Obligations	2,036,896	421,954	1,594,941
Commercial Paper	1,086,627		1,011,632
Short Term Investments	1,438,533	395,491	86,496
Mortgages (Mortgage Backed Securities & Collateralized Mortgage Obligations)	78,520		78,520
External Investment Pools	85,512	402	85,110
Mutual Funds	2,399,979	1,693,595	706,384
Municipal Bonds	335,512	2,685	332,827
Corporate Bonds	2,400,027	19,244	2,256,577
Other Bonds	1,698,024	2,731	1,619,262
Equity Securities (Common & Preferred Stock)	13,778,593	13,278,690	232,392
Real Estate	847,804		2,493
Private Equity	5,806,264	10,881	5,795,383
Alternative Investments	139,198	3,994	14,240
Collateral Held Under Securities Lending	3,214,948		3,214,948
<b>Total Investments by Fair Value Level</b>	<b>\$41,042,769</b>	<b>\$16,456,898</b>	<b>\$16,304,923</b>
<b>Investments Measured at Net Asset Value</b>			
Emerging Market Funds	\$1,646,369		
Private Equity Funds	2,264,210		
Absolute Return Funds	565,618		
Risk Parity	547,034		
Real Estate	417,636		
Strategic Property Funds	490,597		
Core Property Funds	313,913		
Fixed Income Funds	93,609		
Equity Funds	936,560		
Multi-Sector Funds	640,193		
<b>Total Investments at Net Asset Value</b>	<b>\$7,915,739</b>		
<b>Investments Measured at Fair Value</b>			
Cash in Investment Portfolios			
Collateral Held Under Securities Lending	\$126,545		
<b>Total Investments at Fair Value</b>	<b>\$126,545</b>		
<b>Derivative Instruments by Fair Value Level</b>			
Pay Fixed Interest Rate Swaps	(\$86,868)		(\$86,868)
Financial Futures	4,113	\$4,113	
Forward Foreign Exchange Contracts	7,114		7,114
Short Fixed Income and Written Options Swaps	269,796	15	269,781
	(23,796)		(23,796)
<b>Total Derivative Instruments by Fair Value Level</b>	<b>\$170,359</b>	<b>\$4,128</b>	<b>\$166,231</b>
<b>TOTAL INVESTMENTS AT FAIR VALUE</b>	<b>\$49,255,412</b>	<b>\$16,461,026</b>	<b>\$16,471,154</b>
			<b>\$8,280,948</b>

# State of Louisiana

## All Investments (Expressed in Thousands)

	<b>Quoted Prices in Active Markets for Identical Assets</b>	<b>Other Observable Inputs</b>	<b>Significant Unobservable Inputs</b>
<b><u>Total Value</u></b>	<b><u>(Level 1 Inputs)</u></b>	<b><u>(Level 2 Inputs)</u></b>	<b><u>(Level 3 Inputs)</u></b>
<b><u>Investments Measured at Amortized Cost</u></b>			
Negotiable Certificates of Deposit	\$1,152		
Repurchase Agreements	468,957		
Money Market Mutual Funds	1,543,000		
U.S. Government Obligations	12,759		
U.S. Agency Obligations	84,690		
SEC Rule 2a7-Like External Investment Pools	69,243		
<b>Total Investments at Amortized Cost</b>	<b>\$2,179,801</b>		
<b><u>Investments Measured at Cost</u></b>			
Synthetic Guaranteed Investment Contracts	\$565,303		
<b>Total Investments Measured at Cost</b>	<b>\$565,303</b>		
<b>TOTAL ALL INVESTMENTS</b>	<b>\$52,200,516</b>	<b>\$16,461,026</b>	<b>\$16,471,154</b>
			<b>\$8,280,948</b>

### Primary Government

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

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

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

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

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

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

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

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

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

Louisiana Asset Management Pool (LAMP) has repurchase agreements measured at amortized costs.

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

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

- LASERS <https://lla.la.gov/go.nsf/get?OpenAgent&arkey=72202627APPP-BU6NYE>
- TRSLA <https://lla.la.gov/go.nsf/get?OpenAgent&arkey=72202811APPP-BU6LY3>
- LSERS <https://lla.la.gov/go.nsf/get?OpenAgent&arkey=72202666APPP-BU6N4Q>

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

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

### **Primary Government**

The State's custodial credit risk is limited. State investments are held in the name of the State by an agent of the State. JPMorgan Chase Bank and the Bank of New York Mellon act as custodians for the State's investment portfolios.

The following chart presents the custodial credit risk of the investments held by the primary government and fiduciary funds at June 30, 2020.

# State of Louisiana

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

	<u>Uninsured, Unregistered, and Held by Counterparty</u>	<u>Uninsured, Unregistered, and Held by Counterparty's Trust Dept. or Agent but not in the State's Name</u>
Primary Government:		
Negotiable Certificates of Deposit	\$77	
U.S. Government Securities		
U.S. Agency Obligations		\$1,057
Equity Securities		
Municipal Bonds		2,336
Corporate Bonds		1,812
Other Bonds		
Mortgages		
Mutual Funds		
Alternative Investments		
Total Primary Government	\$77	\$5,205
Fiduciary Funds:		
Negotiable Certificates of Deposit		
Repurchase Agreements		
U.S. Government Securities		
U.S. Agency Obligations		
Equity Securities		
Municipal Bonds		
Corporate Bonds		
Other Bonds		
Mortgages		
Real Estate		
Mutual Funds		
Private Equity		
Alternative Investments		
Security Lending		\$222,974
Total Fiduciary Funds		\$222,974
<b>TOTAL INVESTMENTS</b>	<b>\$77</b>	<b>\$228,179</b>

### D. INVESTMENTS - INTEREST RATE RISK

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

#### Primary Government

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

As of June 30, 2020 the State Treasury had no investments that might substantially alter their characteristics due to sensitivity to changes in interest rate. The State Treasury also held \$2,263,661,203 in securities whose coupon rates were subject to change daily.

The table below displays the aggregate total of the primary governments debt investments by type and maturities (amounts expressed in thousands) as of June 30, 2020.

# State of Louisiana

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Government Securities	\$4,291,346	\$2,993,926	\$1,222,497	\$74,923	--
U.S. Agency Obligations	1,140,656	83,739	712,239	294,773	\$49,905
Negotiable Certificates of Deposit	224	76	148	--	--
Corporate Bonds	816,786	109,329	446,241	209,978	51,238
Municipal Bonds	333,532	27,021	161,174	107,936	37,401
Other Bonds	24,998	--	24,998	--	--
Mutual Funds	2,441,097	2,348,423	92,395	241	38
External Investment Pools	402	402	--	--	--
<b>Total</b>	<b>\$9,049,041</b>	<b>\$5,562,916</b>	<b>\$2,659,692</b>	<b>\$687,851</b>	<b>\$138,582</b>

## Retirement Systems and Other Fiduciary Funds

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

At June 30, 2020, the Louisiana School Employees' Retirement System (LSERS) held \$387,437,338 in total debt investments; the Louisiana State Employees' Retirement System (LASERS) held \$3,642,754,889 in total debt investments; the Teachers' Retirement System of Louisiana (TRSLA) held \$4,448,650,359 in total debt investments; and the Louisiana State Police Retirement System (LSPRS) held \$44,571,661 in total debt investments. LSPRS also held \$132,384,353 in bonds with no maturity.

The table below displays the aggregate total of the state retirement systems and other fiduciary funds debt investments by type and maturities (amounts expressed in thousands) as of June 30, 2020.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Government Securities	\$1,319,505	\$91,167	\$317,056	\$217,707	\$693,575
U.S. Agency Obligations	896,241	577,976	224,883	11,475	81,907
Mortgage Backed Securities and Collateralized Mortgage Obligations	244,115	84	8,709	7,111	228,211
Corporate Bonds	1,438,313	69,642	425,980	450,406	492,285
Foreign Bonds	2,441,151	905,421	405,529	505,825	624,376
Short-term Investments	1,403,580	1,403,580	--	--	--
Repurchase Agreements	468,957	468,957	--	--	--
Municipal Bonds	1,979	925	--	--	1,054
Other Bonds	596,827	21,834	310,511	118,763	145,719
Commercial Paper	1,086,627	1,086,627	--	--	--
Mutual Funds	24,437	24,437	--	--	--
Alternative Investments	1,160,416	1,159,770	--	646	--
Negotiable CD's	2,508	2,508	--	--	--
<b>Total</b>	<b>\$11,084,656</b>	<b>\$5,812,928</b>	<b>\$1,692,668</b>	<b>\$1,311,933</b>	<b>\$2,267,127</b>

# State of Louisiana

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

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

### Primary Government

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

Originally, Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac) securities held by the State carried an implicit guarantee of the US Government, but are now backed by a capital pledge of the US government. Of the State Treasury's total investments, 0.53% are issues of the Federal National Mortgage Association (Fannie Mae), 2.15% are issues of the Federal Home Loan Bank, 7.31% are issues of the Federal Farm Credit Bank, and 1.75% are issues of Federal Home Loan Mortgage Corporation (Freddie Mac).

The accompanying table illustrates the primary government's investments exposure to credit risk as of June 30, 2020 (expressed in thousands):

<u>Rating</u>	<u>Fair Value</u>
AAA	\$551,227
AA+	204
AA	1,081,846
A	403,785
BBB	222,239
BBB-	1,722
BB	15,113
B	14,807
Not Rated	3,077,585
Total	<u>\$5,368,528</u>

### Retirement Systems and Other Fiduciary Funds

The investment policies of the state's retirement systems and other fiduciary funds prescribe the level of credit risk to which their investments in debt securities are exposed. The Louisiana State Police Retirement System (LSPRS) has the following investments that represent 5% or more of LSPRS's total investments at June 30, 2020: (1) T. Rowe Price Large Cap Growth Fund; (2) Templeton Investments Counsel, Inc. International Value; (3) Loomis Sayles Fixed Income Fund; (4) State Street S&P 500 Flagship Fund; and (5) Wellington CTF International Quality Growth Fund. None of the other retirement systems or trusts had investments in any one issuer (other than those issued or guaranteed by the U.S. government) that represented more than 5% of its total investments.

The following table details the total fair value of investments in debt securities exposed to credit risk at June 30, 2020 for each of the state's retirement systems and other fiduciary funds:

<b>Fair Value (U.S. dollars)</b> <b>(expressed in thousands)</b>	
<b>Rating</b>	<b>Fair Value</b>
AAA	\$1,861,317
AA+	337,204
AA	43,249
AA-	170,857
A+	260,723
A	281,599
A-	235,134
A-1	1,370,497
A-1+	124,159
A-3	1,054
BBB+	364,196
BBB	331,798
BBB-	214,614
BB+	191,871
BB	212,588
BB-	185,656
B+	86,948
B	108,301
B-	77,765
CCC+	57,608
CCC	31,985
CCC-	9,879
CC	26,618
C	748
D	10,421
Not Rated	3,826,221
<b>Total</b>	<b><u>\$10,423,010</u></b>

## F. FOREIGN CURRENCY RISK

### Primary Government

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

### Retirement Systems and Other Trusts

Louisiana School Employees' Retirement System's (LSERS) investment policy targets 28% of its portfolio to be invested in foreign marketable securities and 10% in global fixed income. At June 30, 2020, LSERS held foreign marketable securities with a fair value of \$89,369,087. The Louisiana State Employees' Retirement System (LASERS) held foreign marketable securities with a fair value of \$2,827,000,759 at June 30, 2020 and the Teachers' Retirement System of Louisiana (TRSLA) held \$3,542,362,168. The Louisiana State Police Retirement System (LSPRS) investment policy allows no more than 22.50% of their portfolio to be international equities, with a target of 12.50%; however at June 30, 2020 the system held no international equities. The following table illustrates the total exposure to foreign currency risk at June 30, 2020 of \$6,458,732,014 by currency denomination and investment type:

# State of Louisiana

Currency	Fair Value (U.S. dollars) (expressed in thousands)	
	Bonds	Stocks & Other
Argentina peso	\$876	\$1,109
Australian dollar	51,829	183,903
Brazil real	68,690	30,680
British pound sterling	43,157	501,117
Canadian dollar	5,886	243,120
Chilean peso	9,006	4,062
Chinese yuan renminbi	11,544	8,091
Columbian peso	66,103	(325)
Czech koruna	14,555	7,451
Danish krone	29,960	111,600
Dominican Republic peso	899	--
European euro	159,407	2,247,888
Hong Kong dollar	--	454,707
Hungarian forint	2,815	12,780
Indian rupee	--	36,729
Indonesian rupiah	93,969	6,625
Israeli shekel	406	6,418
Japanese yen	42,495	825,440
Kazakhstan Tenge	296	--
Malaysian ringgit	36,783	6,051
Mexican new peso	122,720	10,159
New Taiwan dollar	--	54,333
New Zealand dollar	--	4,470
Nigerian naira	--	310
Norwegian krone	--	34,734
Peruvian sol	22,895	(861)
Philippines peso	3,221	2,606
Polish zloty	31,878	13,548
Qatari riyal	--	148
Romanian leu	3,928	120
Russian ruble	64,503	(2,571)
Saudi Arabian riyal	--	77
Singapore dollar	--	77,396
South African rand	58,676	22,609
South Korean won	418	94,836
Swedish krona	57	121,389
Swiss franc	2	318,636
Thailand baht	22,084	20,083
Turkish lira	10,281	12,601
Ukraine Hryvana	1,663	--
Uruguayan peso	1,793	--
UAE dirham	--	3,868
Total	<u>\$982,795</u>	<u>\$5,475,937</u>

## G. SECURITIES LENDING

### State Treasury and Other Trusts

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

# State of Louisiana

Two separate funds were included in the securities lending agreement for the fiscal year ending June 30, 2020. At June 30, 2020, the collateral exceeded the value of the securities on loan by \$96,011,104 for the General Fund, and \$178,044 for the Free School Fund

At June 30, 2020, the value of securities on loan was \$4,152,297,000 for the Treasurer's pooled general fund investments and \$5,686,000 for Free School Fund.

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

The State's security lending agreements also include U.S. Government and Government Sponsored Entity securities held within the State's trust fund, the Louisiana Education Tuition & Savings Fund. As of the funds year end, December 31, 2019, the fair value of the securities on loan within the trust fund was \$158,217,000. The trust fund had limited credit risk exposure because the value of the collateral securities pledged exceeded the value of the securities on loan by \$4,269,517.

As of June 30, 2020, the State had limited credit risk exposure because the fair value of the U.S. Government and Government Sponsored Entity, and other eligible securities pledged as collateral to the State exceeded the value of securities the State had out on loan by \$96,189,148. The value of the securities on loan was \$4,157,983,000 and the total fair value of the securities held as collateral was \$4,254,172,147. The value of the collateral securities was 102.31% of the value of loaned securities. The Risk to the State is further mitigated because loss indemnification is provided to the State in the securities lending contract with Morgan Stanley.

## **Retirement Systems**

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

The TRSLA lends domestic securities for cash collateral of 100%, domestic securities for other securities collateral at 102%, and international securities for cash collateral or other securities collateral of 105%. The LSPRS, LSERS and LASERS lend U.S. securities for collateral valued at 102% of the fair value of the securities. Non-U.S. securities are loaned for collateral valued at 105% of the fair value of the securities for LASERS and 106% for LSERS. In instances where LSPRS, TRSLA and LSERS loans are for term, the reinvestment of the cash is matched to the maturity of the loan. The majority of LASERS loans are terminable at will. Therefore, their duration will not generally match the duration of the investments made with cash collateral.

At June 30, 2020, neither LSPRS, LASERS, TRSLA, nor LSERS had any credit risk exposure to borrowers at year end because the amount the plan owes the borrowers exceeds the amount the borrowers owe the plan. Securities loans of all four systems may be terminated on demand by either party within a period specified in the related agreement. There were neither significant violations of legal or contractual provisions, nor borrower or lending agent default losses known to the securities lending agents of LSPRS, LSERS or TRSLA. The LASERS and LSERS have indemnification agreements with their securities lending agents in case of borrower default. Securities on loan at June 30, 2020 totaled \$1,218,722,838 for LASERS, \$2,074,501,554 for TRSLA, \$78,473,678 for LSERS, and \$45,788,284 for LSPRS.

# State of Louisiana

## H. DERIVATIVE INSTRUMENTS

### Governmental Activities

As of June 30, 2020, the State is a party to 6 pay-fixed, receive-variable interest rate swaps. These instruments are reported on the government-wide statement of net position at fair value. The fair values take into consideration the prevailing interest rate environment, the nonperformance risk of the client counterparty, and the specific terms and conditions of each swap. All fair values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swaps taking into account nonperformance risk by tracking the relevant credit risk of the State of Louisiana (State) as well as the counterparty on a given reporting date and determining which risk would be appropriate to discount the expected cash flows. These payments are then discounted using the State's relevant interest rate curve for liabilities or the counterparty's relevant yield for assets.

As of June 30, 2020, the State determined that all remaining pay-fixed interest rate swaps qualify for hedge accounting under GASB Statement No. 53. Accordingly, changes in fair value are offset by corresponding deferred outflows/inflows of resources on the government-wide statement of net position. The tables below summarize the derivative instruments activity for the year and the key terms and objectives of the derivative instruments outstanding at June 30, 2020:

Summary of Derivative Instruments Governmental Activities (in thousands)				
	Changes in Fair Value		Fair Value at June 30	
	Classification	Amount	Classification	Amount
<b>Hedging Derivative Instruments</b>				
<u>Cash Flow Hedges</u>				
Pay-Fixed Interest Rate Swaps	Deferred Outflow of Resources	\$69,223	Derivative Instrument Liability	\$86,868

Terms and Objectives of Hedging Derivative Instruments (in thousands)						
Type	Notional	Objective	Effective Date	Maturity Date	Terms	Counterparty Credit Rating (Moody's/S&P)
Pay-Fixed, Receive Variable Interest Rate Swap	\$46,500	Hedge changes in cash flows on Gas and Fuels 2017 Series D-1 Bonds	05/01/09	05/01/43	Pay 3.694%; Receive 70% of USD-LIBOR	Aa2/A+
Pay-Fixed, Receive Variable Interest Rate Swap	\$14,125	Hedge changes in cash flows on Gas and Fuels 2017 Series A Bonds	05/01/09	05/01/41	Pay 3.699%; Receive 70% of USD-LIBOR	Aa2/A+
Pay-Fixed, Receive Variable Interest Rate Swap	\$56,500	Hedge changes in cash flows on Gas and Fuels 2017 Series D-1 Bonds	05/01/09	05/01/41	Pay 3.692%; Receive 70% of USD-LIBOR	A3/BBB+
Pay-Fixed, Receive Variable Interest Rate Swap	\$186,000	Hedge changes in cash flows on Gas and Fuels 2017 Series A Bonds	05/01/09	05/01/43	Pay 3.692%; Receive 70% of USD-LIBOR	A3/BBB+
Pay-Fixed, Receive Variable Interest Rate Swap	\$93,000	Hedge changes in cash flows on Gas and Fuels 2017 Series D-2 Bonds	04/01/12	05/01/43	Pay 3.9235%; Receive 70% of USD-LIBOR	Aa2/AA-
Pay-Fixed, Receive Variable Interest Rate Swap	\$28,250	Hedge changes in cash flows on Gas and Fuels 2017 Series D-2 Bonds	04/01/12	05/01/41	Pay 3.9315%; Receive 70% of USD-LIBOR	Aa2/AA-

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

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

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

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

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

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

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

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

## **Fiduciary Funds**

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

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

TRSLA and LASERS invest in collateralized mortgage obligations which are collateralized by mortgages, mortgage pass-through securities, or stripped mortgage-backed securities and can be highly sensitive to interest rate fluctuations. Additionally, TRSLA and LASERS invest in forward foreign exchange contracts which are contractual agreements between two parties to pay or receive specific amounts of foreign currency at a future date in exchange for another currency for an agreed upon exchange rate. The systems also invests in futures contracts which are agreements for delayed delivery of securities, currency, commodities, or money market instruments in which the seller agrees to make delivery at a specified future date of a specified instrument, at a specific price or yield. TRSLA and LASERS further invests in options on futures allowing the holder and writer of the option the right to exchange futures positions. LASERS and LSERS also maintain a fully benefit-responsive synthetic guaranteed investment contract option for members of the Optional Retirement Plan and the Self-Directed Plan. The investment objective of LASER's SGIC is to protect members from loss of their original investment and to provide a competitive interest rate. The investment objective of LSERS's SGIC is to provide safety of principal while earning as high a level of return as possible. As of June 30, 2020, the contract value of LASERS's SGIC contract was \$525.8 million and the fair value of the LASERS Stable Value Fund was \$552.9 million. This resulted in the fair value of the fund being more than the value protected by the wrap contract by \$27.1 million. The counterparty rating for the wrap contract is A+. The wrap represents an unconditional guarantee of compliance/repayment of principal and interest in accordance with the underlying agreement. As of June 30, 2020, the contract value of LSERS's SGIC contract was \$39.5 million.

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The table below provides summary data for the State's outstanding derivative instruments within the fiduciary funds as of June 30, 2020.

Summary of Investment Derivative Instruments Fiduciary Funds (in thousands)					
	Notional	Changes in Fair Value		Fair Value at June 30	
		Classification	Amount	Classification	Amount
Futures Based Overlay Program	\$138,046	Net Appreciation/(Depreciation) in Fair Value of Investments	(\$2,602)	Investments Payable	\$4,216
Short Fixed Income & Written Options	\$0	Net Appreciation/(Depreciation) in Fair Value of Investments	(\$49,206)	Investments Payable	(\$278,361)
Short Fixed Income & Written Options	\$0	Net Appreciation/(Depreciation) in Fair Value of Investments	(\$1,200)	Global Equities Securities	\$6,920
Short Fixed Income & Written Options	\$0	Net Appreciation/(Depreciation) in Fair Value of Investments	\$101,309	Global Debt Securities	\$517,098
Short Fixed Income & Written Options	\$0	Net Appreciation/(Depreciation) in Fair Value of Investments	(\$447)	Short Term Investments	\$416
Forward Foreign Exchange Contracts	\$1,638,357	Net Appreciation/(Depreciation) in Fair Value of Investments	\$3,540	Investments	\$7,114
Futures Equity	\$99	Net Appreciation/(Depreciation) in Fair Value of Investments	\$10	Domestic Equity	\$0
Futures Int'l Equity	\$873	Net Appreciation/(Depreciation) in Fair Value of Investments	\$2	International Equity	\$21
Futures Fixed Income	(\$2,206)	Net Appreciation/(Depreciation) in Fair Value of Investments	\$45	Domestic Bonds	(\$21)
Swaps Domestic	\$20,639	Net Appreciation/(Depreciation) in Fair Value of Investments	(\$249)	Domestic Bonds	\$1
Swaps International	\$7,086	Net Appreciation/(Depreciation) in Fair Value of Investments	(\$58)	International Bonds	(\$52)
Futures International Fixed Income	(\$2,369)	Net Appreciation/(Depreciation) in Fair Value of Investments	(\$13)	International Bonds	(\$13)

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## Risk Disclosures

*Foreign Currency Risk:* As of June 30, 2020 LASER's and TRSLA's foreign exchange currency contracts were exposed to foreign currency risk.

The following table illustrates LASER's total exposure to foreign currency risk at June 30, 2020 of (\$29,531,907) by currency denomination:

<u>Currency</u>	<u>Fair Value</u> <u>(U.S Dollars)</u>
Australian Dollar	\$506,627
Brazilian Real	54,021
British Pound	(4,196,843)
Canadian Dollar	(569,958)
Chilean Peso	852,292
Chinese Yuan	(3,749,165)
Columbian Peso	(2,943,433)
Czech Koruna	5,583,534
Danish Krone	55,003
Euro	(28,279,302)
Hong Kong Dollar	351,920
Hungarian Forint	3,497,967
Indonesian Rupiah	(5,738,303)
Japanese Yen	(274,265)
Peruvian Sol	(1,114,743)
Polish Zloty	2,940,326
Russian Ruble	(3,092,215)
Singapore Dollar	(190,266)
South African Rand	(1,376,314)
Swedish Krona	(269,625)
Swiss Franc	(92,871)
Thailand Baht	8,513,706
Total	<u><u>(\$29,531,907)</u></u>

At June 30, 2020 TRSLA's foreign currency risk has been reduced by use of the futures based overlay program. The use of the overlay program reduced the variance of TRSLA's actual return to the benchmark return.

Interest rate risk and credit risk associated with LASER's and TRSLA's derivatives are included in the respective tables in Note 2.

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## NOTE 3: ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

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

### A. RECEIVABLES

Receivable balances at June 30, 2020, are as follows (expressed in thousands):

	<b>Governmental Funds</b>					
	<b>General Fund</b>	<b>Bond Security &amp; Redemption Fund</b>	<b>Capital Outlay Escrow Fund</b>	<b>Louisiana Education Quality Trust Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
Applicants & Grantees	\$ 139,752	\$ --	\$ --	\$ --	\$ --	\$ 139,752
Corporate Income Tax	--	448,748	--	--	--	448,748
Individual Income Tax	--	695,687	--	--	--	695,687
Sales & Use Tax	--	409,249	--	--	1,944	411,193
Severance Tax	1,413	45,242	--	--	--	46,655
Tobacco Tax	--	25,562	--	--	--	25,562
Franchise Tax	--	53,825	--	--	--	53,825
Gas & Fuels Tax	--	36,487	--	--	8,745	45,232
Insurance Premium Tax	--	206,750	--	--	--	206,750
Alcohol Tax	--	6,579	--	--	--	6,579
Occupancy Tax	--	4,760	--	--	--	4,760
Other Taxes	--	8,851	--	--	2,963	11,814
Gaming	--	25,655	--	--	--	25,655
Mineral Settlements, Royalties, Bonuses & Rent	133	37,278	13	--	3	37,427
Interest & Dividends	249	2,240	7	--	6	2,502
Licenses, Permits & Fees	1,239	90,823	--	--	6,186	98,248
Sale of Commodities & Services	174	16,912	--	--	--	17,086
Unclaimed Property	1,702	--	--	--	--	1,702
Gifts, Donations, & Contributions	96	2,295	401	--	--	2,792
Other	588,211	83,968	442	36	92	672,749
<b>Receivables (Net)</b>	<b>\$ 732,969</b>	<b>\$ 2,200,911</b>	<b>\$ 863</b>	<b>\$ 36</b>	<b>\$ 19,939</b>	<b>\$ 2,954,718</b>
<b>Amounts not expected to be collected within one year</b>	<b>\$ --</b>	<b>\$ 508,369</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 508,369</b>

### Proprietary Funds

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Unemployment Trust Fund</b>	<b>Louisiana Community &amp; Technical Colleges System</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
Employer Contribution (Gross)	\$ 74,554	\$ --	\$ --	\$ 74,554	\$ --
Tuition and Fees (Gross)	--	27,785	--	27,785	--
Other (Gross)	44,334	8,710	9,633	62,677	98,627
Total Receivables	118,888	36,495	9,633	165,016	98,627
Allowance for Uncollectibles	(63,886)	(12,198)	(108)	(76,192)	(13)
<b>Receivables (Net)</b>	<b>\$ 55,002</b>	<b>\$ 24,297</b>	<b>\$ 9,525</b>	<b>\$ 88,824</b>	<b>\$ 98,614</b>

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## B. ACCOUNTS PAYABLE AND ACCRUALS

Accounts payable and accruals at June 30, 2020, are as follows (expressed in thousands):

	Governmental Funds					
	General Fund	Bond Security & Redemption Fund	Capital Outlay Escrow Fund	Louisiana Education Quality Trust Fund	Nonmajor Governmental Funds	Total Governmental Funds
Salaries, Wages & Related Benefits	\$ 150,814	\$ --	\$ --	\$ --	\$ --	\$ 150,814
Travel & Training	472	--	3	--	--	475
Operating Services	43,040	--	3,217	--	7	46,264
Professional Services	134,976	140	43	--	123	135,282
Supplies	54,235	--	--	--	7	54,242
Grants & Public Assistance	120,525	--	--	--	--	120,525
Capital Outlay	24,408	--	218,797	--	--	243,205
Other Charges	1,348,357	33	5	2,302	6,008	1,356,705
<b>Total Accounts Payable</b>	<b>\$ 1,876,827</b>	<b>\$ 173</b>	<b>\$ 222,065</b>	<b>\$ 2,302</b>	<b>\$ 6,145</b>	<b>\$ 2,107,512</b>

	Proprietary Funds				
	Business-Type Activities - Enterprise Funds				Governmental Activities
	Unemployment Trust Fund	Louisiana Community & Technical Colleges System	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Salaries, Wages & Related Benefits	\$ --	\$ 24,588	\$ 1,412	\$ 26,000	\$ 4,724
Travel & Training	--	--	2	2	2
Operating Services	--	3,549	1,093	4,642	12,051
Professional Services	--	1,271	122	1,393	42,150
Supplies	--	565	3,976	4,541	685
Grants & Public Assistance	--	3,788	181	3,969	--
Capital Outlay	--	4,452	5	4,457	2,281
Other Charges	--	1,106	781	1,887	569
<b>Total Accounts Payable</b>	<b>\$ --</b>	<b>\$ 39,319</b>	<b>\$ 7,572</b>	<b>\$ 46,891</b>	<b>\$ 62,462</b>

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## NOTE 4: INTRA-ENTITY TRANSACTIONS

### INTERFUND ACCOUNTS AND TRANSFERS

#### A. RECEIVABLES AND PAYABLES

A summary of interfund receivables and payables at June 30, 2020, is shown below (expressed in thousands):

	Primary Government	
	Due from Other Funds	Due to Other Funds
<b>GOVERNMENTAL FUNDS:</b>		
General Fund	\$ 1,710,849	\$ 633,723
Bond Security & Redemption Fund	363,241	1,626,680
Capital Outlay Escrow Fund	357,999	93,654
Louisiana Education Quality Trust Fund	--	6,462
Nonmajor Governmental Funds	91,450	146,625
Total Governmental Funds	<u>2,523,539</u>	<u>2,507,144</u>
<b>PROPRIETARY FUNDS:</b>		
Unemployment Trust Fund	--	9,772
Louisiana Community & Technical Colleges System	18,318	56
Nonmajor Enterprise Funds	693	573
Internal Service Funds	--	25,005
Total Proprietary Funds	<u>19,011</u>	<u>35,406</u>
<b>GRAND TOTALS</b>	<b>\$ <u>2,542,550</u></b>	<b>\$ <u>2,542,550</u></b>

#### B. TRANSFERS IN AND OUT

A summary of transfers in and out at June 30, 2020, is shown below (expressed in thousands):

	Primary Government	
	Transfers In	Transfers Out
<b>GOVERNMENTAL FUNDS:</b>		
General Fund	\$ 14,294,606	\$ 561,503
Bond Security & Redemption Fund	32,823	14,373,153
Capital Outlay Escrow Fund	1,173,162	5,822
Louisiana Education Quality Trust Fund	59,061	22,756
Nonmajor Governmental Funds	724,899	1,487,983
Total Governmental Funds	<u>16,284,551</u>	<u>16,451,217</u>
<b>PROPRIETARY FUNDS:</b>		
Louisiana Community & Technical Colleges System	193,650	1,759
Nonmajor Enterprise Funds	9,318	28,543
Internal Service Funds	--	6,000
Total Proprietary Funds	<u>202,968</u>	<u>36,302</u>
<b>GRAND TOTALS</b>	<b>\$ <u>16,487,519</u></b>	<b>\$ <u>16,487,519</u></b>

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

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

# State of Louisiana

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

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

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

The Legislature appropriates resources of the primary government to support the operations of various entities through the annual appropriations acts. The State also provides support to various entities through capital grants and contributions for projects authorized in annual capital outlay acts. For the fiscal year ended June 30, 2020, state appropriations to support the operations of major discretely presented component units and capital grants and contributions provided by the State for major discretely presented components units were as follows (in thousands):

Major Component Unit:	Support Provided by Primary Government		
	Operating Appropriations	Capital Grants	Total Support
Louisiana State University System	\$ 449,656	\$ 27,596	\$ 477,252
University of Louisiana System	287,228	24,470	311,698
Southern University System	51,945	2,578	54,523
Board of Regents	388,971	--	388,971
Louisiana Stadium & Exposition District	17,299	--	17,299
Total	\$ 1,195,099	\$ 54,644	\$ 1,249,743

### B. LOUISIANA LOTTERY CORPORATION

The Louisiana Lottery Corporation (the Corporation) was created in accordance with LRS 47:9000-9081 and 14:90(C) to support elementary and secondary education in Louisiana. The Corporation is required to pay to the State an amount not less than 35% of the Corporation's gross revenues. The amount of gross revenues less costs that is determined to be surplus to the needs of the Corporation must also be paid to the State. In fiscal year 2020, the State received \$179,159,426 from the Corporation.

### C. PUBLIC HOSPITAL LEASES

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

In consideration for allowing the private partners to operate the hospitals, the LSU System will receive lease payments over the life of the agreements. Act 420 of the 2013 Regular Session mandated that all collections of lease payments be deposited with the State Treasury. During fiscal year 2020, LSU deposited \$129,424,846 in hospital lease payments with the State Treasury.

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## NOTE 5: CAPITAL ASSETS

(in thousands)

Governmental Activities:	Capital Assets			Capital Assets
	July 1, 2019	Additions	Deletions	June 30, 2020
Capital assets not being depreciated:				
Land *	\$ 2,300,419	\$ 13,598	\$ 13,196	\$ 2,300,821
Construction in progress *	1,746,777	657,164	605,976	1,797,965
Total capital assets not being depreciated *	4,047,196	670,762	619,172	4,098,786
Other capital assets historical cost:				
Buildings and improvements *	2,686,123	6,036	1,210	2,690,949
Machinery and equipment *	879,873	79,663	30,820	928,716
Infrastructure *	27,910,258	656,072	85,648	28,480,682
Intangible Assets	186,659	116,036	--	302,695
Total other capital assets historical cost *	31,662,913	857,807	117,678	32,403,042
Less accumulated depreciation and amortization:				
Buildings and improvements *	1,130,982	64,762	1,210	1,194,534
Machinery and equipment *	748,944	55,263	30,820	773,387
Infrastructure *	17,985,244	527,717	85,648	18,427,313
Intangible Assets	103,995	28,538	--	132,533
Total accumulated depreciation & amortization *	19,969,165	676,280	117,678	20,527,767
Other capital assets, net of depreciation & amortization *	11,693,748	181,527	--	11,875,275
Governmental activities capital assets, net *	\$ 15,740,944	\$ 852,289	\$ 619,172	\$ 15,974,061
<b>Business-type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 62,616	\$ 287	\$ --	\$ 62,903
Construction in progress	27,821	39,492	47,178	20,135
Total capital assets not being depreciated	90,437	39,779	47,178	83,038
Other capital assets historical cost:				
Buildings and improvements *	858,673	44,862	2,040	901,495
Machinery and equipment *	183,441	16,551	6,517	193,475
Infrastructure	375,781	--	--	375,781
Intangible Assets	21,756	719	--	22,475
Total other capital assets historical cost *	1,439,651	62,132	8,557	1,493,226
Less accumulated depreciation and amortization:				
Buildings and improvements *	252,140	21,622	1,380	272,382
Machinery and equipment *	142,104	10,738	5,484	147,358
Infrastructure	84,267	9,405	--	93,672
Intangible Assets	15,417	2,339	--	17,756
Total accumulated depreciation & amortization *	493,928	44,104	6,864	531,168
Other capital assets, net of depreciation & amortization *	945,723	18,028	1,693	962,058
Business-type activities capital assets, net *	\$ 1,036,160	\$ 57,807	\$ 48,871	\$ 1,045,096

\* Restated beginning balances

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

Governmental activities:		
General Government	\$	37,823
Agriculture & Forestry		1,470
Economic Development		316
Military & Veterans Affairs		25,439
Workforce Support & Training		197
Culture, Recreation & Tourism		6,277
Transportation & Development		537,183
Corrections		12,198
Public Safety		13,074
Youth Development		2,677
Health & Welfare		25,014
Conservation & Environment		11,950
Education		<u>2,662</u>
Total governmental activities depreciation and amortization expense	\$	<u><u>676,280</u></u>

## NOTE 6: EMPLOYEE BENEFITS – PENSIONS

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

### Plan Descriptions

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

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

As of June 30, 2019, the most recent measurement date, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits, and deferred retirement plan participants	1,239
Terminated vested members not yet receiving benefits	214
Current active employees (vested and non-vested)	<u>1,033</u>
	<u><u>2,486</u></u>

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

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

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

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

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

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

	<b>LASERS</b>	<b>LSERS</b>	<b>TRSL</b>	<b>LSPRS</b>	<b>DARS</b>	<b>LCCRRF</b>	<b>ROVERS</b>
<b>Final average salary</b>	Highest 36 or 60 months <sup>1</sup>	Highest 36 or 60 months <sup>1</sup>	Highest 36 or 60 months <sup>1</sup>	Highest 36 or 60 months <sup>1</sup>	Highest 36 or 60 months <sup>1</sup>	Highest 36 or 60 months <sup>1</sup>	Highest 36 or 60 months <sup>1</sup>
<b>Years of service required and/or age eligible for benefits</b>	30 years any age 25 years age 55 20 years any age <sup>7</sup> 5-10 years age 60 <sup>3&amp;11</sup>	30 years any age <sup>10</sup> 25 years age 55 20 years any age <sup>7,14</sup> 5 years age 60 <sup>11</sup>	30 years any age <sup>10</sup> 25 years age 55 20 years any age <sup>7,14</sup> 5 years age 60 <sup>11</sup>	25 years any age 20 years any age <sup>7</sup> 12 years age 55 <sup>2</sup> 10 years age 50 <sup>13</sup>	30 years any age 24 years age 55 <sup>5</sup> 10 years age 60 <sup>5</sup> 10 years age 62 <sup>12</sup> 18 years age 60 <sup>12</sup> 23 years age 55 <sup>12</sup>	12 years age 55 12 years age 60 <sup>2</sup>	30 years any age <sup>8,9</sup> 20 years age 55 <sup>8,9</sup> 10 years age 60 <sup>8,9</sup>
<b>Benefit percent per years of service</b>	2.5% to 3.5% <sup>6</sup>	2.5% to 3.33% <sup>4</sup>	2% to 3% <sup>4</sup>	3.33%	3% to 3.5% <sup>5</sup>	3% to 3.33% <sup>4</sup>	3% to 3.33% <sup>4</sup>

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

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

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

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

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

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

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

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

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

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

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

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

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

<sup>14</sup> Hired prior to 7/1/99 and retired after 7/1/97, age eligible is 20 years at age 65

## Cost of Living Adjustments

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

# State of Louisiana

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

## Contributions

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

Contributions of employees, employers, and non-employer contributing entities effective for the year ended June 30, 2020 for the defined benefit pension plans in which the primary government is a participating employer were as follows (in thousands):

<u>Defined Benefit Pension Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Amount from Nonemployer Contributing Entities*</u>	<u>Amount of State Contributions</u>
LASERS	7.5% - 13.0%	40.8%	--	\$673,536
LSPRS	8.5% - 9.5%	49.1%	--	\$43,663
TRSL	5.0% - 9.1%	25.3% - 26%	\$43,151	\$57,046
LSERS	7.5% - 8.0%	29.4%	--	\$223
DARS	8.0%	4.0%	\$9,888	\$1,110
LCCRRF	8.25%	19.0%	\$11,574	\$2,539
ROVERS	7.0%	18.0%	\$3,169	\$1,811

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

## Net Pension Liability

The State's net pension liability at June 30, 2020 is comprised of the entire net pension liability relating to the State's single-employer plan (LSPRS) and the State's proportional share of the net pension liability relating to each of the cost-sharing plans in which the State is a participating employer (LASERS, TRSL, LSERS, DARS, LCCRRF, and ROVERS). The State's net pension liability for each plan was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's proportionate share of the net pension liability for each of the cost-sharing plans in which it participates was based on the State's required contributions in proportion to total required contributions for all employers. Since there is a trust associated with the net pension liability and the pension fiduciary net position is more than the amount of benefit payments expected to be paid within one year, there is no current portion of pension liability. The General Fund has typically been the fund used to liquidate the net pension liability for governmental activities. As of June 30, 2019, the most recent measurement date, the State's proportion for each cost-sharing plan and the change in proportion from the prior measurement date were as follows (in thousands):

# State of Louisiana

	<u>LASERS</u>	<u>TRSL</u>	<u>LSERS</u>	<u>DARS</u>	<u>LCCRRF</u>	<u>ROVERS</u>
Proportion (amount) of net pension liability	\$5,846,887	\$413,241	\$2,265	\$13,490	\$14,248	\$13,870
Proportion (%) of net pension liability	80.70%	4.16%	0.32%	41.93%	7.85%	74.17%
Increase/(Decrease) from prior measurement date	0.48%	0.21%	-0.03%	-3.97%	-0.44%	-0.32%

Since the measurement date of the net pension liability was June 30, 2019, the net pension liability is based upon fiduciary net position for each of the plans as of June 30, 2019. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the State's net pension liability is available in the separately issued plan financial reports for fiscal year 2019. These reports are available as follows:

- LASERS - [http://app.la.state.la.us/PublicReports.nsf/0/9CCA954398AC63038625849C0067794E/\\$FILE/0001E5A6.pdf](http://app.la.state.la.us/PublicReports.nsf/0/9CCA954398AC63038625849C0067794E/$FILE/0001E5A6.pdf)
- LSPRS - [http://app.la.state.la.us/PublicReports.nsf/0/94B59226409337458625848F0052CEEB/\\$FILE/0001E475.pdf](http://app.la.state.la.us/PublicReports.nsf/0/94B59226409337458625848F0052CEEB/$FILE/0001E475.pdf)
- TRSL - [http://app.la.state.la.us/PublicReports.nsf/0/59AE0C148011DDE18625848F0052CF72/\\$FILE/0001E478.pdf](http://app.la.state.la.us/PublicReports.nsf/0/59AE0C148011DDE18625848F0052CF72/$FILE/0001E478.pdf)
- LSERS - [http://app.la.state.la.us/PublicReports.nsf/0/6EE5013423C81A248625848F0052CD7C/\\$FILE/0001E474.pdf](http://app.la.state.la.us/PublicReports.nsf/0/6EE5013423C81A248625848F0052CD7C/$FILE/0001E474.pdf)
- DARS - [http://app.la.state.la.us/PublicReports.nsf/0/166FD52AF4419C23862584E900637B29/\\$FILE/0001F069.pdf](http://app.la.state.la.us/PublicReports.nsf/0/166FD52AF4419C23862584E900637B29/$FILE/0001F069.pdf)
- LCCRRF - [http://app.la.state.la.us/PublicReports.nsf/0/52E5BA0512A3A644862584F0006AB9AA/\\$FILE/0001F12B.pdf](http://app.la.state.la.us/PublicReports.nsf/0/52E5BA0512A3A644862584F0006AB9AA/$FILE/0001F12B.pdf)
- ROVERS - [http://app.la.state.la.us/PublicReports.nsf/0/92BF3CD083C832A7862584CE005695BD/\\$FILE/0001EB52.pdf](http://app.la.state.la.us/PublicReports.nsf/0/92BF3CD083C832A7862584CE005695BD/$FILE/0001EB52.pdf)

The following table presents the changes in the State's net pension liability for the year ended June 30, 2020 (in thousands):

	<u>LASERS*</u>	<u>LSPRS**</u>	<u>TRSL*</u>	<u>LSERS*</u>	<u>DARS***</u>	<u>LCCRRF***</u>	<u>ROVERS***</u>	<u>Total</u>
<b>Total pension liability:</b>								
Service cost	\$ 176,632	\$ 24,640	\$ 18,308	\$ 141	\$ 5,428	\$ 1,184	\$ 2,343	\$ 228,676
Interest	1,150,370	79,654	96,210	585	12,477	4,177	5,857	1,349,330
Changes in State's proportionate share	92,765	--	67,298	(711)	(18,022)	(3,517)	(385)	137,428
Changes in benefit terms	707	--	--	--	--	--	--	707
Differences between expected and actual experience	71,804	14,795	(5,518)	(58)	(3,916)	218	(2,157)	75,168
Changes in assumptions	55,418	46	12,424	46	--	--	--	67,934
Benefit payments	(1,112,771)	(60,501)	(92,186)	(635)	(8,450)	(3,376)	(4,729)	(1,282,648)
Other changes in total pension liability	--	3,589	--	5	141	(2)	--	3,733
<b>Net change in total pension liability</b>	<b>434,925</b>	<b>62,223</b>	<b>96,536</b>	<b>(627)</b>	<b>(12,342)</b>	<b>(1,316)</b>	<b>929</b>	<b>580,328</b>
<b>Total pension liability - beginning</b>	<b>15,324,511</b>	<b>1,141,254</b>	<b>1,218,141</b>	<b>9,168</b>	<b>208,633</b>	<b>65,875</b>	<b>89,839</b>	<b>18,057,421</b>
<b>Total pension liability - ending</b>	<b>\$ 15,759,436</b>	<b>\$ 1,203,477</b>	<b>\$ 1,314,677</b>	<b>\$ 8,541</b>	<b>\$ 196,291</b>	<b>\$ 64,559</b>	<b>\$ 90,768</b>	<b>\$ 18,637,749</b>
<b>Plan fiduciary net position :</b>								
Contributions - employer	\$ 621,117	\$ 42,082	\$ 50,680	\$ 265	\$ 325	\$ 1,450	\$ 1,743	\$ 717,662
Contributions - employee	129,399	7,194	14,215	72	2,066	563	620	154,129
Contributions - nonemployer contributing entities	--	--	1,701	--	3,937	863	2,219	8,720
Net investment income	365,517	35,483	50,338	286	7,875	1,557	5,386	466,442
Benefit payments	(1,112,771)	(60,501)	(92,186)	(635)	(8,450)	(3,376)	(4,729)	(1,282,648)
Changes in proportionate share fiduciary net position	59,648	--	45,874	(529)	(16,746)	(2,781)	(310)	85,156
Administrative expense	(13,547)	(806)	(560)	(13)	(211)	(52)	(284)	(15,473)
Other changes in fiduciary net position	9,467	3,589	1,026	5	141	(2)	(4)	14,222
<b>Net change in fiduciary net position</b>	<b>58,830</b>	<b>27,041</b>	<b>71,088</b>	<b>(549)</b>	<b>(11,063)</b>	<b>(1,778)</b>	<b>4,641</b>	<b>148,210</b>
<b>Plan fiduciary net position - beginning</b>	<b>9,853,719</b>	<b>866,307</b>	<b>830,348</b>	<b>6,825</b>	<b>193,864</b>	<b>52,089</b>	<b>72,257</b>	<b>11,875,409</b>
<b>Plan fiduciary net position - ending</b>	<b>\$ 9,912,549</b>	<b>\$ 893,348</b>	<b>\$ 901,436</b>	<b>\$ 6,276</b>	<b>\$ 182,801</b>	<b>\$ 50,311</b>	<b>\$ 76,898</b>	<b>\$ 12,023,619</b>
<b>State's net pension liability</b>	<b>\$ 5,846,887</b>	<b>\$ 310,129</b>	<b>\$ 413,241</b>	<b>\$ 2,265</b>	<b>\$ 13,490</b>	<b>\$ 14,248</b>	<b>\$ 13,870</b>	<b>\$ 6,614,130</b>

\*The amount presented represents the primary government's proportionate share as a participating employer in the cost-sharing plan. The collective fiduciary net position for these cost-sharing plans are reported as trust funds in this CAFR.

\*\*The amount presented represents the State's single employer plan.

\*\*\*The amount presented represents the State's proportionate share as a participating employer in the plan.

## Actuarial Assumptions

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

	<u>LASERS</u>	<u>LSPRS</u>	<u>TRSL</u>	<u>LSERS</u>	<u>DARS</u>	<u>LCCRRF</u>	<u>ROVERS</u>
Date of the experience study on which significant assumptions are based	2014 - 2018	7/1/12 - 6/30/17	7/1/12 - 6/30/17	7/1/12 - 6/30/17	7/1/09 - 6/30/14	7/1/09 - 6/30/14	7/1/09 - 6/30/14
Projected salary increases	2.8% - 14.0%	5.25%	3.3% - 4.8%	3.25%	5.5%	5.0%	6.0%
Inflation rate	2.5%	2.50%	2.50%	2.50%	2.40%	2.50%	2.40%
Projected benefit changes Including COLA	None	None	None	None	None	None	None

## Source of Mortality Assumptions

- LASERS** General active members – RP-2014 Blue Collar Employee Tables, adjusted by 0.978 for males and 1.144 for females. General retiree/inactive members (males) –RP-2014 Blue Collar Healthy Annuitant Table, adjusted by 1.280. General retiree/inactive members (females) – RP-2014 White Collar Healthy Annuitant Table, adjusted by 1.417. Non-disabled members – Mortality assumptions include mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, adjusted by 1.009 for males and 1.043 for females, with no projection for mortality improvement.
- LSPRS** Annuitants and beneficiaries set to 110% of the RP-2014 Total Dataset Healthy Annuitant Table for males and 105% of the RP-2014 Total Dataset Healthy Annuitant Table for females, each with the full generational MP-2017 scale. The RP-2014 Total Dataset Disabled Tables for Males and Females with the full generational MP-2017 scale were selected for disabled annuitants.
- TRSL** Active members – RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females. Non-Disabled retiree/inactive members – RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females. Disability retiree mortality – RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females. These base tables are adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.
- LSERS** RP-2014 Healthy Annuitant Tables. RP-2014 Sex Distinct Employee Tables. RP-2014 Sex Distinct Disabled Tables.
- DARS** RP-2000 Combined Healthy with White Collar Adjustment Sex Distinct Tables (setback 1 year for females) projected to 2032 using scale AA were selected for employees, annuitants, and beneficiaries mortality. The RP-2000 Disabled Lives Mortality Table (setback 5 years for males and 3 years for females) for disabled annuitants.
- LCCRRF** RP-2000 Employee Table (set back 4 years for males and 3 years for females). RP-2000 Disabled Lives Mortality Table (set back 5 years for males and 3 years for females). RP-2000 Healthy Annuitant Table (set forward 1 year for males) and projected to 2030 using scale AA for males and females.
- ROVERS** RP-2000 Healthy Mortality Table for active members, healthy annuitants, and beneficiaries. RP-2000 Disabled Lives Mortality Table for disabled annuitants.

## Discount Rate

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

# State of Louisiana

	<u>LASERS</u>	<u>LSPRS</u>	<u>TRSL</u>	<u>LSERS</u>	<u>DARS</u>	<u>LCCRRF</u>	<u>ROVERS</u>
Discount Rate	7.60%	7.00%	7.55%	7.00%	6.50%	6.75%	6.50%
Change in Discount Rate from Prior Valuation	-0.05%	--	-0.10%	-0.06%	--	--	--
*Plan Cash Flow Assumption	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Rates Incorporated in the Discount Rate:							
Long-term Rate of Return	7.60%	7.00%	7.55%	7.00%	6.50%	6.75%	6.50%
Period Applied	All periods	All periods	All periods	All periods	All periods	All periods	All periods
Municipal Bond Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sensitivity of the Net Pension Liability to Changes in the Discount Rate (in thousands):							
Net Pension Liability	\$5,846,887	\$310,129	\$413,241	\$2,265	\$13,490	\$14,248	\$13,870
Net Pension Liability Assuming a Decrease of 1% in the Discount Rate	\$7,379,549	\$455,037	\$550,082	\$3,069	\$36,745	\$21,171	\$23,398
Net Pension Liability/ (Asset) Assuming an Increase of 1% in the Discount Rate	\$4,552,329	\$190,009	\$297,916	\$1,577	(6,312)	\$8,376	\$5,692

\*Plan Cash Flow Assumption:

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

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

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

# State of Louisiana

Asset Class	LASERS**		LSPRS**		TRSL*	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Cash	--	.24%	2.50%	.90%	--	--
Domestic Equity	23%	4.83%	40.0%	3.60%	27.0%	4.60%
Developed International Equity	32%	5.83%	12.5%	5.50%	19.0%	5.70%
Fixed Income						
Domestic Fixed Income	6%	2.79%	17.0%	1.94%	13.0%	1.69%
International Fixed Income	10%	4.49%	3.0%	1.20%	5.5%	2.10%
Equity Investments	--	--	--	--	--	--
Emerging Market Equity Investments	--	--	7.5%	6.80%	--	--
Alternative Investments	22%	8.32%	17.5%	4.60%	35.5%	7.26%
Risk Parity	7%	5.06%				
Real Assets	--	--	--	--	--	--
Total	<u>100%</u>		<u>100%</u>		<u>100%</u>	

# State of Louisiana

Asset Class	LSERS*		DARS*		LCCRRF**		ROVERS*	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Cash	--	--	.49%	--	--	--	--	--
Domestic Equity	39.0%	2.93%	--	--	33.0%	7.5%	40.0%	7.5%
Developed International Equity			--	--	27.0%	8.5%	20.0%	8.5%
Fixed Income	26.0%	1.07%	40.10%	1.65%	20.0%	3.0%	--	--
Domestic Fixed Income	--	--	--	--	--	--	12.5%	2.5%
International Fixed Income	--	--	--	--	--	--	10.0%	3.5%
Equity Investments	--	--	48.42%	5.13%	--	--	--	--
Emerging Market Equity Investments			--	--	--	--	--	--
Alternative Investments	17.0%	1.43%	10.99%	.78%	10.0%	6.59%	10.0%	6.33%
Real Assets	18.0%	.69%	--	--	10.0%	4.5%	7.5%	4.5%
Total	<u>100%</u>		<u>100%</u>		<u>100%</u>		<u>100%</u>	

\* Arithmetic real rates of return

\*\* Geometric real rates of return

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

TRSL, DARS, LCCRRF and ROVERS recognized revenues in the amount of \$8,720 (in thousands) in ad valorem taxes and revenue sharing collected from non-employer contributing entities. Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2020 the State recognized \$904,893 (in thousands) in pension expense related to all defined benefit plans in which it participates:

Pension Expense	<u>LASERS</u>	<u>LSPRS</u>	<u>TRSL</u>	<u>LSERS</u>	<u>DARS</u>	<u>LCCRRF</u>	<u>ROVERS</u>	<u>TOTAL</u>
	\$770,668	\$79,451	\$41,356	\$464	\$6,581	\$2,822	\$3,551	<b>\$904,893</b>

At June 30, 2020 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

# State of Louisiana

## Deferred Outflows of Resources

	<u>LASERS</u>	<u>LSPRS</u>	<u>TRSL</u>	<u>LSERS</u>	<u>DARS</u>	<u>LCCRRF</u>	<u>ROVERS</u>	<u>TOTAL</u>
Differences between expected and actual experience in the measurement of the total pension liability	\$35,902	\$21,786	\$--	\$--	\$58	\$400	\$--	<b>\$58,146</b>
Changes in assumptions or other inputs	50,102	10,390	29,378	66	6,144	911	2,053	<b>99,044</b>
Net difference between projected and actual earnings on pension plan investments	202,002	--	--	24	1,892	1,104	--	<b>205,022</b>
Changes in Proportion	78,327	--	37,143	278	--	224	161	<b>116,133</b>
Differences between Proportionate Share of Employer Contributions & Actual Contributions (cost-sharing plans only)	2,575	--	4,282	16	19	30	--	<b>6,922</b>
Employer contributions to the pension plans subsequent to the measurement date of the net pension liability	673,536	43,663	57,046	223	1,110	2,539	1,811	<b>779,928</b>
<b>TOTAL</b>	<b>\$1,042,444</b>	<b>\$75,839</b>	<b>\$127,849</b>	<b>\$607</b>	<b>\$9,223</b>	<b>\$5,208</b>	<b>\$4,025</b>	<b>\$1,265,195</b>

## Deferred Inflows of Resources

	<u>LASERS</u>	<u>LSPRS</u>	<u>TRSL</u>	<u>LSERS</u>	<u>DARS</u>	<u>LCCRRF</u>	<u>ROVERS</u>	<u>TOTAL</u>
Differences between expected and actual experience	\$(12,149)	\$(1,114)	\$(12,914)	\$(57)	\$(4,210)	\$--	\$(3,421)	<b>\$(33,865)</b>
Changes in assumptions or other inputs	--	--	--	--	(445)	--	--	<b>(445)</b>
Net difference between projected and actual earnings on pension plan investments	--	(492)	(15,294)	--	--	--	(792)	<b>(16,578)</b>
Changes in Proportion	(59,758)	--	(36,793)	(286)	(665)	(950)	(136)	<b>(98,588)</b>
Differences between Proportionate Share of Employer Contributions & Actual Contributions (cost-sharing plans only)	(12,170)	--	(1,248)	(48)	(1,878)	(1)	(15)	<b>(15,360)</b>
<b>Total</b>	<b>\$(84,077)</b>	<b>\$(1,606)</b>	<b>\$(66,249)</b>	<b>\$(391)</b>	<b>\$(7,198)</b>	<b>\$(951)</b>	<b>\$(4,364)</b>	<b>\$(164,836)</b>

The \$779,928 (in thousands) of deferred outflows of resources resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows (in thousands):

Future Amortization	<u>LASERS</u>	<u>LSPRS</u>	<u>TRSL</u>	<u>LSERS</u>	<u>DARS</u>	<u>LCCRRF</u>	<u>ROVERS</u>	<u>TOTAL</u>
2021	\$212,325	\$26,096	\$1,827	\$75	\$726	\$811	\$(238)	<b>\$241,622</b>
2022	(58,788)	(5,406)	(7,068)	(131)	(164)	116	(1,082)	<b>(72,523)</b>
2023	55,575	4,907	544	20	45	523	(246)	<b>61,368</b>
2024	75,719	4,973	9,251	29	1,067	268	(584)	<b>90,723</b>
2025	--	--	--	--	(759)	--	--	<b>(759)</b>
<b>Total</b>	<b>\$284,831</b>	<b>\$30,570</b>	<b>\$4,554</b>	<b>\$(7)</b>	<b>\$915</b>	<b>\$1,718</b>	<b>\$(2,150)</b>	<b>\$320,431</b>

# State of Louisiana

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

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

#### Plan Description

The Office of Group Benefits (OGB) administers the State of Louisiana Post-Retirement Benefit Plan — a multiple-employer defined benefit post-employment benefit plan. There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75 in which: a) contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable, b) OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms, and c) OPEB plan assets are legally protected from creditors.

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

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

A summary of members participating in the plan at the fiscal year end of the plan, June 30, 2020, is as follows:

	<u>Plan Membership</u>
Retirees and beneficiaries currently receiving benefit payments	40,724
Active plan members	48,715
Total	<u>89,439</u>

OGB offers retirees four self-insured healthcare plans and one fully insured plan. Retired employees who have Medicare Part A and Part B coverage also have access to six fully insured Medicare Advantage plans, which include three Vantage HMO plans and one plan each from Peoples Health, Humana, and HMO Louisiana. Retired employees who have both Medicare Part A and Part B are also eligible to participate in Individual Medicare Market Exchange products through the exchange broker Via Benefits and receive \$200/\$300 health reimbursement arrangement (HRA) credits monthly.

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

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

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

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

## Funding Policy

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

## Total OPEB Liability

The total OPEB liability of the OGB Plan of \$7,675,378 (in thousands) was measured as of July 1, 2019, and was determined by an actuarial valuation as of that date. Since there is not a trust associated with the OPEB liability, the plan does not have a fiduciary net position to pay benefit payments expected to be paid within one year. Therefore, there is a current portion of OPEB liability equal to the full amount of benefit payments expected to be paid within one year reflected on the State’s financial statements. The General Fund has typically been the fund used to liquidate the OPEB liability for governmental activities.

*Actuarial assumptions and other inputs.* The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.80 percent
Salary increases	Consistent with the pension valuation assumptions
Discount rate	Current valuation: 2.79 percent based on the June 30, 2019 S&P 20-year municipal bond index rate
Healthcare cost trend rates	<b>Post-Medicare:</b> 5.5 percent for 2019 - 2020, thereafter decreasing 0.25 percent per year through 2024, to an ultimate rate of 4.5 percent for 2024 and later years <b>Pre-Medicare:</b> 7 percent grading down by 0.25 percent each year beginning in 2020-2021 through 2029, to an ultimate rate of 4.5 percent
Retirees’ share of benefit-related costs	Expected per capita costs based on medical and prescription drug claims for retired participants for the period January 1, 2018 through December 31, 2019. Claims experience was trended to the valuation date. The last two months of claims experience was adjusted for incurred but not reported claims using completion factors based on prior year data. Per capita costs for the fully insured HMO and Medicare Advantage plans were based on calendar year 2020 premiums adjusted to the valuation date using the trend assumptions above.
Actuarial cost method	Entry Age Normal, level percentage of pay
Estimated Remaining Service Lives	4.5
Basis for Assumptions	The actuarial assumptions used by the four state pension plans covering the same participants were used for the retirement, termination, disability, and salary scale assumptions.

# State of Louisiana

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Mortality Mortality assumptions are consistent with the pension plans' assumptions. Rates are shown by group.

## **LASERS**

For active lives: the RP-2014 Blue Collar Employee Table, adjusted by 0.978 for males and 1.144 for females, and then projected on a fully generational basis by Mortality Improvement Scale MP-2018.

For healthy retiree lives: the RP-2014 Blue Collar Healthy Annuitant Table, adjusted by 1.280 for males and RP-2014 White Collar Healthy Annuitant Table, adjusted by 1.417 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.

For disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 1.009 for males and 1.043 for females, not projected with mortality improvement.

## **TRSL**

For active lives: the RP-2014 White Collar Employee Table, adjusted by 1.010 for males and by 0.997 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

For healthy retiree lives: the RP-2014 White Collar Healthy Annuitant Table, adjusted by 1.366 for males and by 1.189 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

For disabled retiree lives: the RP-2014 Disabled Retiree Mortality Table, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

## **LSERS**

For active lives: 130% of the RP-2014 Employee Table with Blue Collar Adjustment for males and 115% of the RP-2014 Employee Table with Blue Collar Adjustment for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

For healthy retiree lives: 130% of the RP-2014 Healthy Annuitant Table with Blue Collar Adjustment for males and 115% of the RP-2014 Healthy Annuitant Table with Blue Collar Adjustment for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

For disabled retiree lives: RP-2014 Disabled Tables for Males and Females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

## **LSPRS**

For active and healthy lives: the RP-2014 Combined Healthy Mortality Table, adjusted by 1.10 for males and by 1.05 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

For disabled retiree lives: RP-2014 Disabled Tables for Males and Females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2017.

Participation Rate Medical: The percentage of employees and their dependents who are eligible for early retiree benefits that will participate in the retiree medical plan is outlined in the table below. Active participants who have been covered continuously under the OGB medical plan since before January 1, 2002 are assumed to participate at a rate of 88%. This rate assumes that a one-time irrevocable election to participate is made at the time of retirement. This assumption is consistent with the prior valuation.

<u>Years of Service</u>	<u>Participation %</u>
<10	52%
10-14	73%
15-19	84%
20+	88%

Life Insurance: Future retirees are assumed to participate in the life insurance benefit at a 52% rate. Future retirees are assumed to elect a total of \$45,000 in basic life insurance and supplemental life insurance coverage, before any age reductions. Spouses are assumed to elect \$2,000 of coverage.

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

TOTAL OPEB LIABILITY	Primary Government	Component Units
<b>Balance at 6/30/19</b>	\$ 6,241,670	\$ 2,243,410
<b>Changes for the year:</b>		
Service cost	\$ 162,166	\$ 57,814
Interest	188,073	67,051
Differences between expected and actual experience	87,969	31,362
Changes in assumptions and other inputs	(821,947)	(293,036)
Changes in proportion	12,891	(13,566)
Differences in employer's proportionate share of collective benefit payments and employer's actual benefit payments	(2,365)	2,972
Benefit payments	(210,297)	(78,789)
<b>Net Changes</b>	<b>(583,510)</b>	<b>(226,192)</b>
<b>Balance at 6/30/20</b>	<b>\$ 5,658,160</b>	<b>\$ 2,017,218</b>

### Changes in assumptions and other inputs:

The discount rate decreased from 2.98 percent in 2018, the prior valuation, to 2.79 percent in 2019, the current valuation.

Baseline per capita costs were adjusted to reflect 2019 claims and enrollment; retiree contributions were updated based on 2020 premiums. Plan claims and premiums increased less than had been expected. In addition, the estimate of future Employee Group Waiver Plan (EGWP) savings was increased, based on an analysis of recent EGWP experience.

Life insurance contributions were updated based on updated schedules for 2020 monthly premium rates.

The impact of the High Cost Excise Tax was removed. The High Cost Excise Tax was repealed in December 2019.

Demographic assumptions in the June 30, 2019 actuarial valuation of the four State Retirement Systems are relied upon. One of the systems, Louisiana State Employee Retirement System (LASERS), performed a recent experience study and adopted new assumptions for the June 30, 2019 valuation.

The potential impact of the COVID-19 pandemic on the July 1, 2019 liabilities was considered including the following: 1. The potential increase in incurred claims resulting from a higher volume of PCP, ER, urgent care, and telehealth visits related to COVID-19 testing and treatment; and 2. The potential decrease in incurred claims due to a short-term reduction in utilization of medical and dental preventive care, elective or non-critical procedure, and other services that can be considered discretionary, and; 3. The potential impact of higher than expected mortality related to COVID-19. Due to the lack of experience data and the offsetting nature of the items listed and the long-term nature of the liability projections no explicit adjustments were made to the calculations.

### Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the OGB Plan, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.79 percent) or 1-percentage-point higher (3.79 percent) than the current discount rate (in thousands):

Total OPEB Liability OGB Plan	1% Decrease	Discount Rate (2.79%)	1% Increase
Primary Government	\$6,648,272	\$5,658,160	\$4,878,282
Component Units	\$2,349,867	\$2,017,218	\$1,752,575

### Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:

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The trend of the effects of price inflation and utilization on gross eligible medical and prescription drug charges are presented in the table below. The total OPEB liability of the OGB Plan, as well as what the total OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher for pre-65 participants and for post-65 participants are shown below (in thousands):

	1.0% Decrease	Current Healthcare Cost Trend Rates	1.0% Increase
Pre-65 Rates	6.0% decreasing to 3.5%	7.0% decreasing to 4.5%	8.0% decreasing to 5.5%
Post-65 Rates	4.5% decreasing to 3.5%	5.5% decreasing to 4.5%	6.5% decreasing to 5.5%
Primary Government	\$4,876,810	\$5,658,160	\$6,659,063
Component Units	\$1,754,398	\$2,017,218	\$2,351,969

Retiree contribution trend: Same as medical trend.

## OPEB Expense:

For the year ended June 30, 2020 the State recognized total OPEB expense for the OGB Plan of \$34,148,305 and \$7,741,588 for the primary government and component units, respectively.

## Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB:

Deferred outflows of resources for employer benefit payments made subsequent to the measurement date in the OGB plan in the amount of \$282,126 (in thousands) will be recognized as a reduction of total OPEB liability during the year ending June 30, 2021. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB for the OGB Plan from the following resources (in thousands):

	<u>Primary Government</u>	<u>Component Units</u>
<b>Deferred Outflows of Resources</b>		
Differences between benefit payments allocated by the proportionate share and actual benefit payments	\$45,157	\$17,989
Changes in Employer Proportionate Share	135,377	37,525
Difference between Expected and Actual Experience	68,421	24,393
Employer OPEB benefit payments made subsequent to the measurement date of the total OPEB liability	<u>204,480</u>	<u>77,646</u>
Total	<u>\$453,435</u>	<u>\$157,553</u>
<b>Deferred Inflows of Resources</b>		
Differences between benefit payments allocated by the proportionate share and actual benefit payments	\$ (48,718)	\$(13,513)
Changes in Employer Proportionate Share	(120,281)	(53,119)
Changes of assumptions or other inputs	(912,104)	(325,178)
Difference between expected and actual experience	<u>(19,472)</u>	<u>(6,942)</u>
Total	<u>\$(1,100,575)</u>	<u>\$(398,752)</u>

Amounts reported by the State for the OGB Plan as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

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Year ended June 30:	Net Amount Recognized in OPEB Expense	
	Primary Government	Component Units
2021	\$(316,091)	\$(117,069)
2022	(265,534)	(99,477)
2023	(189,714)	(71,959)
2024	(80,281)	(30,340)
Thereafter	--	--

## B. LSU HEALTH PLAN

### Plan Description

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

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

A summary of members participating in the plan as of the beginning of the measurement period, July 1, 2019 is as follows:

Retirees and beneficiaries currently receiving benefit payments	3,220
Active plan members	7,117
Total	<u>10,337</u>

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

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

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

### Funding Policy

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

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## Total OPEB Liability

The total OPEB liability of the LSU Plan of \$1,402,164 (in thousands) was measured as of June 30, 2020, and was determined by an actuarial valuation as of January 1, 2020. Update procedures were used to roll forward the total OPEB liability to the measurement date.

### Actuarial assumptions and other inputs.

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

Inflation	2.5 percent
Salary increases	2.0 percent per annum
Discount rate	3.5 percent per annum (BOY) 2.21 percent per annum (EOY) <i>Source: Bond Buyer 20-Bond GO Index</i>
Healthcare cost trend rates	<b>Post-Medicare:</b> 5.0 percent for 2020, thereafter decreasing 0.5 percent to an ultimate rate of 4.5 percent for 2021 and later years  <b>Pre-Medicare:</b> 6.0 percent for 2020, thereafter decreasing 0.5 percent per year through 2023, to an ultimate rate of 4.5 percent for 2023 and later years
Mortality Rates	<b>Non-Disabled Lives:</b> Pub-2010 mortality table with generational scale MP-2019  <b>Disabled Lives:</b> Pub-2010 disabled mortality rates with generational MP-2019 scaling
Participation Rate	Based on historical plan participation, an 86% participation rate was assumed.
Actuarial cost method	Entry Age Normal, level percentage of pay
Estimated Remaining Service Lives	6.6
Basis of Assumptions	Consistent with the pension plans covering the same participants

LSU Health Plan has two Options, 1 and 3. Expected retiree claim costs were developed using 24 months of historical claim experience through December 2019 for Option 1. For Option 3, per capita health claim costs were developed by applying age adjustments to the current fully insured premiums.

### Changes in the Total OPEB Liability of the LSU Plan (in thousands):

	Primary Government	Component Units
<b>Balance at 6/30/19</b>	\$ 94,415	\$ 998,814
<b>Changes for the year:</b>		
Service cost	\$ 3,303	\$ 21,143
Interest	3,399	35,363
Changes of benefit terms	--	--
Differences between expected and actual experience	(5,079)	(101,973)
Changes in assumptions or other inputs	27,705	343,314
Benefit payments	(1,127)	(17,113)
<b>Net changes</b>	<u>28,201</u>	<u>280,734</u>
<b>Balance at 6/30/20</b>	<u>\$ 122,616</u>	<u>\$ 1,279,548</u>

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Changes of assumptions and other inputs primarily reflect a change in the discount rate from 3.50 percent in 2019 to 2.21 percent in 2020. Additionally, the retirement rates were updated to the most recent rates from the LASERS and TRSL Actuarial Valuations. The mortality assumption was updated from RP-2014 mortality table with generational scale MP-2018 to the Pub-2010 mortality table with generational scale MP-2019 to reflect the Society of Actuaries' recent mortality study. The change in experience created a decrease in the overall liability due to a reduction in expected claim costs and the elimination of the excise tax. Also there was a slight change in the overall census.

*Sensitivity of the total OPEB liability to changes in the discount rate.*

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

<b>Total OPEB Liability LSU Plan</b>	<b>1% Decrease</b>	<b>Discount Rate (2.21%)</b>	<b>1% Increase</b>
Primary Government	\$154,148	\$122,616	\$101,309
Component Units	\$1,608,620	\$1,279,548	\$1,057,214

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.*

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

	<b>1.0% Decrease</b>	<b>Current Healthcare Cost Trend Rates</b>	<b>1.0% Increase</b>
Pre-65 Rates	5.0% decreasing to 3.5%	6.0% decreasing to 4.5%	7.0% decreasing to 5.5%
Post-65 Rates	4.0% decreasing to 3.5%	5.0% decreasing to 4.5%	6.0% decreasing to 5.5%
Primary Government	\$100,171	\$122,616	\$155,531
Component Units	\$1,045,337	\$1,279,548	\$1,623,057

**OPEB Expense:**

For the year ended June 30, 2020 the State recognized total OPEB expense for the LSU Plan of \$10,258,758 and \$95,233,886 for the primary government and component units, respectively.

**Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB:**

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB for the LSU Plan from the following resources (in thousands):

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	<u>Primary Government</u>	<u>Component Units</u>
<b>Deferred Outflows of Resources</b>		
Differences between benefit payments allocated by the proportionate share and actual benefit payments	--	--
Changes in Employer Proportionate Share	--	--
Changes of assumptions or other inputs	\$28,032	\$340,193
Employer OPEB benefit payments made subsequent to the measurement date of the total OPEB liability	--	--
Total	<u>\$28,032</u>	<u>\$340,193</u>

## Deferred Inflows of Resources

Differences between benefit payments allocated by the proportionate share and actual benefit payments	--	--
Changes in Employer Proportionate Share	--	--
Changes of assumptions or other inputs	\$(2,978)	\$(29,334)
Difference between expected and actual experience	(4,315)	(86,625)
Total	<u>\$(7,293)</u>	<u>\$(115,959)</u>

Amounts reported by the State as deferred outflows of resources and deferred inflows of resources related to OPEB for the LSU Plan will be recognized in OPEB expense as follows (in thousands):

<u>Year ended June 30:</u>	<u>Net Amount Recognized in OPEB Expense</u>	
	<u>Primary Government</u>	<u>Component Units</u>
2021	\$3,558	\$38,727
2022	3,558	38,727
2023	3,558	38,727
2024	3,800	41,110
2025	4,075	43,552
Thereafter	2,190	23,391

## C. OTHER PLANS

Three discretely presented component units of the State have their own OPEB plans and provided actuarial valuation results to the State. These plans are not disclosed in detail in the CAFR, but are available in the agencies' separate financial statements. For the addresses of the agencies, see Note 1 in this CAFR. The Total OPEB Liability, Total Deferred Outflows of Resources, and Total Deferred Inflows of Resources at June 30, 2020 for each of the three plans is as follows (in thousands):

<u>Component Unit</u>	<u>Total OPEB Liability</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Greater New Orleans Expressway Commission	\$5,534	\$659	\$(187)
Louisiana Citizens Property Insurance Corporation	3,950	586	(211)
Tensas Basin Levee District	10,768	1,345	(197)
<b>Total</b>	<u>\$20,252</u>	<u>\$2,590</u>	<u>\$(595)</u>

## NOTE 7: LEASES

### A. LEASE AGREEMENTS

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

### B. OPERATING LEASES

Operating lease payments are recorded as expenses in the accompanying financial statements. Operating lease expenses for the primary government totaled (expressed in thousands) \$62,710 for the fiscal year ended June 30, 2020. Commitments of the primary government under operating lease agreements for equipment, land, and buildings provide for future annual rental payments as follows (expressed in thousands):

Fiscal Year	Buildings/ Office Space	Equipment	Land	Total
2021	\$ 38,453	\$ 4,556	\$ 211	\$ 43,220
2022	23,501	2,776	176	26,453
2023	19,670	2,160	140	21,970
2024	15,983	1,773	40	17,796
2025	12,664	1,760	40	14,464
2026-2030	43,615	8,977	57	52,649
2031-2035	36,688	9,190	2	45,880
2036-2040	36,688	9,228	2	45,918
2041-2045	36,688	9,268	1	45,957
Total	<u>\$ 263,950</u>	<u>\$ 49,688</u>	<u>\$ 669</u>	<u>\$ 314,307</u>

### C. CAPITAL LEASES AND INSTALLMENT PURCHASE AGREEMENTS

Capital lease obligations are payable from resources of the governmental and proprietary funds. The following is a schedule of future minimum payments remaining under contracts in existence at June 30, 2020 (expressed in thousands):

Fiscal Year	Governmental Activities	Business-Type Activities
2021	\$ --	\$ 211
2022	--	297
2023	--	281
2024	--	283
2025	--	279
2026-2030	--	1,399
Subtotal	--	2,750
Less interest and executory costs	--	521
Present value of minimum lease Payments	<u>\$ --</u>	<u>\$ 2,229</u>

The gross amount of the leased assets at June 30, 2020 (expressed in thousands) for business-type activities is \$4,395 for buildings and office space.

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

# State of Louisiana

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Buildings/Office Space	\$ --	\$ 2,192
Equipment	--	37
Land	--	--
Other	--	--
Total Capital Leases	<u>\$ --</u>	<u>\$ 2,229</u>

## D. LESSOR LEASES

Various property and facilities are leased to outside parties including port authorities, levee districts, universities, and various other entities. The lease revenues (expressed in thousands) were \$50,742 for governmental activities and \$2,310 for business-type activities for the fiscal year ending June 30, 2020.

The value of the property carried on the financial reports for the entities included below (expressed in thousands) is \$745 for land, \$33,890 for buildings and office space and \$19 for equipment. Accumulated depreciation on the buildings and equipment totaled \$17,434.

### OPERATING LEASES

The following is a schedule by years of minimum future rentals on operating leases as of June 30, 2020 (expressed in thousands):

<u>Fiscal Year</u>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
2021	\$ 50,693	\$ 2,126
2022	49,220	1,925
2023	49,220	1,760
2024	49,220	1,740
2025	49,220	1,167
2026-2030	246,068	3,198
2031-2035	246,066	240
2036-2040	160,169	240
2041-2045	646	240
Total	<u>\$ 900,522</u>	<u>\$ 12,636</u>

## NOTE 8: LONG-TERM OBLIGATIONS

### A. DEBT AUTHORIZATION AND LIMITATIONS

The Louisiana Constitution of 1974 provides that the State shall have no power, directly or indirectly, through any board, agency, commission, or otherwise, to incur debt or issue bonds except by law enacted by two-thirds of the elected members of each house of the Legislature. LRS 39:1365(25) limits the legislative authorization of general obligation bonds and other general obligations secured by the full faith and credit of the State by prohibiting total authorized bonds from exceeding an amount equal to two times the average annual revenues of the Bond Security and Redemption Fund for the last three fiscal years prior to such authorization. The bond authorization limitation is \$29,638,466,000. The total general obligation bonds authorized are \$3,527,065,000 at June 30, 2020, or 11.90% 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 \$1,481,923,000. At June 30, 2020, the highest current or future annual general obligation debt service requirement is \$410,575,000, which represents 27.71% of the debt issuance limitation.

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

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

- The State has entered into various cooperative endeavor agreements with various issuing governments whereby the State requests the Legislature to appropriate funds sufficient to pay the annual debt service requirements of the issuers' bonds. The Legislature is not obligated to appropriate these funds and there is no recourse to the State in the event of non-appropriation. Since the State is not the issuer of the bonds and has the discretion to avoid the expenditure of State resources through non-appropriation, these bonds are not reported as liabilities in the accompanying financial statements. Payments for principal and interest made pursuant to the annual appropriations act for these bonds are reported as grant expenditures rather than debt service expenditures in the accompanying financial statements. Total payments on these bonds during fiscal year 2020 totaled \$32,065,245.
- On July 12, 2006, in response to the need to assist local political subdivisions as the result of Hurricanes Katrina and Rita, the State Bond Commission, on behalf of the State of Louisiana, issued General Obligation Gulf Tax Credit Bonds, Series 2006A and General Obligation Match Bonds, Series 2006B in the amounts of \$200 million and \$194.475 million, respectively, for the purpose of providing loans to assist in the payment of debt service on certain bonds, notes, certificates of indebtedness or other written obligations of local political subdivisions of the State and to pay debt service on general obligation bonds of the State, under a debt payment assistance program authorized by the Gulf Opportunity Zone Act of 2005 and by Act 41 of the 2006 First Extraordinary Session of the Legislature. The bonds have been subsequently refunded several times. The debt service on these bonds are excluded from the net state tax-supported debt calculation. Debt service expenditures during fiscal year 2020 for these bonds were \$54,395,900.
- In fiscal year 2001 the State, through the Tobacco Settlement Financing Corporation, issued bonds to access future tobacco settlement revenues received pursuant to the Master Settlement Agreement. While the bonds and related debt service expenditures are included in the accompanying financial statements, the bonds are not considered net state tax-supported debt. Debt service expenditures during fiscal year 2020 for these bonds were \$87,045,413.

The maximum amount of net State tax-supported debt allowed by statute for fiscal year 2019-2020 was \$719,514,000. During the fiscal year 2019-2020, the total net State tax-supported debt paid was \$671,036,037 or 5.60% of the estimated General Fund and dedicated funds' revenues established by the Revenue Estimating Conference.

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

The Omnibus Bond Authorization Act of 2020 provides for the repeal of all acts authorizing the issuance of general obligation bonds, except for any act authorizing issuance of refunding bonds and Act 41 of the 2006 First Extraordinary Session. Act 41 authorized the sale of bonds to provide relief to political subdivisions of the state affected by natural catastrophes. The Omnibus Bond Authorization Act requires the legislature to annually repeal the issuance of general obligation bond authorizations for projects that are no longer found feasible or desirable, to reauthorize general obligation bonds for projects deemed to be essential, and to authorize new projects. As a result, there were no authorized but unissued general obligation bonds outstanding at June 30, 2020.

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

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

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## D. LONG-TERM OBLIGATIONS OUTSTANDING AT JUNE 30, 2020

Long-term obligations outstanding at June 30, 2020, principal only, are as follows (expressed in thousands):

Long-Term Obligations	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Interest Rates
<b>GOVERNMENTAL ACTIVITIES:</b>						
<b>General obligation bonds payable</b>						
General obligation bonds payable	\$ 3,623,515	\$ 361,785	\$ 362,415	\$ 3,622,885	\$ 268,710	1.769-5.00%
General obligation bonds payable - direct placements	23,535	--	23,535	--	--	2.87%
<b>Total general obligation bonds payable</b>	<b>3,647,050</b>	<b>361,785</b>	<b>385,950</b>	<b>3,622,885</b>	<b>268,710</b>	
<b>Other bonds payable by Agency:</b>						
Louisiana Correctional Facilities Corporation	5,528	--	2,664	2,864	251	2.88 - 5.00%
Department of Corrections	19,370	--	1,886	17,484	1,948	4.62 - 4.87%
Grant Anticipation Revenue bonds	185,000	--	--	185,000	11,625	5.00%
Office Facilities Corporation	52,980	--	13,785	39,195	14,490	3.00 - 5.00%
Public Safety LPFA	10,120	--	5,395	4,725	2,315	4.00%
Tobacco Settlement Financing Corporation	390,260	--	66,685	323,575	29,370	5.00 - 5.50%
State Highway Improvement	235,380	--	11,225	224,155	11,790	4.00 - 5.00%
Unclaimed Property Special Revenue Fund	162,620	--	6,890	155,730	7,235	1.00 - 5.00%
Transportation Infrastructure Model for Economic Development	2,108,870	--	33,375	2,075,495	36,580	3.576-5.00%
Transportation Infrastructure Model for Economic Development - direct placements	424,375	--	--	424,375	--	variable
<b>Total other bonds payable</b>	<b>\$ 3,594,503</b>	<b>\$ --</b>	<b>\$ 141,905</b>	<b>\$ 3,452,598</b>	<b>\$ 115,604</b>	
Add/Subtract unamortized amounts:						
Unamortized Premiums	686,881	81,841	67,512	701,210	55,687	
<b>Total bonded debt</b>	<b>\$ 7,928,434</b>	<b>\$ 443,626</b>	<b>\$ 595,367</b>	<b>\$ 7,776,693</b>	<b>\$ 440,001</b>	
<b>Other liabilities:</b>						
Compensated absences	\$ 199,249	\$ 93,142	\$ 83,931	\$ 208,460	\$ 15,671	
Notes payable	11,968	24,294	5,600	30,662	7,427	
Contracts payable *	15,002	12,375	20,077	7,300	7,300	
Pollution remediation obligations	18,654	13,493	12,054	20,093	6,319	
Estimated liability for claims	2,155,575	1,187,987	1,158,266	2,185,296	305,998	
Estimated liability for construction contracts *	1,642,637	16,993	--	1,659,630	--	
Other long-term liabilities	127,803	--	4,976	122,827	5,059	
<b>Total Other Liabilities *</b>	<b>\$ 4,170,888</b>	<b>\$ 1,348,284</b>	<b>\$ 1,284,904</b>	<b>\$ 4,234,268</b>	<b>\$ 347,774</b>	
<b>* restated</b>						

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

### **BUSINESS-TYPE ACTIVITIES:**

#### **Bonds payable:**

Revenue bonds	\$ 477,640	\$ 54,805	\$ 53,500	\$ 478,945	\$ 17,250	1.609- 5.00%
Revenue bonds - direct placements	118,710	--	2,040	116,670	2,050	1.89 - 3.46%
Unamortized Discounts & Premiums	50,201	2,625	5,586	47,240	3	
<b>Total Bonds Payable</b>	<b>\$ 646,551</b>	<b>\$ 57,430</b>	<b>\$ 61,126</b>	<b>\$ 642,855</b>	<b>\$ 19,303</b>	

#### **Other liabilities:**

Compensated absences	\$ 22,228	\$ 7,568	\$ 5,152	\$ 24,644	\$ 1,494	
Capital lease obligations *	2,534	--	305	2,229	120	
Notes payable	1,398	--	163	1,235	177	
Other long-term liabilities	4,178	191	--	4,369	4,369	
<b>Total Other Liabilities *</b>	<b>\$ 30,338</b>	<b>\$ 7,759</b>	<b>\$ 5,620</b>	<b>\$ 32,477</b>	<b>\$ 6,160</b>	
<b>*restated</b>						

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

## E. DEBT SERVICE REQUIREMENTS AT JUNE 30, 2020

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

<b>Governmental Activities</b>					
<b>Year:</b>	<b>Bonds Payable</b>		<b>Bonds Payable from Direct Placements</b>		<b>Net Effect of Derivative Instruments</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2021	\$ 384,314	\$ 304,860	\$ --	\$ 3,345	\$ 15,410
2022	383,416	286,856	--	3,047	15,410
2023	386,560	268,604	--	3,457	15,410
2024	357,340	250,246	288	3,467	15,451
2025	360,761	233,057	726	3,456	15,396
2026-30	1,696,652	921,491	11,090	17,141	76,231
2031-35	1,723,380	525,919	26,699	16,486	73,054
2036-40	1,019,540	204,584	47,516	15,133	66,686
2041-45	339,145	35,753	338,056	7,549	28,147
<b>Total</b>	<b>\$ 6,651,108</b>	<b>\$ 3,031,370</b>	<b>\$ 424,375</b>	<b>\$ 73,081</b>	<b>\$ 321,195</b>

<b>Governmental Activities</b>				
<b>Year:</b>	<b>Notes Payable</b>		<b>Totals</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Total Principal</b>	<b>Total Interest Cost</b>
2021	\$ 7,427	\$ 326	\$ 391,741	\$ 323,941
2022	7,574	249	390,990	305,562
2023	6,966	154	393,526	287,625
2024	5,253	75	362,881	269,239
2025	3,442	15	364,929	251,924
2026-30	--	--	1,707,742	1,014,863
2031-35	--	--	1,750,079	615,459
2036-40	--	--	1,067,056	286,403
2041-45	--	--	677,201	71,449
<b>Total</b>	<b>\$ 30,662</b>	<b>\$ 819</b>	<b>\$ 7,106,145</b>	<b>\$ 3,426,465</b>

# State of Louisiana

## Business-Type Activities

Year:	Revenue Bonds		Revenue Bonds from Direct Placements		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 17,250	\$ 21,654	\$ 2,050	\$ 2,779	\$ 178	\$ 72	\$ 19,478	\$ 24,505
2022	22,630	20,872	2,075	2,708	172	49	24,877	23,629
2023	24,205	19,774	2,110	2,636	175	46	26,490	22,456
2024	25,830	18,626	2,670	2,554	99	43	28,599	21,223
2025	27,005	17,428	2,745	2,460	28	41	29,778	19,929
2026-30	138,610	68,187	15,915	10,771	175	171	154,700	79,129
2031-35	98,715	42,399	20,110	7,763	246	101	119,071	50,263
2036-40	111,425	17,405	22,420	5,475	162	16	134,007	22,896
2041-45	13,275	1,228	28,390	3,216	--	--	41,665	4,444
2046-50	--	--	18,185	344	--	--	18,185	344
<b>Total</b>	<b>\$ 478,945</b>	<b>\$ 227,573</b>	<b>\$ 116,670</b>	<b>\$ 40,706</b>	<b>\$ 1,235</b>	<b>\$ 539</b>	<b>\$ 596,850</b>	<b>\$ 268,818</b>

### F. DEFAULT CONSEQUENCES

In the event of default of the Gasoline and Fuels Revenue Bonds (TIMED), State Highway Improvement Revenue Bonds, or the Unclaimed Property Special Revenue Bonds, all outstanding principal and interest accrued may become due immediately. The maturity of the bonds may be accelerated in the event of default of the Public Safety LPFA Bonds and the Office of Facilities Corporation (OFC) Bonds. In addition, the OFC outstanding principal and interest accrued may become due immediately. If any event of default occurs in relation to the Louisiana Department of Corrections Bonds, the lessor may exercise any right, remedy or privilege which may be available under applicable law. In the event of default for the TIMED private placement bonds, the default rate is equal to the sum of the base rate on such day plus 4%. Also, upon the occurrence of a default on the LCTCS bonds, the authority, Trustee, and bond holders shall have all the rights and remedies as may be allowed by law, the Indenture, or pursuant to the provisions of the Loan Agreement and/or the Facilities Lease by virtue of their assignment, including but not limited to, acceleration of the maturity of all the Bonds, or suit at law or in equity to enforce the action or inaction of parties under the provisions.

### G. DEFEASED BONDS

The following table details the principal balances of previously outstanding bonds considered defeased at June 30, 2020 (expressed in thousands). The defeased bonds are not included in the accompanying financial statements.

# State of Louisiana

<u>Bond Series</u>	<u>Date Defeased</u>	<u>Maturity Date</u>	<u>Amount Defeased</u>	<u>Outstanding at June 30, 2020</u>
<b>Primary Government:</b>				
General Obligation:				
2011-A	11/14	09/20	\$ 99,095	\$ 99,095
2010-A	04/16	05/20	18,995	-0-
2011-A	04/16	09/19	13,210	-0-
2011-A	04/16	09/20	82,905	82,905
2012-A	04/16	08/19	1,375	-0-
2012-A	04/16	08/22	66,370	66,370
2012-C	04/16	07/22	23,415	23,415
2010-A	03/20	05/20	100,730	-0-
TIMED:				
2010-B	02/15	05/20	41,860	-0-
2010-B	08/17	05/20	311,650	-0-
2012-A	08/17	05/22	65,575	65,575
LCTCS:				
2009-B	10/17	10/19	45,280	-0-
2010	10/17	10/20	64,025	64,025
2011	02/20	12/21	11,665	11,665
2012	02/20	12/22	24,125	24,125

## H. REFUNDING OF BONDS

### General Obligation Refunding Bonds

On March 11, 2020, the State issued \$98,620,000 of General Obligation Refunding Bonds, Series 2020-B, with coupon interest rates of 5.00% to advance refund the outstanding balance of \$100,730,000 in General Obligation Bond Series 2010-A. Refunding proceeds of \$103,148,893 included bond proceeds at the par amount of \$98,620,000, a premium of \$4,528,016, and a cash contribution of \$877. In addition to refunding the Series 2010-A, the bond proceeds were used to pay issuance costs of \$7,397. The refunding transaction resulted in an economic gain of \$3,840,334.

### Gasoline and Fuels Tax Revenue Refunding Bonds

On April 24, 2020, the State executed a \$554,695,000 term loan agreement, denominated as Gasoline and Fuels Tax Revenue Refunding Term Loan Notes Series 2020-A, to refund 2023 to 2035 maturities of Gasoline and Fuels Tax Revenue Refunding Series 2012A-1. The term loan agreement was accompanied by a forward delivery contract to lock in tax-exempt rates until the delayed draw term loan is drawn on May 2, 2022. As an alternative to issuing taxable refunding bonds, it was determined a delayed draw term loan structure would be more economical. The transaction will result in an estimated economic gain of \$69,933,948. The outstanding Gasoline and Fuels Series 2012A-1 will remain outstanding until the call date on May 2, 2022.

### Louisiana Community and Technical College System

On February 11, 2020, the Louisiana Local Government Environmental Facilities and Community Development Authority issued Series 2020 Taxable Revenue Refunding Bonds for the Baton Rouge Community College Facilities Corporation Project, in the amount of \$38,175,000 with interest rates of 1.609% to 2.652% and a Board Contribution of \$566,255, to advance refund Series 2011 in the amount of \$11,665,000 and Series 2012 in the amount of \$24,125,000. The present value savings was \$3,072,739.

## I. CONDUIT DEBT

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

## J. OTHER GENERAL LONG-TERM OBLIGATIONS

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

# State of Louisiana

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## K. PLEDGED REVENUES

### Governmental Activities

#### Motor Vehicle Registration and License Fees

In March 2013, the State issued State Highway Improvement Revenue Bonds Series 2013A maturing in 2033 in the amount of \$85,400,000 and in February 2014, the state issued State Highway Improvement Revenue Bonds Series 2014A maturing in 2034 in the amount of \$198,135,000. As of June 30, 2020, the outstanding maturities extend to 2034. The bonds are secured by and payable from annual motor vehicles registration and license fees or taxes for the registration and licensing of all vehicles and motor vehicles which are collected by the Department of Public Safety. Total motor vehicle registration and license fees available in fiscal year 2020 were \$65,087,249. The principal and interest paid for the current year was \$11,225,000 and \$11,769,000. The total principal and interest remaining on the bonds is \$224,155,000 and \$90,908,250, respectively.

#### Office of Motor Vehicle Handling Fees

In October 2017, the Louisiana Public Facilities Authority (LPFA) issued Series 2017 Revenue Refunding bonds in the amount of \$14,485,000 to refund the 2007 Revenue Refunding bonds on behalf of the Department of Public Safety and Corrections to obtain a lower interest rate. The refunded bonds were issued to acquire, construct, and equip a new Department of Public Safety Services complex and a new Joint Emergency Services Training Center complex. The refunding bonds are secured by an irrevocable pledge and dedication of the handling fees collected by the Office of Motor Vehicles through June 2022. The Department collected \$11,770,717 during fiscal year ended June 30, 2020. The principal and interest paid for the current year was \$5,395,000 and \$296,900, respectively. The total principal and interest remaining on the bonds is \$4,725,000 and \$190,900.

#### Tobacco Settlement Revenues

The Tobacco Settlement Financing Corporation, a blended component unit, issued \$659,745,000 of tobacco settlement asset-backed bonds on July 2, 2013. The revenue bonds were issued to provide up-front cash for a portion of the State's allocation of tobacco settlement revenues (TSRs) to be received in perpetuity from participating cigarette manufacturers (PMs) pursuant to the Master Settlement Agreement (MSA). Security for the bonds consist of 60% of TSRs required to be paid to the State. The Corporation received pledged revenues of \$86,327,675 for fiscal year 2020. The principal and interest paid for the current year was \$66,685,000 and \$20,360,413, respectively. The bonds, payable through 2035, have total principal and interest outstanding of \$323,575,000 and \$163,248,116, respectively.

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

The State has pledged gasoline and fuel taxes to service debt on outstanding gas and fuels tax revenue bonds. As of June 30, 2020, the outstanding maturities extend to 2045. Bond proceeds are to be used for financing the construction of highway and bridge projects. Revenues available in fiscal year 2020 for funding debt service due were \$581,226,610. Principal and interest paid for the current year were \$33,375,000 and \$115,176,914, respectively. The total principal and interest remaining on the bonds is \$2,499,870,000 and \$1,745,103,791, respectively.

#### Unclaimed Property Special Revenue Bonds

In December 2013 the State issued \$111,675,000 in Unclaimed Property Special Revenue Bonds, Series 2013, consisting of \$90,595,000 for the I-49 North Project and \$21,080,000 for the I-49 South Project and in September, 2015 the State issued \$73,820,000 for the I-49 South Project. The purpose of these bonds are to match federal funds to be used by the Department of Transportation and Development for the costs of and associated with the construction of Interstate 49. Security for the bonds, which are payable through fiscal year 2036, consist of annual unclaimed property revenues that escheat to the General Fund. Unclaimed property cash receipts for the year were \$39,324,828. The principal and interest paid in the current year was \$6,890,000 and \$7,901,419, respectively. The total principal and interest remaining on the bonds is \$155,730,000 and \$64,887,708, respectively.

#### Grant Anticipation Revenue Bonds (GARVEE)

In April 2019, the State issued \$185,000,000 in GARVEE bonds to be used to finance the construction of qualified federal-aid transportation projects. The Federal Transportation Funds are paid to the Louisiana Department of Transportation and Development (DOTD) by the United States Department of Transportation Federal Highway Administration (FHWA) pursuant to its obligation authority under the Federal-aid Highway Program administered by the FHWA. The interest paid in the current year was \$7,913,888. The total principal and interest remaining on the bonds is \$185,000,000 and \$60,846,001, respectively.

## Business-Type Activities

### Highway 1 Tolls

Louisiana Transportation Authority, a public corporation within the Department of Transportation and Development (DOTD), issued several series of toll revenue bonds in 2005 to finance a highway project in the lower portion of Lafourche Parish. The project creates elevated highways that run parallel to Highway 1, with a bridge over Bayou Lafourche. The 2005 series bonds were refunded in November 2013. The bonds are now backed by, in addition to toll revenues, a cooperative endeavor agreement that requires that appropriations sufficient to fund the annual debt service be included in the Executive Budget request. The monies were appropriated in fiscal year 2020 sufficient to pay the debt service; however, \$4,932,628 was collected in toll revenues and used to reimburse the General Fund. The principal and interest paid during the current year was \$2,765,000 and \$5,200,994. The total principal and interest remaining on the bonds is \$165,670,000 and \$75,205,789, respectively. The bonds are payable through fiscal year 2046.

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

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

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

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

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

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

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Recoveries from Settled and Unsettled Claims	Balance at Fiscal Year End
2019-2020	\$2,155,575	\$1,187,987	(\$1,144,329)	(\$13,937)	\$2,185,296
2018-2019	\$2,117,645	\$1,272,949	(\$1,218,659)	(\$16,360)	\$2,155,575

#### **A. RISK MANAGEMENT AND SELF INSURANCE**

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

# State of Louisiana

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For fiscal year 2020, the Self-Insurance Fund paid \$132,983,426 to satisfy claims and judgments. At June 30, 2020, outstanding non-discounted reserve valuations of the open claims within the programs totaled \$1,130,370,578. At June 30, 2020, ORM cash balances included \$42,116,891 in the Self-Insurance Fund. ORM advises that the non-discounted liability reserve valuation for the claims in litigation against state agencies being handled by that office is valued at \$205,334,158 at June 30, 2020.

The Office of Risk Management purchases annuities to settle portions of certain claims. Third-party trustees then make payments to the claimants. At June 30, 2020, there were 20 active annuities which do not contain the wording releasing the State from any future liability on the claims. The outstanding amount due on these annuities as of June 30, 2020 was \$37,694,196.

The Future Medical Care Fund funds medical care that may be incurred subsequent to judgment rendered against the state. The present value of reserves, net of estimated recoveries, at June 30, 2020 was \$19,978,948.

OGB pays all claim settlements and judgments through its Self-Insurance Fund which is reported in the General Fund. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. For fiscal year 2020, OGB paid \$897,791,949 in claims, and the liability at the end of the fiscal year was \$62,044,315.

## **B. LITIGATION**

The estimated probable future liability including incremental costs resulting from litigation, contract claims, and judgments against the State that are not being handled by ORM, not including contract claims reported by the Department of Transportation and Development (DOTD), is approximately \$370,016,973 (accrued in the accompanying financial statements). In addition, as of June 30, 2020, there are claims against the State, not including contract claims reported by DOTD, totaling \$342,900,140 for which it is reasonably possible that the State will incur liability.

From the beginning of fiscal year 2002-2003 to the present, the State's Self-Insurance Fund has not been available as a source of funds to settle tort claims involving road defect allegations nor to pay final judgments in such matters. As a result, settlements and judgments in such road hazard tort claims have been and will continue to be funded and paid only through individual legislative appropriation. Since fiscal year 2002 the sum appropriated for such matters totaled approximately \$283,250,388. Of that amount, \$10,303,691 was appropriated in fiscal year 2014-2015, with a sum of \$15,770 carried forward from fiscal year 2014. No amounts were appropriated for fiscal years 2015-2016 or 2016-2017. In fiscal year 2017-2018 \$42,000,000 was appropriated to pay judgments per Act 59 of the 2018 regular session, and in fiscal 2018-2019 \$12,367,418 was appropriated to pay judgments per Act 50 of the 2019 regular session. In FY 2019-2020, \$1,860,167 was appropriated to pay judgments per Act 10 of the 2019 regular session.

As of June 30, 2020, the Department of Transportation and Development (DOTD) advises that there are 421 expropriation cases pending with a total demand of \$22,890,032. As payment of its estimate of just compensation upon filing of these suits, DOTD deposited \$21,850,124 into the registry of the court. A reasonable possibility exists that DOTD will incur expropriation-related costs of \$14,828,660 in excess of the just compensation on deposit with the courts. As of June 30, 2020, there were 27 outstanding inverse condemnation suits with an estimated demand of \$1,989,464. DOTD has determined that it is reasonably possible that the actual settlements will total approximately \$1,050,000. Additional appropriations may be required from the State to satisfy contract construction suits and miscellaneous suits. DOTD estimates this exposure to be \$7,618,020.

The Department of Revenue (DOR) has advised that the total amount of pending litigation affecting the DOR's right to tax, where there is a probable likelihood that an asset has been impaired or a liability has been incurred as of fiscal year ended June 30, 2020, is \$58,594,798 (accrued in the accompanying financial statements). The DOR has also advised that the total dollar amount of pending litigation affecting the DOR's right to tax, where it is reasonably possible that an asset has been impaired or a liability has been incurred as of fiscal year ended June 30, 2020, is \$60,893,968.

## **C. FEDERAL DISALLOWED COSTS**

A significant amount of federal grant dollars is received by the State subject to financial and compliance audits mandated by the grantors. Questioned costs resulting from these audits may be disallowed by the Federal grantor and may become a liability of the State. Liabilities from disallowances and settlement agreements with the federal government are estimated to be \$69,025,661 (accrued in the accompanying financial statements). In addition, as of June 30, 2020, there are disallowed costs of \$16,703,030 for which it is reasonably possible that the State will incur liability.

## D. WORKERS COMPENSATION

The Injured Worker Reemployment Program encourages employers to hire physically handicapped employees who have a permanent partial disability, by reimbursing the employer or, if insured, his or her insurance carrier for part of the workers' compensation costs for on-the-job injuries. The estimated total future payments to be made for claims outstanding at June 30, 2020 were \$325,573,174 which is included in the accompanying financial statements. Funds to make these payments will come from an annual assessment made against all insurance companies writing workers' compensation insurance in the State and all employers that are self-insured.

## E. UNDERGROUND STORAGE TANKS

The 427 Underground Storage Tanks (UST) sites are remediated under The Resource Conservation and Recovery Act (RCRA) Subtitle I and may be eligible for funding through the State's Motor Fuels Underground Storage Tank Trust Fund or the U.S. EPA's Leaking Underground Storage Tank (LUST) Trust Fund. The Underground Storage Tank Trust Fund is established by statute to collect fees from underground storage tank owners; fund assets are then used to finance remediation and/or removal of leaking storage tanks. Louisiana spent \$12,457,689 assessing and remediating USTs in fiscal year ending June 30, 2020. The ending liability of \$149,690,215 will be funded by the Motor Fuels Underground Storage Tank Trust Fund.

## F. POLLUTION REMEDIATION

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

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

During the fiscal year, Louisiana spent \$10,198,686 for pollution and contamination remediation activities and there were no costs recoveries from responsible parties. At June 30, 2020, the State had a pollution remediation obligation of \$20,093,421.

## G. COOPERATIVE ENDEAVORS

LRS 33:9022 defines "cooperative endeavor" as any form of economic development assistance between and among the State, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The State has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the State. The estimated amounts outstanding for governmental units as of June 30, 2020, which are not reflected on the accompanying financial reports, are as follows:

General funds	\$	1,447,388,106
Self-generated funds		30,296,773
Statutorily dedicated funds		581,697,014
General obligation bonds		325,110,497
Federal funds		667,923,431
Interagency transfers		2,623,011
Other funds		<u>138,842,675</u>
Total	\$	<u>3,193,881,507</u>

# State of Louisiana

## NOTE 10: FUND BALANCE/NET POSITION DISCLOSURES

### A. CLASSIFICATION OF FUND BALANCES

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

	General Fund	Capital Outlay Escrow Fund	Louisiana Education Quality Trust Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
Inventory	\$ 79,418	\$ --	\$ --	\$ --	79,418
Prepaid Items	30,808	--	--	--	30,808
Permanent Fund Corpus	--	--	1,348,596	1,398,255	2,746,851
<b>Restricted for:</b>					
General Government:					
Administration & Regulatory Oversight	61,114	--	--	--	61,114
Agriculture & Forestry Programs	760	--	--	--	760
Conservation & Environment Programs:					
Coastal Protection & Restoration	451,567	--	--	--	451,567
Oilfield Site Restoration	36,608	--	--	--	36,608
Wildlife & Fisheries Conservation	106,134	--	--	--	106,134
Other Conservation & Environment Programs	7,756	--	--	--	7,756
Artificial Reef Development	16,581	--	--	--	16,581
Budget Stabilization	568,237	--	--	--	568,237
Education Programs:					
Minimum Foundation Program	172,007	--	--	--	172,007
Other Education Programs	19,672	--	157,664	131,008	308,344
Capital Projects	30,518	--	--	588,624	619,142
Unemployment Compensation	461	--	--	--	461
Culture, Recreation, & Tourism Programs	728	--	--	4,255	4,983
Debt Service	27,186	2,209	--	130,597	159,992
Corrections Programs	123	--	--	--	123
Transportation & Development Programs	2,522	--	--	--	2,522
Health & Welfare Programs:					
State Medicaid Match	62,439	--	--	--	62,439
Other Health & Welfare Programs	250,002	--	--	55,714	305,716
Elections & Voter Awareness	12,787	--	--	--	12,787
Military & Veterans Affairs Programs	24,094	--	--	--	24,094
Youth Programs	712	--	--	--	712
Workforce Support & Training Programs	3,342	--	--	--	3,342
<b>Committed for:</b>					
General Government:					
Administration & Regulatory Oversight	35,770	--	--	--	35,770
Legislative Branch	4	--	--	--	4
Other General Government Programs	129	--	--	--	129
Grants to Local Governments	26,912	--	--	--	26,912
Group Benefits Program	229,738	--	--	--	229,738
Risk Management Program	32,352	--	--	--	32,352
Economic Development Programs	43,411	--	--	--	43,411
Agriculture & Forestry Programs:					
Forestry Productivity	7,348	--	--	--	7,348
Other Agriculture & Forestry Programs	2,840	--	--	--	2,840

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	General Fund	Capital Outlay Escrow Fund	Louisiana Education Quality Trust Fund	Nonmajor Governmental Funds	Total Governmental Funds
Capital Projects	135,197	691,537	--	--	826,734
Labor & Workforce Programs:					
Workers' Compensation Administration	7,516	--	--	--	7,516
Workers' Compensation 2nd Injury Program	30,158	--	--	--	30,158
Incumbent Worker Training Program	--	--	--	23,105	23,105
Employment Security Administration	--	--	--	1,481	1,481
Other Labor & Workforce Programs	--	--	--	10,749	10,749
Culture, Recreation, & Tourism Programs:					
State Park Improvements	12,074	--	--	--	12,074
Other Culture, Recreation, & Tourism Programs	--	--	--	11,479	11,479
Transportation & Development Programs	9,433	--	--	--	9,433
Public Safety Programs:					
Motor Carrier Safety & Administration	13,590	--	--	--	13,590
Crime Victims' Reparation	3,724	--	--	--	3,724
Other Public Safety Programs	43,100	--	--	--	43,100
Telecommunications Tax Credits	1,710	--	--	--	1,710
Health & Welfare Programs:					
Fraud Detection Programs	7,464	--	--	--	7,464
Telecommunications for the Deaf	4,424	--	--	--	4,424
Disability Affairs	50	--	--	--	50
Drug Abuse Education & Treatment	348	--	--	--	348
Other Health & Welfare Programs	40,076	--	--	--	40,076
Elections & Voter Awareness	4,811	--	--	--	4,811
Employer Pension Contributions	918	--	--	--	918
Conservation & Environment Programs:					
Administration	2,804	--	--	--	2,804
Coastal Protection & Restoration	10,285	--	--	--	10,285
Environmental Quality Programs	7,994	--	--	--	7,994
Pollution Remediation Programs	128,656	--	--	--	128,656
Wildlife & Fisheries Conservation	12,207	--	--	--	12,207
Natural Resource Restoration	322,461	--	--	--	322,461
Other Conservation & Environment Programs	133,590	--	--	--	133,590
Education Programs:					
Earnings Enhancements on College Savings	23,333	--	--	--	23,333
Public Educator Salary Increases	17,460	--	--	--	17,460
Other Education Programs	22,921	--	--	--	22,921
Military & Veterans Affairs Programs	3,424	--	--	--	3,424
<b>Unassigned</b>	(52,343)	--	--	(5,081)	(57,424)
<b>Total Fund Balance</b>	<b>\$ 3,291,465</b>	<b>\$ 693,746</b>	<b>\$ 1,506,260</b>	<b>\$ 2,350,186</b>	<b>\$ 7,841,657</b>

# State of Louisiana

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

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

	<u>Beginning Balance</u>	<u>Prior Period Adjustments</u>	<u>Beginning Balance, as Restated</u>
General Fund	\$ 2,981,630	\$ (93,167)	\$ 2,888,463
Capital Outlay Escrow Fund	475,353	--	475,353
Louisiana Education Quality Trust Fund	1,488,196	--	1,488,196
Nonmajor Governmental Funds	2,428,699	--	2,428,699
Unemployment Trust Fund	1,119,999	--	1,119,999
Louisiana Community & Technical Colleges System	(157,853)	--	(157,853)
Nonmajor Enterprise Funds	1,205,077	(2,282)	1,202,795

The beginning fund balance of the General Fund decreased by \$93 million due to prior period adjustments. The decrease includes a \$95.2 million prior period adjustment to reduce fund balance for the Department of Revenue relating to deferred tax credits. The decrease also includes a \$4 million prior period adjustment that increased fund balance relating to the unclaimed property cash balance in the Escrow Fund.

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

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

	<u>Beginning Balance</u>	<u>Prior Period Adjustments</u>	<u>Beginning Balance, as Restated</u>
Governmental Activities	\$ 1,600,880	\$ 118,573	\$ 1,719,453
Business-type Activities	2,167,223	(2,282)	2,164,941

Restatements of beginning net position for governmental activities include the net restatements that reduced beginning fund balance for the General Fund as explained above. Other restatements to governmental activities that increased beginning net position primarily include \$134.5 million to increase prior year capitalized assets and \$64.2 million to decrease the prior year full accrual basis expenses for the Department of Agriculture.

Beginning net position for the business-type activities (BTA's) changed primarily due to a \$2.2 million decrease for the Louisiana Gulf Opportunity Zone Loan Fund due to restructured debt and due to various immaterial adjustments in other BTA funds.

## D. BUDGET STABILIZATION

Louisiana voters first approved a constitutional amendment in 1990 to formally set aside funds for use when the State's Revenue Estimating Conference (REC) forecasts revenue shortfalls for the subsequent fiscal year or projects a budgetary deficit in the current fiscal year. The funds set aside are deposited into the Budget Stabilization Fund, as authorized by Louisiana Constitution Article VII, Section 10.3 and LRS 39.94. The fund's activity is accounted for within the General Fund and has a restricted fund balance of \$568 million at June 30, 2020, in the accompanying financial statements.

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

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

The money in this fund is restricted for specific purposes other than debt service or capital projects. The constitution prescribes the specific circumstances that must occur for the money to be used. Furthermore, this formal action for use cannot be expected to occur routinely and is not general in nature.

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

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

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GASB 77 Tax Abatements	Programs Administered by Louisiana Economic Development (LED)	
	Competitive Projects Payroll Incentive Program	Digital Interactive Media and Software Tax Credit
<b>1. Purpose of the Program</b>	To encourage program participants to choose to locate in the state of Louisiana, which would result in a positive economic benefit to the state.	To encourage development in Louisiana of a strong capital base for the production of digital interactive media products and platforms in order to achieve a more independent self supporting industry.
<b>2. Tax being Abated</b>	State Sales and Use Tax, Corporate Income Tax	State Individual and State Corporate Income Tax and Franchise Tax
<b>3. Authority to Enter into Abatement Agreement</b>	LRS 51:3121 et. seq.	LRS 47:6022
<b>4. Eligibility Criteria</b>	Must be primarily engaged in a specific activity at the contract site and at least 50% of sales of the business are to out of state customers, customers who resell the product or service to out of state customers for ultimate use, and/or to the federal government. Create a minimum number of jobs and payroll. Offer an eligible basic health care plan to the people employed.	A company seeking to participate in program must apply through an application process and be certified as eligible by Louisiana Economic Development.
<b>5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced</b>	Tax Rebates	Tax Credits
<b>6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined</b>	Provides an incentive rebate up to 15% of the company's new payroll and either a 4.45% state sales tax rebate on capital expenditures or a 1.2% project facility expense rebate.	For applications submitted on or after July 1, 2017, tax credits of 18% on eligible expenditures on goods obtained from a source within the state and services performed in the state. An additional 7.0% may be earned on eligible Louisiana resident payroll.
<b>7. Provisions for Recapturing Abated Taxes</b>	The contract shall provide the provisions for monitoring of performance and consequences for failure to perform and other contract violations.	The company's state income taxes can be increased to recapture the credits received, if the expenditures were not actually expended in Louisiana as production related costs of the state certified production. Credits previously granted to a taxpayer, but later disallowed, may be recovered by the secretary of the Department of Revenue by any collection remedy authorized by LRS 47:1561.
<b>8. The Types of Commitments made by the Recipients of the Tax Abatement</b>	Must demonstrate net new jobs and payroll within the state and the project is deemed to be competitive in nature. Must offer a qualified basic health care benefits plan to the individuals employed. Must also meet specific total sales criteria.	Only expenditures for goods obtained from a source within the state and services performed in the state are potentially eligible to receive tax credits. Expenditures must be audited by a CPA firm assigned by LED.
<b>9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis</b>	\$-0-	\$32,429,418
<b>10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed</b>	No information was omitted due to legal prohibitions	No information was omitted due to legal prohibitions

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GASB 77 Tax Abatements	Programs Administered by Louisiana Economic Development (LED)	
	Enterprise Zone Program	Exemption for Manufacturing Establishments (Industry Assistance) Program
<b>1. Purpose of the Program</b>	To stimulate business and industrial growth by increasing employment in certain depressed areas in the state, designated enterprise zones, by providing tax incentives to businesses hiring in those areas, and by providing tax incentives to those areas.	To induce industrial development in the state, encourage the establishment of new business enterprises, and the retention and expansion of existing business.
<b>2. Tax being Abated</b>	State Sales and Use Tax, and State Income Tax, or State Franchise Tax	State Corporation Franchise Tax, State Income Taxes, and State Sales and Use Tax
<b>3. Authority to Enter into Abatement Agreement</b>	LRS 51:1781 et. seq., Louisiana Administrative Code Title 13, Chapter 7, subchapter 701 et. seq.	LRS 47:4301-4306
<b>4. Eligibility Criteria</b>	New or existing Louisiana businesses which will at a minimum create 5 permanent new full time jobs within 24 months of their project start date, or increase their nationwide employment by 10% within the first 12 months. Also the business must hire 50% or more of the new jobs from the targeted groups.	May consider any and all factors which are relevant to the continued operations of the applicant including benefits to the state in terms of employment opportunities, payroll, expenditures for goods and services, creation of new jobs, and contributions to the revenue base of the state.
<b>5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced</b>	Tax Credit and Rebate	Tax Exemptions
<b>6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined</b>	One time \$3,500 or \$1,000 job tax credit for each net new job created or a 4.45% rebate of sales and use taxes on qualifying purchases or a 1.5% refundable tax credit on the total capital investment excluding tax exempt items.	Tax liabilities reduced based on annual report filed with LED, which includes total jobs with payroll, current year's capital investment, and any other contractual requirements.
<b>7. Provisions for Recapturing Abated Taxes</b>	Per LRS 51:1787 (I) there are provisions for recapturing abated taxes. However, it is unlikely since the company must be certified as eligible by Louisiana Economic Development before any tax credits or rebates can be claimed.	A contract may be canceled upon review of an audit that uncovered a violation of the contract or the need for the exemption or the grounds for the exemption are no longer applicable. The state shall give notice in writing and any remaining portion of the exemption granted may be canceled.
<b>8. The Types of Commitments made by the Recipients of the Tax Abatement</b>	The company must certify that the required job requirements have been met based on the eligibility criteria listed in item number 4 above. 50% of net new jobs should belong to the employees that meet the specified requirements.	The business entity shall give preference to Louisiana manufacturers and must continue to operate and maintain business, jobs, payroll, capital investment in Louisiana, and comply with any other requirement as listed in the approved contract.
<b>9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis</b>	\$37,025,671	\$3,000,000
<b>10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed</b>	No information was omitted due to legal prohibitions	No information was omitted due to legal prohibitions

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GASB 77 Tax Abatements	Programs Administered by Louisiana Economic Development (LED)	
	Louisiana Quality Jobs Program	Motion Picture Production Tax Credit
<b>1. Purpose of the Program</b>	An inducement for businesses to locate or expand existing operations in Louisiana and create quality jobs focusing on specific industry sectors.	To encourage development in Louisiana of a strong capital and infrastructure base for motion picture production in order to achieve an independent, self supporting industry.
<b>2. Tax being Abated</b>	State Sales and Use Tax, State Income Taxes	State Income Tax
<b>3. Authority to Enter into Abatement Agreement</b>	LRS 51:2451-2462	LRS 47:6007
<b>4. Eligibility Criteria</b>	Must be an eligible type business, must create a minimum number of new direct jobs, must comply with healthcare and payroll requirements, and other thresholds.	A motion picture company domiciled and headquartered in Louisiana, which has a viable multi-market commercial distribution plan may complete an application to be certified by LED to become a state certified production company, then the production expenditures are audited by a CPA appointed by LED and the tax credit is issued to the motion picture production company upon approval.
<b>5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced</b>	Tax Rebate	Tax Credit
<b>6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined</b>	Up to 6% rebate on qualified payroll and either a 4.45% state sales tax rebate or a 1.5% project facility expense rebate on qualifying items.	The amount of the tax credit which may be earned is 25% of the total base investment dollars per project. Investors may receive an increased based investment credit rate by satisfying additional criteria. The maximum tax credit that a production can earn for the base investment is 40%. Total tax credits utilized during the fiscal year are capped at \$180 million based on the gross earned tax credits that are requested, which may be applied toward a taxpayer's tax liability or transferred back to LDR (i.e. "buy-backs") at a reduced rate. Once the annual cap is met, claimants receive first priority to utilize their earned tax credit in the subsequent fiscal year.
<b>7. Provisions for Recapturing Abated Taxes</b>	By the third fiscal year the company's verified gross payroll must agree to the minimum of 5 new direct jobs or the gross payroll must equal or exceed the minimum required threshold. If these provisions are not met, rebates can be recaptured.	Tax credits previously granted, but later disallowed pursuant to the provisions of LRS 47:6007 may be recovered by the secretary of the Department of Revenue through any collection remedy authorized by LRS 47:1561.
<b>8. The Types of Commitments made by the Recipients of the Tax Abatement</b>	Create a minimum of 5 new direct jobs that are full time and offered a basic health care plan. There are also minimum wage and payroll threshold requirements.	Only expenditures for goods obtained from a source within the state and services performed in the state are potentially eligible to receive tax credits. Expenditures must actually have been made and subsequently audited by a CPA assigned by the LED.
<b>9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis</b>	\$81,254,781	\$157,360,983
<b>10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed</b>	No information was omitted due to legal prohibitions	No information was omitted due to legal prohibitions

# State of Louisiana

GASB 77 Tax Abatements	Programs Administered by Louisiana Economic Development (LED)	
	Musical and Theatrical Production Income Tax Credit	Ports Investor Tax Credits
<b>1. Purpose of the Program</b>	To enhance economic and educational development and offer numerous and varied employment opportunities while creating opportunities for new and relocating businesses.	To encourage private investment in and the use of state port facilities in Louisiana.
<b>2. Tax being Abated</b>	State Individual Income and State Corporate Income Tax	State Income and Corporate Franchise Tax
<b>3. Authority to Enter into Abatement Agreement</b>	LRS 47:6034	LRS 47:6036
<b>4. Eligibility Criteria</b>	Must be a state certified musical or theatrical production or infrastructure which includes performing and or filming of live musical and theatrical performance in the state before live audiences.	A Cooperative Endeavor Agreement is required between the Port and the applicant for qualifying projects that will result in significant positive economic benefits to the state.
<b>5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced</b>	Tax Credit	Tax Credit
<b>6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined</b>	For initial certifications on or after 7/1/17, eligible production expenditures are as follows: (1) Expenditures greater than \$100,000 and less than or equal to \$300,000 = 7% (2) Expenditures greater than \$300,000 and less than or equal to \$1,000,000 = 14% (3) Expenditures greater than \$1,000,000 = 18% (4) Additional credits may be earned at the rate of 7% for Louisiana resident payroll.	The LED may grant a tax credit equal to 72% of the total capital costs of such qualifying project to be taken at 5% per tax year or shall grant such other amount of tax credit to be taken at such other percentage which is warranted by the significant positive economic benefit, within certain maximum limits.
<b>7. Provisions for Recapturing Abated Taxes</b>	Credits previously granted to a taxpayer but later disallowed by the LED may be recovered through any collection remedy authorized by LRS 47:1561.	If the funds for which an investing company received credits are not invested and expended within the requirements of the agreement, the investing company's state income tax for such taxable period can be increased to recapture the credit.
<b>8. The Types of Commitments made by the Recipients of the Tax Abatement</b>	Only goods obtained from a source within the state and services performed in the state are potentially eligible to receive tax credits. Expenditures must actually have been made and subsequently audited by a CPA assigned by the LED.	Must be a project sponsored or undertaken by a public port and one or more investing companies that has capital costs of not less than \$1,500,000 and with the predominant business activity constituting warehousing or port and harbor operations and cargo handling.
<b>9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis</b>	\$2,386,770	\$-0-
<b>10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed</b>	No information was omitted due to legal prohibitions	No information was omitted due to legal prohibitions

# State of Louisiana

GASB 77 Tax Abatements	Programs Administered by Louisiana Economic Development (LED)	
	Retention and Modernization Tax Credit	Sound Recording Investor Tax Credit
<b>1. Purpose of the Program</b>	To provide an inducement for businesses to remain in the state and not relocate outside the state and to modernize their existing operations in Louisiana.	To encourage the development in Louisiana of a strong capital and infrastructure base for sound recording productions in order to achieve a more independent, self supporting music and sound recording industry.
<b>2. Tax being Abated</b>	State Individual Income Tax, State Corporate Income and State Corporate Franchise Tax	State Income Tax
<b>3. Authority to Enter into Abatement Agreement</b>	LRS 51:2399.1 through 51:2399.6	LRS 47:6023
<b>4. Eligibility Criteria</b>	Employer must increase a minimum 10% in the maximum capacity or efficiency of the facility; or make an approved investment of at least \$5,000,000 in the facility.	Qualified expenditures of a state certified production or state certified recording infrastructure project occurring over specified period of time.
<b>5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced</b>	Tax Credit	Tax Credit
<b>6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined</b>	The credits approved by the LED shall be granted at the rate of 4%, for approved projects occurring on or after 7/1/17, of the amount of qualified expenditures incurred by the employer for modernization with credit divided in equal portions for 5 years, subject to limitations.	Each investor may be allowed a tax credit of 18% of the eligible expenditures made for initial certifications on or after 7/1/17 in excess of \$25,000 or, if a resident of this state, in excess of \$10,000.
<b>7. Provisions for Recapturing Abated Taxes</b>	There are no recapture provisions. Once expenses are verified, certification letters are issued by an independent CPA.	If the funds for which an investor receives credits are not invested in and expended with respect to a state-certified production within a certain time period, then the investor's state income tax shall be increased by such amount necessary for the recapture of the credits. Credits previously granted to a taxpayer, but later disallowed, may be recovered by the secretary of the Department of Revenue by any collection remedy authorized by LRS 47:1561.
<b>8. The Types of Commitments made by the Recipients of the Tax Abatement</b>	The company commits to capital investments and jobs and payroll targets.	Only audited expenditures of a state certified production for goods obtained from a source within the state and services performed in the state are potentially eligible to receive tax credits. Additionally, state-certified productions may be required to display the state brand or logo, or both, prescribed by the LED Secretary.
<b>9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis</b>	\$2,522,000	\$88,447
<b>10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed</b>	No information was omitted due to legal prohibitions	No information was omitted due to legal prohibitions

GASB 77 Tax Abatements	Programs Administered by Louisiana Economic Development (LED)	
	Tax Equalization Program	
<b>1. Purpose of the Program</b>	To encourage the establishment and retention of manufacturing establishments, headquarters, or warehousing and distribution establishments by providing a procedure whereby the total state and local taxes imposed be reduced to the level imposed by other competing states.	
<b>2. Tax being Abated</b>	State Corporation Franchise Tax, State Corporation Income Tax, and State Sales and Use Tax	
<b>3. Authority to Enter into Abatement Agreement</b>	LRS 47:3201-3205	
<b>4. Eligibility Criteria</b>	The company must be located in another state or located in Louisiana and contemplating re-locating to another state which offers a greater tax advantage than Louisiana. Upon recommendation by the Secretary of LED, the company must receive an invitation to apply for the program from the Governor.	
<b>5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced</b>	Tax Exemption	
<b>6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined</b>	The Board of Commerce and Industry will grant only the amount of exemption necessary to effect equality in amount between the taxes payable in Louisiana and the taxes which are or would be payable in the state in which the establishment is located or contemplating locating.	
<b>7. Provisions for Recapturing Abated Taxes</b>	Written notice of violations of the terms of the contract are given to the contracted company. If the violations are not corrected within 90 days, any remaining portions of the exemption from tax granted under the contract may be terminated.	
<b>8. The Types of Commitments made by the Recipients of the Tax Abatement</b>	The company must continue to operate and maintain business, jobs, payroll and capital investment in Louisiana.	
<b>9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis</b>	\$7,037,106	
<b>10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed</b>	No information was omitted due to legal prohibitions	

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GASB 77 Tax Abatements	Programs Administered by Louisiana Department of Insurance	
	Louisiana Capital Companies (CAPCO) Tax Credit Program	New Market Jobs Act Program
<b>1. Purpose of the Program</b>	To provide assistance in the formation and expansion of new businesses that create jobs in the state by providing for the availability of venture capital financing to entrepreneurs, managers, inventors, and other individuals for the development and operation of qualified Louisiana businesses.	To encourage capital or equity investment in, or loan to, any qualified active low-income community business.
<b>2. Tax being Abated</b>	Income Tax and Insurance Premium Tax for categories of Life, Accident, & Health; Fire Casualty & Misc.; Surplus Lines; and Retaliatory.	Insurance Premium Tax (for categories of Life, Accident, & Health; Fire Casualty & Misc.; Surplus Lines; and Retaliatory)
<b>3. Authority to Enter into Abatement Agreement</b>	LRS 51:1921, LRS 22:832E	LRS 47:6016.1
<b>4. Eligibility Criteria</b>	Companies must be certified by the Louisiana Office of Financial Institutions. The capitalization must be at least \$200,000.	The qualified community development entity (CDE) must apply to Department of Revenue for certification of the equity investments it issues.
<b>5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced</b>	Tax Credit	Tax Credit
<b>6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined</b>	The income tax credit is 35% of the capital investment. The total income tax credits granted to all taxpayers are limited to \$2,000,000 per calendar year. For insurance premium tax reductions, tax reductions are applied to the premium tax liability by year.	The credit amount is equal to the applicable percentage for such credit allowance date multiplied by the purchase price paid to the issuer of such qualified equity investment.
<b>7. Provisions for Recapturing Abated Taxes</b>	Premium tax reductions are subject to the same forfeiture and repayment provisions as income tax credits as described in LRS 51:1927 (C) and 1928(A)	If the company violates the terms of the agreement, or if the federal tax credit is recaptured by the IRS, the Department of Insurance shall recapture the claimed credit on a return.
<b>8. The Types of Commitments made by the Recipients of the Tax Abatement</b>	Must make a cash investment in the certified capital of a certified Louisiana capital company.	Any qualified community development entity that makes a qualified equity investment is vested with an earned credit against state premium tax liability that may be used as per the enacted law.
<b>9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis</b>	\$1,040	\$-0-
<b>10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed</b>	No information was omitted due to legal prohibitions	No information was omitted due to legal prohibitions

# State of Louisiana

GASB 77 Tax Abatements	Programs Administered by Louisiana Department of Revenue	
	Neighborhood Assistance Program	New Market Tax Credit
<b>1. Purpose of the Program</b>	To provide incentives to businesses to provide neighborhood assistance, job training for individuals, community services, or crime prevention to upgrade impoverished areas.	To encourage and attract private sector equity investment in a qualified community development entity in the state.
<b>2. Tax being Abated</b>	State Corporation and Individual Income Taxes	State Corporate Income and Franchise Tax and State Individual Income Tax
<b>3. Authority to Enter into Abatement Agreement</b>	LRS 47:35 and 287.753	LRS 47:6016
<b>4. Eligibility Criteria</b>	The business must present a proposal to the Commission of Administration, endorsed by the local government within the area, that must set forth the program to be conducted, the neighborhood area to be served, why the program is needed, the estimated amount to be invested in the program, and the plans for implementing the program.	The qualified community development entity (CDE) must apply to Louisiana for certification of the equity investments it issues. LED certifies that qualified low-income investments are consistent with the target industries.
<b>5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced</b>	Tax Credit	Tax Credit
<b>6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined</b>	The credit is up to 50% of the actual amount contributed to approved programs, limited to \$180,000 annually. Total credits granted in a fiscal year can not exceed 1% of the total amount of state corporate income tax collected in the prior fiscal year.	The credit is equal to the applicable percentage of the adjusted purchase price paid to the issuer of such qualified equity investment for such investment which, in turn, has been invested in qualified low-income community investments for such credit allowance date.
<b>7. Provisions for Recapturing Abated Taxes</b>	No provisions for recapturing the abated taxes.	If a company fails to maintain qualified low-income community investments in the state in an amount at least equal to the amount used in calculating the credits issued, then the credits awarded can be recaptured.
<b>8. The Types of Commitments made by the Recipients of the Tax Abatement</b>	Provide neighborhood assistance, job training, education for individuals, community services, or crime prevention.	The tax credits are based on qualified investments made by the companies.
<b>9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis</b>	\$-0-	\$23,624
<b>10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed</b>	No information was omitted due to legal prohibitions	No information was omitted due to legal prohibitions

# State of Louisiana

GASB 77 Tax Abatements	Programs Administered by Louisiana Department of Revenue	
	Procurement Processing Company Rebate	Rehabilitation of Historic Structures
<b>1. Purpose of the Program</b>	To recruit purchasing companies that generate sales of items subject to state sales and use taxes that will have a significant positive economic benefit to the state.	To provide a credit for the costs and expenses incurred during the rehabilitation of a historic structure located in a downtown development or cultural district.
<b>2. Tax being Abated</b>	State Sales and Use Tax	State Income and Franchise Tax and State Individual Income Tax and Fiduciary Income Tax
<b>3. Authority to Enter into Abatement Agreement</b>	LRS 47:6351	LRS 47:6019
<b>4. Eligibility Criteria</b>	The company must be a procurement processing company that is engaged in managing the activities of unrelated purchasing companies that brings new taxable sales to Louisiana.	In order to qualify for the credit, the historic structure must be located in a downtown development or cultural district listed on the National Register of Historic Places or be certified by the state historic preservation office as contributing to the historical significance of the district. The structures must be nonresidential real property or residential rental property.
<b>5. Mechanism by which the taxes are abated, including (a) How are the Recipient's Taxes Reduced</b>	Rebate	Tax Credit
<b>6. Mechanism by which the taxes are abated, including (b) How the amount of the Tax Abatement is Determined</b>	A percentage, as determined by contract, of state sales tax revenue generated as a result of the activities of these purchasing companies.	The credit is equal to 25% of the eligible costs and expenses of the rehabilitation incurred prior to January 1, 2018, regardless of the year in which the property is placed in service. For expenses incurred on or after January 1, 2018, the credit is equal to 20% of the eligible costs and expenses, regardless of the year in which the property is placed in service.
<b>7. Provisions for Recapturing Abated Taxes</b>	If after a rebate has been paid, and it is determined that certain items did not constitute new taxable sales, the amount rebated for those items shall be recaptured from the company, subject to the prescriptive period set forth in LRS 47:1561.2.	No provisions for recapturing the abated taxes.
<b>8. The Types of Commitments made by the Recipients of the Tax Abatement</b>	The rebate payments are based upon new taxable sales which is the sale of goods and services upon which state sales and use tax is paid, which would not have occurred but for the operation in the state of the procurement processing company.	The credit is for the amount of eligible costs and expenses incurred during the rehabilitation of the historic structure.
<b>9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis</b>	\$25,857,219	\$132,893,757
<b>10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed</b>	No information was omitted due to legal prohibitions	No information was omitted due to legal prohibitions

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

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GASB 77 Tax Abatements	Programs Administered by Louisiana Department of Revenue	
	Cooperative Endeavor Agreements for Tax Increment Financing (TIF) Districts	
	<ol style="list-style-type: none"> <li>1. Algiers TIF-New Orleans</li> <li>2. Bass Pro TIF-Denham Springs</li> <li>3. Broussard TIF</li> <li>4. Cabela's TIF-Gonzales</li> <li>5. Garrett Rd TIF-Monroe</li> <li>6. Rooms to Go TIF-St. Tammany</li> <li>7. Ruston TIF</li> <li>8. Tower Drive TIF-Monroe</li> <li>9. Capitol House Taxing District TIF-Baton Rouge</li> <li>10. Bluebonnet Convention Hotel Taxing District TIF-Baton Rouge</li> <li>11. EBRATS Building Special Taxing District TIF-Baton Rouge</li> </ol>	
<b>8. The Types of Commitments made by the Recipients of the Tax Abatement</b>	<p>This districts anticipates that the projects will result in the creation of jobs, stimulate economic development and increase sales and use tax receipts within the geographic area comprising the District, serving an integral public purpose. The districts will proceed with diligence to issue the bonds and, as necessary, make the funds therefrom available to the Corporation for the development and construction of the project.</p>	
<b>9. Gross Dollar Amount of the Reduction of Taxes for the Current Fiscal Year, on an Accrual Basis</b>	\$11,723,837	
<b>10. Description of information that was Omitted because the Information was Legally Prohibited from being Disclosed</b>	No information was omitted due to legal prohibitions	

## NOTE 12: OTHER DISCLOSURES

### A. RELATED PARTY TRANSACTIONS

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

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

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

A SBESE member at large is currently the Superintendent of the St. Bernard Parish School Board. St. Bernard Parish School Board is a sub-recipient of funds authorized by SBESE. For the fiscal year ended June 30, 2020, St. Bernard Parish School Board received amounts totaling \$57,528,475 in funding authorized by SBESE and released by the Department of Education.

A SBESE member at large is currently the Superintendent of the Diocese of Alexandria Office of Catholic Schools. For fiscal year ended June 30, 2020, the Diocese of Alexandria received \$1,119,281 in funding authorized by the Department of Education.

The Motor Fuels Underground Storage Tank Trust Advisory Board advises the Secretary of the Department of Environmental Quality regarding the Underground Storage Tank Trust Fund transactions. One board member has ownership in a company that received disbursements of \$40,788 from the Trust Fund. One board member holds a key management position in a company that received disbursements of \$3,987,661 in payments from the Trust Fund.

### B. POSTPONEMENT OF NEW ACCOUNTING STANDARDS

Due to the COVID-19 pandemic, GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, extended the effective date for several GASB Standards. This included two GASB Standards (GASB 84, *Fiduciary Activities*, and GASB 90, *Majority Equity Interests-an amendment of GASB Statements No 14 and No. 61*) that were originally effective in fiscal year 2020, but are now effective in fiscal year 2021.

### C. COVID-19 PANDEMIC

In fiscal year 2020, the State of Louisiana, along with the rest of the world, was stricken with COVID-19 pandemic. COVID-19 is a highly contagious pathogenic viral infection caused by a coronavirus. In March of 2020, President Trump and Governor Edwards both declared public health emergencies due to the COVID-19 outbreak. In order to lessen the potential catastrophic impact of COVID-19 on governmental entities, businesses, and individuals, Congress enacted a series of legislation, including the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The State received \$1.8 billion of Coronavirus Relief Funds under the CARES Act as direct state aid.

In addition to the measures taken by the federal government, Governor Edwards, through a succession of executive orders, took actions to reduce social contact by requiring non-essential workers across the state to stay at home by closing schools, restaurants, bars, and other public venues, and cancelling almost all public gatherings. As the COVID-19 cases decline, the State moves into a multi-step phased re-opening of its business, with each phase having unique, specific guidelines and safety protocols. While some restrictions have been lifted, it is expected that others may remain in place for some time.

The full extent of the impact to the financial position of the State will depend on the length of the pandemic, restrictions placed on the State, the effects of the financial markets, and the effects of the overall economy. All of these factors are highly uncertain and cannot be predicted at this point in time.

# State of Louisiana

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## **D. UNEMPLOYMENT TRUST FUND**

At the end of fiscal year 2019, the net position of Louisiana's Unemployment Trust Fund, a major enterprise fund, was \$1.1 billion, which was the highest in the last 10 years. Both during fiscal year 2020 and continuing into fiscal year 2021, an unprecedented number of individuals were unemployed due to the temporary shut-down of non-essential businesses and other restrictions to stop the spread of COVID-19. As a result of the unprecedented number of unemployment benefit claims, the trust fund was depleted in October 2020. The State is currently borrowing money from the federal government to pay the state's share of traditional unemployment benefits. As of December 31, 2020, the balance of the borrowings from the federal government was \$133,460,334.

For the fiscal year ended June 30, 2020, the trust fund paid claims totaling \$4.1 billion consisting of both traditional unemployment benefits and additional benefits authorized by the CARES Act. The CARES Act provided federal funds to pay an additional \$600 per week to unemployed individuals. It also provided federal funds to pay unemployment benefits to self-employed workers, independent contractors, and those with limited work history which normally would have been ineligible for traditional unemployment benefits. Approximately \$3.3 billion, or 80% of the total benefits paid from the trust fund during fiscal year 2020, were funded by the federal government.

As of November 10, 2020, the Louisiana Workforce Commission has identified approximately 74,000 claims filed through June 30, 2020, that were paid totaling \$416 million with various issues indicating potential overpayments to claimants. Each individual paid claim will be adjudicated to determine whether any legitimate overpayment actually occurred. Any successful collections from the claimant of actual overpayments would be returned to the funding source (state or federal) from which it was paid. Due to the uncertainty in the outcome of these potential overpayments, no receivable from claimants or liability to the federal government has been accrued in financial statements.

## **NOTE 13: SUBSEQUENT EVENTS**

### **A. NATURAL DISASTERS**

Louisiana broke a record in calendar year 2020 with 5 named storms hitting the State. Three of the storms arrived as at least a Category 2 hurricane. In June 2020, Tropical Storm Cristobal was the first named storm to strike Louisiana. The rest of the storms hit subsequent to the 2020 fiscal year-end. On August 24, 2020, Tropical Storm Marco made landfall near the mouth of the Mississippi River, followed by Laura, a strong Category 4 Hurricane that made landfall on August 27, 2020, near Cameron, Louisiana. Hurricane Delta, a strong Category 2 Hurricane, made landfall on October 9, 2020 near Creole, Louisiana, approximately 12 miles east of Cameron, Louisiana where Hurricane Laura made landfall. On October 28, 2020, Zeta, a Category 2 Hurricane, made landfall in Cocodrie, Louisiana. The Governor and the President of the United States declared all events Federal disasters. The devastation to the state from these storms have been extensive, gravely affecting its citizens, economy, assets, and natural resources. Early estimates of damages to Louisiana from the hurricanes are estimated to be anywhere from \$10.4 billion to \$15.9 billion. Hurricane Laura was the costliest with estimated damage from \$8 billion to \$12 billion, which includes damages of \$1.1 billion to the Louisiana timber industry and damages of \$525.4 million to Louisiana farmers.

### **B. DEBT ISSUANCES**

On September 3, 2020 the State issued \$545,905,000 in Gasoline and Fuels Tax Revenue Refunding Bonds, Series 2020A-2 and Series 2020B-1. The bonds refunded certain maturities of prior Gasoline and Fuels Tax Bonds Series 2013A, 2013C-1, and 2014B.

On October 14, 2020 the State issued \$519,610,000 in General Obligation Refunding Bonds, Series 2020C-1 and C-2. The bonds refunded certain maturities of prior General Obligation Bonds Series 2012A, 2012C, 2013A, 2013C and 2014A. The Series 2020C-2 refunded certain maturities of General Obligation Refunding Bonds Series 2013C which is excluded from the State's net state tax-supported debt (NSTSD) calculation (pursuant to R.S. 39:1367(E)(2)(b)(iii)); therefore, the Refunding Bond Series 2020C-2 are also excluded from the State's NSTSD calculation.

On December 1, 2020 the State converted the Gasoline and Fuel Tax Refunding Bonds, Series 2017A, 2017D-1 and 2017D-2 from a variable rate direct placement to a fixed rate put bonds. This offering was for \$424,375,000. The 2017A bonds were initially issued on May 1, 2017 and the 2017D-1 and D-2 bonds were initially issued on November 1, 2017.

### **C. CONSTITUTIONAL AMENDMENTS**

Seven amendments to the Louisiana Constitution of 1974 were voted on in a general election on November 3, 2020. Five of the amendments passed and are summarized below.

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Amendment one passed, which provides that, to protect human life, nothing in present constitution shall be construed to secure or protect a right to abortion or require the funding of abortion.

Amendment two passed, which provides that presence of oil or gas or the production thereof may be included in the methodology to determine the fair market value of an oil or gas well for ad valorem taxes.

Amendment three passed, which provides for the use of the Budget Stabilization Fund for the state costs associated with a federally declared disaster, not to exceed an amount equal to 1/3 of the fund, after consent of 2/3 of the elected members of each house of the legislature. Further provides, a deposit of an amount equivalent to the federal funds received by the state for the reimbursement of disaster costs, not to exceed the amount of the costs appropriated out of the fund.

Amendment six passed, which provides for the increases to the income threshold for qualifying for the special assessment level for residential property receiving the homestead exemption from \$50,000 adjusted annually based on the Consumer Price Index to \$100,000 with this amount being adjusted annually based on the Consumer Price Index beginning in tax year 2026.

Amendment seven passed, which provides for the creation of the Unclaimed Property (UCP) Permanent Trust Fund. The fund principal is to be used solely for the payment of claims made by owners of abandoned property and further prohibits appropriation from the UCP Permanent Trust Fund.



REQUIRED SUPPLEMENTARY  
INFORMATION OTHER THAN  
MANAGEMENT'S DISCUSSION  
AND ANALYSIS



# State of Louisiana

## BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
INTERGOVERNMENTAL	\$ 14,151,610	\$ 15,532,016	\$ 14,687,528	\$ (844,488)
TAXES	--	--	96	96
USE OF MONEY & PROPERTY	--	--	1,046	1,046
LICENSES, PERMITS & FEES	--	--	27	27
SALES OF COMMODITIES & SERVICES	--	--	135	135
GIFTS, DONATIONS, AND CONTRIBUTIONS	--	--	327	327
OTHER	--	--	35,913	35,913
<b>TOTAL REVENUES</b>	<b>14,151,610</b>	<b>15,532,016</b>	<b>14,725,072</b>	<b>(806,944)</b>
<b>EXPENDITURES:</b>				
<b>CURRENT:</b>				
GENERAL GOVERNMENT	1,698,313	1,772,573	1,261,649	510,924
CULTURE, RECREATION & TOURISM	100,660	108,154	91,056	17,098
TRANSPORTATION & DEVELOPMENT	687,183	703,618	651,745	51,873
PUBLIC SAFETY	1,378,676	2,173,413	1,919,366	254,047
HEALTH & WELFARE	15,575,427	15,759,446	15,032,475	726,971
CORRECTIONS	844,063	897,344	837,801	59,543
YOUTH DEVELOPMENT	139,879	139,758	136,300	3,458
CONSERVATION & ENVIRONMENT	483,338	506,303	375,625	130,678
EDUCATION	6,692,865	6,970,289	6,780,709	189,580
AGRICULTURE & FORESTRY	88,513	96,213	84,230	11,983
ECONOMIC DEVELOPMENT	139,110	217,422	142,355	75,067
MILITARY & VETERANS AFFAIRS	169,816	192,224	167,998	24,226
WORKFORCE SUPPORT & TRAINING	288,082	289,326	259,763	29,563
<b>TOTAL EXPENDITURES</b>	<b>28,285,925</b>	<b>29,826,083</b>	<b>27,741,072</b>	<b>2,085,011</b>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(14,134,315)	(14,294,067)	(13,016,000)	(1,278,067)
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN	14,462,597	14,233,979	14,085,748	(148,231)
TRANSFERS OUT	(595,953)	(831,219)	(742,049)	89,170
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>13,866,644</b>	<b>13,402,760</b>	<b>13,343,699</b>	<b>(59,061)</b>
<b>NET CHANGE IN BUDGETARY FUND BALANCE</b>	<b>(267,671)</b>	<b>(891,307)</b>	<b>327,699</b>	<b>1,219,006</b>
BUDGETARY FUND BALANCE - BEGINNING	267,671	891,307	802,105	(89,202)
<b>BUDGETARY FUND BALANCE - ENDING</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 1,129,804</b>	<b>\$ 1,129,804</b>

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

# State of Louisiana

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

### BUDGETARY REPORTING

FOR THE YEAR ENDED JUNE 30, 2020

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

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resulting basis and perspective differences in the revenues in excess of (less than) expenditures and other financing sources (uses) between budgetary and GAAP presentations for the year ended June 30, 2020, is presented below (expressed in thousands) for the General Fund.

Fund Balance (Budgetary Basis)	\$	1,129,804
Reconciling Adjustments:		
Basis Differences:		
For budgetary purposes, the carryforward of expenditure authority from fiscal year 2020 to fiscal year 2021 is considered a reduction in fiscal year 2020 fund balance. However, under GAAP, reductions in fund balance would occur only when expenditures are incurred.		67,252
Certain adjustments are necessary to convert budgetary fund balance to GAAP fund balance. These adjustments include payroll accruals, adjustments for inventories, accruals related to non-exchange transactions, and expenditure adjustments related to the recognition of principal and interest on defeased debt.		(1,195,561)
Perspective Differences:		
Statutorily dedicated funds are included in the General Fund for GAAP presentation but are considered separate funds for budgetary presentation.		2,858,131
The Office of Group Benefits and the Office of Risk Management are excluded from the General Fund for budgetary presentation but included in the General Fund for GAAP presentation.		289,525
Under the budgetary basis, expenditures for certain entities reported in the General Fund such as the legislative and judicial branches are recognized when monies are warranted rather than when the expenditures are incurred.		<u>142,314</u>
Fund Balance (GAAP)	\$	<u><u>3,291,465</u></u>

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



# State of Louisiana

## PENSIONS

### SCHEDULE OF COST SHARING PLAN CONTRIBUTIONS

(In thousands)

	<u>LASERS</u>					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 673,536	\$ 607,024	\$ 577,042	\$ 536,720	\$ 562,470	\$ 569,001
Contributions in relation to the contractually required contribution	<u>673,536</u>	<u>607,024</u>	<u>577,042</u>	<u>536,720</u>	<u>562,470</u>	<u>569,001</u>
Contribution deficiency (excess)	\$ <u>          --</u>					
Covered payroll	\$ 1,780,193	\$ 1,685,238	\$ 1,593,510	\$ 1,568,078	\$ 1,563,623	\$ 1,568,676
Contributions as a percentage of covered payroll	37.83%	36.02%	36.21%	34.23%	35.97%	36.27%

	<u>DARS</u>					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,110	\$ 348	\$ --	\$ --	\$ 984	\$ 1,934
Contributions in relation to the contractually required contribution	<u>1,110</u>	<u>348</u>	<u>          --</u>	<u>          --</u>	<u>984</u>	<u>1,934</u>
Contribution deficiency (excess)	\$ <u>          --</u>					
Covered payroll	\$ 27,819	\$ 28,049	\$ 27,978	\$ 27,918	\$ 27,960	\$ 27,896
Contributions as a percentage of covered payroll	3.99%	1.24%	0.00%	0.00%	3.52%	6.93%

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

# State of Louisiana

<u>TRSL</u>						<u>LSERS</u>					
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 57,046	\$ 52,201	\$ 50,920	\$ 47,439	\$ 50,162	\$ 51,520	\$ 223	\$ 237	\$ 256	\$ 189	\$ 234	\$ 244
<u>57,046</u>	<u>52,201</u>	<u>50,920</u>	<u>47,439</u>	<u>50,162</u>	<u>51,520</u>	<u>223</u>	<u>237</u>	<u>256</u>	<u>189</u>	<u>234</u>	<u>244</u>
\$ <u>    --</u>											
\$ 189,606	\$ 170,697	\$ 164,814	\$ 159,014	\$ 159,585	\$ 163,855	\$ 896	\$ 954	\$ 925	\$ 690	\$ 777	\$ 741
30.09%	30.58%	30.90%	29.83%	31.43%	31.44%	24.89%	24.84%	27.67%	27.39%	30.12%	32.93%

<u>LCCRRF</u>						<u>ROVERS</u>					
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 2,539	\$ 1,451	\$ 1,497	\$ 1,482	\$ 1,494	\$ 1,485	\$ 1,811	\$ 1,732	\$ 1,757	\$ 2,017	\$ 2,292	\$ 2,437
<u>2,539</u>	<u>1,451</u>	<u>1,497</u>	<u>1,482</u>	<u>1,494</u>	<u>1,485</u>	<u>1,811</u>	<u>1,732</u>	<u>1,757</u>	<u>2,017</u>	<u>2,292</u>	<u>2,437</u>
\$ <u>    --</u>											
\$ 7,097	\$ 7,747	\$ 7,861	\$ 7,766	\$ 7,912	\$ 8,394	\$ 10,253	\$ 10,381	\$ 10,485	\$ 10,177	\$ 10,342	\$ 10,233
35.78%	18.73%	19.04%	19.08%	18.88%	17.69%	17.66%	16.68%	16.76%	19.82%	22.16%	23.82%

# State of Louisiana

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

	<u><b>LASERS</b></u>					
	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
Proportion of the net pension liability (percentage)	80.70%	80.22%	80.12%	79.72%	79.45%	78.50%
Proportionate share of the net pension liability (asset)	\$ 5,846,887	\$ 5,470,792	\$ 5,639,645	\$ 6,260,399	\$ 5,403,807	\$ 4,908,708
Covered payroll	\$ 1,685,238	\$ 1,593,510	\$ 1,568,078	\$ 1,563,623	\$ 1,568,676	\$ 1,558,594
Proportionate share of the net pension liability as a percentage of covered payroll	346.95%	343.32%	359.65%	400.38%	344.48%	314.94%
Plan fiduciary net position as a percentage of the total pension liability	62.90%	64.30%	62.50%	57.70%	62.70%	65.00%

	<u><b>DARS</b></u>					
	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
Proportion of the net pension liability (percentage)	41.93%	45.90%	46.15%	46.38%	46.90%	47.86%
Proportionate share of the net pension liability (asset)	\$ 13,490	\$ 14,769	\$ 12,448	\$ 8,878	\$ 2,526	\$ 955
Covered payroll	\$ 28,049	\$ 27,978	\$ 27,918	\$ 27,960	\$ 27,896	\$ 28,091
Proportionate share of the net pension liability as a percentage of covered payroll	48.09%	52.79%	44.59%	31.75%	9.06%	3.40%
Plan fiduciary net position as a percentage of the total pension liability	93.13%	92.92%	93.57%	95.09%	98.56%	99.45%

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

# State of Louisiana

<u>TRSL</u>						<u>LSERS</u>					
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
4.16%	3.95%	4.34%	4.16%	4.21%	4.26%	0.32%	0.35%	0.30%	0.27%	0.26%	0.27%
\$ 413,241	\$ 387,793	\$ 445,342	\$ 488,598	\$ 452,274	\$ 435,565	\$ 2,265	\$ 2,343	\$ 1,918	\$ 2,057	\$ 1,659	\$ 1,592
\$ 170,697	\$ 164,814	\$ 159,014	\$ 159,585	\$ 163,855	\$ 188,202	\$ 954	\$ 925	\$ 690	\$ 777	\$ 741	\$ 916
242.09%	235.29%	280.06%	306.17%	276.02%	231.43%	237.42%	253.30%	277.97%	264.74%	223.89%	173.80%
68.57%	68.20%	65.60%	59.90%	62.50%	63.70%	73.48%	74.44%	75.03%	70.09%	74.49%	76.18%
<u>LCCRRF</u>						<u>ROVERS</u>					
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
7.85%	8.29%	8.57%	8.53%	8.54%	8.27%	74.17%	74.49%	73.30%	74.15%	74.07%	72.46%
\$ 14,248	\$ 13,786	\$ 12,964	\$ 15,785	\$ 12,806	\$ 11,155	\$ 13,870	\$ 17,582	\$ 16,090	\$ 21,040	\$ 18,141	\$ 16,753
\$ 7,747	\$ 7,861	\$ 7,766	\$ 7,912	\$ 8,394	\$ 7,525	\$ 10,381	\$ 10,485	\$ 10,177	\$ 10,342	\$ 10,233	\$ 9,911
183.92%	175.37%	166.93%	199.51%	152.56%	148.24%	133.61%	167.69%	158.10%	203.44%	177.28%	169.03%
77.93%	79.07%	79.69%	74.17%	78.13%	79.37%	84.72%	80.57%	80.51%	73.98%	76.86%	77.68%

# State of Louisiana

## PENSIONS

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

(Louisiana State Police Retirement System only)

(In thousands)

	2020	2019	2018	2017	2016	2015
<b>Total pension liability:</b>						
Service cost	\$ 24,640	\$ 21,815	\$ 22,006	\$ 21,783	\$ 17,523	\$ 14,008
Interest	79,654	74,347	70,440	63,046	56,560	53,921
Differences between expected and actual experience	14,795	(3,342)	6,703	53,451	42,198	7,857
Changes in assumptions	46	31,067	214	--	--	6,324
Benefit payments	(60,501)	(48,834)	(43,543)	(42,499)	(43,376)	(42,009)
Other	3,589	3,755	--	--	--	--
<b>Net change in total pension liability</b>	<b>62,223</b>	<b>78,808</b>	<b>55,820</b>	<b>95,781</b>	<b>72,905</b>	<b>40,101</b>
<b>Total pension liability - beginning</b>	<b>1,141,254</b>	<b>1,062,446</b>	<b>1,006,626</b>	<b>910,845</b>	<b>837,940</b>	<b>797,839</b>
<b>Total pension liability - ending</b>	<b>\$ 1,203,477</b>	<b>\$ 1,141,254</b>	<b>\$ 1,062,446</b>	<b>\$ 1,006,626</b>	<b>\$ 910,845</b>	<b>\$ 837,940</b>
<b>Plan fiduciary net position :</b>						
Contributions - employer	\$ 42,082	\$ 47,922	\$ 48,556	\$ 56,380	\$ 53,799	\$ 45,650
Contributions - employee	7,194	7,554	7,184	7,106	5,446	4,564
Net investment income	35,483	73,993	98,946	(10,925)	18,930	94,080
Benefit payments	(60,501)	(48,834)	(43,543)	(42,499)	(43,376)	(42,009)
Administrative expense	(806)	(655)	--	--	--	--
Other	3,589	3,755	1,006	2,045	724	(623)
<b>Net change in fiduciary net position</b>	<b>27,041</b>	<b>83,735</b>	<b>112,149</b>	<b>12,107</b>	<b>35,523</b>	<b>101,662</b>
<b>Plan fiduciary net position - beginning</b>	<b>866,307</b>	<b>782,572</b>	<b>670,423</b>	<b>658,316</b>	<b>622,793</b>	<b>521,131</b>
<b>Plan fiduciary net position - ending</b>	<b>\$ 893,348</b>	<b>\$ 866,307</b>	<b>\$ 782,572</b>	<b>\$ 670,423</b>	<b>\$ 658,316</b>	<b>\$ 622,793</b>
<b>State's net pension liability</b>	<b>\$ 310,129</b>	<b>\$ 274,947</b>	<b>\$ 279,874</b>	<b>\$ 336,203</b>	<b>\$ 252,529</b>	<b>\$ 215,147</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>74.23%</b>	<b>75.91%</b>	<b>73.65%</b>	<b>66.60%</b>	<b>72.28%</b>	<b>74.32%</b>
<b>Covered payroll</b>	<b>\$ 107,937</b>	<b>\$ 107,998</b>	<b>\$ 108,937</b>	<b>\$ 104,059</b>	<b>\$ 85,233</b>	<b>\$ 71,880</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>287.32%</b>	<b>254.59%</b>	<b>256.91%</b>	<b>323.09%</b>	<b>296.28%</b>	<b>299.31%</b>

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



# State of Louisiana

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

	2020	2019
Actuarially determined contribution	\$ 43,663	\$ 42,082
Contributions in relation to the actuarially determined contribution	43,663	42,082
Contribution deficiency (excess)	\$ --	\$ --
Covered payroll	\$ 108,732	\$ 107,937
Contributions as a percentage of covered payroll	40.16%	38.99%

**Notes to Schedule:**

Valuation date: June 30, 2020 June 30, 2019

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age Normal	Entry age Normal
Amortization method	Level Annuity	Level Annuity
Remaining amortization period	25 years	26 years
Asset valuation method	Market	Market
Inflation	2.50%	2.50%
Salary increases	5.25%	5.25%
Investment rate of return	7.0%, net of plan investment expense, including inflation	7.0%, net of plan investment expense, including inflation
Retirement age	The 2012-2017 experience study updated retirement rates based on age and service eligibility requirements for normal retirement benefits.	The 2012-2017 experience study updated retirement rates based on age and service eligibility requirements for normal retirement benefits.
Mortality	Mortality rates were based on the 2012 - 2017 experience study. As a result of this study, mortality for annuitants and beneficiaries was set equal to 110% of the RP2014 Total Dataset Healthy Annuitant Table for males and 105% of the RP2014 Total Dataset Healthy Annuitant Table for females, each with the full generational MP2017 scale. In addition, mortality for employees was set based on the RP2014 Employee Tables with the same full generational MP2017 scale for mortality improvement and the same multipliers as the annuitant mortality tables (i.e. 110% for males and 105% for females). The RP2014 Disabled Tables were selected for disabled lives mortality with the same full generational MP2017 scale for mortality improvement as the annuitant mortality tables.	Mortality rates were based on the 2012 - 2017 experience study. As a result of this study, mortality for annuitants and beneficiaries was set equal to 110% of the RP2014 Total Dataset Healthy Annuitant Table for males and 105% of the RP2014 Total Dataset Healthy Annuitant Table for females, each with the full generational MP2017 scale. In addition, mortality for employees was set based on the RP2014 Employee Tables with the same full generational MP2017 scale for mortality improvement and the same multipliers as the annuitant mortality tables (i.e. 110% for males and 105% for females). The RP2014 Disabled Tables were selected for disabled lives mortality with the same full generational MP2017 scale for mortality improvement as the annuitant mortality tables.
Other information	Changes in plan experience were primarily due to salary increases for members with 11-22 years of experience exceeding assumed levels.	Changes in plan experience were primarily due to number of retirements being significantly above projected levels.

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

# State of Louisiana

	2018		2017
\$	47,922	\$	48,556
	47,922		48,556
\$	--	\$	--
\$	107,998	\$	108,937
	44.37%		44.57%
	June 30, 2018		June 30, 2017

Entry age Normal

Level Annuity

27 years

Market

2.50%

5.25%

7.0%, net of plan investment expense, including inflation

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

Mortality rates were based on the 2012 - 2017 experience study. As a result of this study, mortality for annuitants and beneficiaries was set equal to 110% of the RP2014 Total Dataset Healthy Annuitant Table for males and 105% of the RP2014 Total Dataset Healthy Annuitant Table for females, each with the full generational MP2017 scale. In addition, mortality for employees was set based on the RP2014 Employee Tables with the same full generational MP 2017 scale for mortality improvement and the same multipliers as the annuitant mortality tables (i.e., 110% for males and 105% for females). The RP2014 Disabled Tables were selected for disabled lives mortality with the same full generational MP2017 scale for mortality improvement as the annuitant mortality tables.

The total number of retirements and disabilities were below projected levels while retiree deaths were above projected levels. Salary levels were below projected levels. The changes of assumptions is related to the change in the entry age actuarial accrued liability due to changes in the assumptions related to the latest experience study.

Entry age Normal

Level Annuity

28 years

Market

2.50%

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

7.0%, net of plan investment expense, including inflation

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

Mortality rates were based on the 2008-2012 experience study which updated preretirement deaths and postretirement life expectancies to the RP-2000 Combined Healthy Sex Distinct Mortality Table with mortality improvements projected to 2025. The RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

Changes were made to the statistics related to family composition and rates of remarriage, the inflation rate was lowered from 2.75% to 2.5% to better align with the valuation interest rate, and decrement levels and salary scale were only adjusted to extending the use of the earliest retirement rate to ages 43 through 46.

# State of Louisiana

## PENSIONS

### SCHEDULE OF SINGLE EMPLOYER PLAN CONTRIBUTIONS

(Louisiana State Police Retirement System only)

(In thousands)

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

#### Notes to Schedule:

Valuation date: June 30, 2016 June 30, 2015

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age Normal	Entry age Normal
Amortization method	Level Annuity	Level Annuity
Remaining amortization period	29 years	30 years
Asset valuation method	Market	Market
Inflation	2.30%	2.30%
Salary increases	4.0% - 16.5% based on the member's years of service	4.0% - 16.5% based on the member's years of service
Investment rate of return	7.0% through 2013; 7.0% beginning in 2014	7.0%, net of plan investment expense, including inflation
Retirement age	The 2008-2012 experience study updated retirement rates based on age and service eligibility requirements for normal retirement benefits.	The 2008-2012 experience study updated retirement rates based on age and service eligibility requirements for normal retirement benefits.
Mortality	Mortality rates were based on the RP-2000 Sex Distinct Mortality table prior to the 2008-2012 Experience Study; RP-2000 Sex Distinct Mortality Table with mortality improvements beginning in 2014.	Mortality rates were based on the 2008-2012 experience study which updated preretirement deaths and postretirement life expectancies to the RP-2000 Sex Distinct Mortality Table with mortality improvements projected to 2025.

#### Other information

Covered payroll increased in 2016 due to (1) additional Louisiana State Troopers added to payroll and (2) increases to Louisiana State Trooper salaries effective July 1, 2015. Changes in plan experience include a COLA distribution of \$9,226,746.

The change of assumptions refers to a cost-of-living increase which was effective June 30, 2014, but payment deferred to July 1, 2014. Changes in plan experience include losses due to the inclusion of the employer contribution variance of \$14,295,186, amortization of administrative expenses, and the accumulated accounting adjustment from the prior year, which are reported separately for funding purposes.



# State of Louisiana

## OTHER POSTEMPLOYMENT BENEFITS PLANS

### Schedules of Required Supplementary Information

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

Year Ended June 30, 2020  
(Dollar amounts in thousands)

Total OPEB liability - OGB Plan	2020		2019	
	Primary Government	Component Units	Primary Government	Component Units
Service cost	\$162,166	\$57,814	\$166,807	\$59,954
Interest	188,073	67,051	200,822	72,180
Differences between expected and actual experience	87,969	31,362	(34,978)	(12,572)
Changes of assumptions or other inputs	(821,947)	(293,036)	(232,980)	(83,739)
Changes in proportion	12,891	(13,566)	7,438	(7,614)
Differences in employer's proportionate share of collective benefit payments and employer's actual benefit payments	(2,365)	2,972	(1,693)	2,182
Benefit payments	(210,297)	(78,789)	(211,065)	(78,651)
Net change in total OPEB liability	(583,510)	(226,192)	(105,649)	(48,260)
Total OPEB liability - beginning	6,241,670	2,243,410	6,347,319	2,291,670
Total OPEB liability - ending	\$5,658,160	\$2,017,218	\$6,241,670	\$2,243,410
Covered-employee payroll	\$1,631,944	\$1,195,185	\$1,565,932	\$1,141,498
Total OPEB liability as a percentage of covered-employee payroll	346.71%	168.78%	398.59%	196.53%

#### Notes to Schedule:

##### *Changes of assumptions and other inputs.*

The discount rate decreased from 2.98% as of July 1, 2018 to 2.79% as of July 1, 2019. Baseline per capita costs were adjusted to reflect 2019 claims and enrollment; retiree contributions were updated based on 2020 premiums. Plan claims and premiums increased less than had been expected. In addition, the estimate of future Employee Group Waiver Plan (EGWP) savings was increased, based on an analysis of recent EGWP experience. Life insurance contributions were updated based on updated schedules for 2020 monthly premium rates. The impact of the High Cost Excise Tax was removed. The High Cost Excise Tax was repealed in December 2019. Demographic assumptions in the June 30, 2019 actuarial valuation of the four State Retirement Systems were relied upon. The Louisiana State Employee Retirement System (LASERS), performed a recent experience study and adopted new assumptions for the June 30, 2019 valuation.

The discount rate decreased from 3.13% as of July 1, 2017 to 2.98% as of July 1, 2018. Baseline per capita costs were adjusted to reflect 2018 claims and enrollment, retiree contributions were updated based on 2019 premiums, and the impact of the High Cost Excise Tax was revisited reflecting updated plan premiums. The percentage of future retirees assumed to elect medical coverage was decreased by 4% to 6%, depending on years of service, based on recent plan experience. Demographic and mortality assumptions were updated consistent with the TRSL, LSERS, and LSPRS plan based on recent experience studies reflected in the June 30, 2018 pension valuations. Mortality assumptions for LASERS members were updated using projection scale MP-2018 based on information released by the Society of Actuaries in October 2018.

Under GASB 75, unfunded plans are required to use a discount rate that reflects the 20-year tax-exempt municipal bond yield or index rate. Thus, the discount rates are based on the S&P Municipal Bond 20-Year High Grade Rate Index.

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

Ten years of information is required to be presented; however, only 3 years of information is available.

\* Restated

**2018**

Primary Government	Component Units
\$179,830	\$64,927
181,640	65,580
--	--
(431,803)	(155,901)
--	--
(2,363)	2,867
(206,439)	(78,254)
(279,135)	(100,781)
6,626,454	2,392,451
<u>\$6,347,319</u>	<u>\$2,291,670</u>
\$1,532,058	\$1,095,363*
414.30%	209.22%*

The discount rate increased from 2.71% as of July 1, 2016 to 3.13% as of July 1, 2017.

The July 1, 2017 total OPEB liability was determined by an actuarial valuation as of that date. The July 1, 2016 total OPEB liability was determined based on a roll back of the same valuation, assuming no experience gains or losses.

# State of Louisiana

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

Year Ended June 30, 2020  
(Dollar amounts in thousands)

Total OPEB liability - LSU Plan	2020		2019	
	Primary Government	Component Units	Primary Government	Component Units
Service cost	\$3,303	\$21,143	\$3,036	\$19,310
Interest	3,399	35,363	3,323	35,229
Differences between expected and actual experience	(5,079)	(101,973)	--	--
Changes of benefit terms	--	--	--	--
Changes of assumptions or other inputs	27,705	343,314	6,412	69,214
Benefit payments	(1,127)	(17,113)	(1,083)	(17,880)
Net change in total OPEB liability	28,201	280,734	11,688	105,873
Total OPEB liability - beginning	94,415	998,814	82,727	892,941
Total OPEB liability - ending	\$122,616	\$1,279,548	\$94,415	\$998,814
Covered-employee payroll	\$38,849	\$486,485	\$40,644	\$476,077
Total OPEB liability as a percentage of covered-employee payroll	315.62%	263.02%	232.30%	209.80%

### Notes to Schedule:

**Changes of Assumptions:** The discount rate decreased from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020. The retirement rates were updated to the most recent rates from the LASERS and TRSL Actuarial Valuations. The mortality assumption was updated from RP-2014 mortality table with generational scale MP-2018 to the Pub-2010 mortality table with generational scale MP-2019 to reflect the Society of Actuaries' recent mortality study.

**Changes of Assumptions:** The discount rate decreased from 3.90% as of June 30, 2018 to 3.50% as of June 30, 2019. This was the only applicable change in this simplified valuation.

**Change in Experience:** Overall, the only experience changes were due to a slight change in the overall census, as well as a reduction in expected claim costs. Additionally the elimination of the excise tax contributed to a decrease in the overall liability.

Under GASB 75, unfunded plans are required to use a discount rate that reflects the 20-year tax-exempt municipal bond yield or index rate. Thus, the discount rates are based on the Bond Buyer 20-Bond GO Index at year end.

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

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

## 2018

Primary Government	Component Units
\$2,921	\$18,585
3,476	36,404
--	--
(1,886)	(18,075)
(5,392)	(53,121)
(946)	(15,619)
(1,827)	(31,826)
84,554	924,767
<u>\$82,727</u>	<u>\$892,941</u>
\$39,847	\$466,742
207.61%	191.31%

**Changes of Assumptions:** The discount rate increased from 3.58% as of June 30, 2017 to 3.90% as of June 30, 2018.



**BUDGETARY COMPARISON  
SCHEDULE  
MAJOR DEBT SERVICE FUND**



# State of Louisiana

## BUDGETARY COMPARISON SCHEDULE - BOND SECURITY AND REDEMPTION FUND

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

FOR THE YEAR ENDED JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
INTERGOVERNMENTAL	\$ --	\$ --	1,994	\$ 1,994
TAXES	10,256,800	10,151,300	10,376,845	225,545
TOBACCO SETTLEMENT	107,700	103,600	57,552	(46,048)
GAMING	892,600	665,500	637,560	(27,940)
USE OF MONEY & PROPERTY	219,800	219,600	350,972	131,372
LICENSES, PERMITS & FEES	1,429,644	1,367,261	1,428,318	61,057
SALES OF COMMODITIES & SERVICES	--	--	400	400
GIFTS, DONATIONS, AND CONTRIBUTIONS	--	--	14,964	14,964
OTHER	286,450	432,185	1,450	(430,735)
INTERAGENCY TRANSFERS	822,550	1,176,931	1,058,377	(118,554)
<b>TOTAL REVENUES</b>	<b>14,015,544</b>	<b>14,116,377</b>	<b>13,928,432</b>	<b>(187,945)</b>
<b>EXPENDITURES:</b>				
<b>CURRENT:</b>				
GENERAL GOVERNMENT	--	--	194	(194)
<b>DEBT SERVICE:</b>				
PRINCIPAL	285,220	285,220	285,220	--
INTEREST	163,423	163,423	160,784	2,639
ISSUANCE COSTS & OTHER CHARGES	--	--	286	(286)
<b>TOTAL EXPENDITURES</b>	<b>448,643</b>	<b>448,643</b>	<b>446,484</b>	<b>2,159</b>
EXCESS(DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	13,566,901	13,667,734	13,481,948	(185,786)
<b>OTHER FINANCING SOURCES(USES):</b>				
TRANSFERS OUT	(13,566,901)	(13,667,734)	(13,491,771)	175,963
PREMIUM ON LONG-TERM DEBT ISSUED	--	--	1	1
SALES OF GENERAL CAPITAL ASSETS	--	--	361	361
INSURANCE RECOVERIES	--	--	9,461	9,461
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>(13,566,901)</b>	<b>(13,667,734)</b>	<b>(13,481,948)</b>	<b>185,786</b>
<b>NET CHANGE IN BUDGETARY FUND BALANCE</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>BUDGETARY FUND BALANCE - BEGINNING</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>BUDGETARY FUND BALANCE - ENDING</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>



COMBINING AND INDIVIDUAL  
FUND STATEMENTS





# State of Louisiana

## COMBINING BALANCE SHEET

### NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2020

### SPECIAL REVENUE FUNDS

(EXPRESSED IN THOUSANDS)

	EMPLOYMENT SECURITY ADMINISTRATIVE ACCOUNT	FEDERAL ENERGY SETTLEMENT FUND	INCUMBENT WORKER TRAINING ACCOUNT	LABOR PENALTY & INTEREST ACCOUNT
<b>ASSETS:</b>				
CASH & CASH EQUIVALENTS	\$ 1,157	\$ 8,471	\$ 20,694	\$ 4,963
INVESTMENTS	--	--	--	--
RECEIVABLES (NET)	492	1	2,470	5,825
DUE FROM OTHER FUNDS	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--
<b>TOTAL ASSETS</b>	<b>\$ 1,649</b>	<b>\$ 8,472</b>	<b>\$ 23,164</b>	<b>\$ 10,788</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ --	\$ --	\$ --	\$ --
DUE TO OTHER FUNDS	168	13,553	59	39
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	--
<b>TOTAL LIABILITIES</b>	<b>168</b>	<b>13,553</b>	<b>59</b>	<b>39</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
UNAVAILABLE REVENUE	--	--	--	--
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES:</b>				
NONSPENDABLE	--	--	--	--
RESTRICTED	--	--	--	--
COMMITTED	1,481	--	23,105	10,749
UNASSIGNED	--	(5,081)	--	--
<b>TOTAL FUND BALANCES</b>	<b>1,481</b>	<b>(5,081)</b>	<b>23,105</b>	<b>10,749</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,649</b>	<b>\$ 8,472</b>	<b>\$ 23,164</b>	<b>\$ 10,788</b>

(Continued)

# State of Louisiana

## SPECIAL REVENUE FUNDS

LOUISIANA TOURISM PROMOTION DISTRICT FUND	MARSH ISLAND OPERATING FUND	RETIREMENT SYSTEMS INSURANCE PROCEEDS FUND	STATE HIGHWAY FUND #2	TRANSPORTATION TRUST FUND	TOTAL SPECIAL REVENUE FUNDS
\$ 3,711	\$ 613	\$ --	\$ 13,515	\$ 550,175	\$ 603,299
--	--	--	--	1	1
1,945	3	--	361	--	11,097
5,823	--	--	--	81,316	87,139
--	--	--	--	80,327	80,327
<u>\$ 11,479</u>	<u>\$ 616</u>	<u>\$ --</u>	<u>\$ 13,876</u>	<u>\$ 711,819</u>	<u>\$ 781,863</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	616	--	6,938	123,194	144,567
--	--	--	--	--	--
--	--	--	6,938	--	6,938
--	--	--	--	--	--
<u>--</u>	<u>616</u>	<u>--</u>	<u>13,876</u>	<u>123,194</u>	<u>151,505</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>
--	--	--	--	--	--
--	--	--	--	588,625	588,625
11,479	--	--	--	--	46,814
--	--	--	--	--	(5,081)
<u>11,479</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>588,625</u>	<u>630,358</u>
<u>\$ 11,479</u>	<u>\$ 616</u>	<u>\$ --</u>	<u>\$ 13,876</u>	<u>\$ 711,819</u>	<u>\$ 781,863</u>

# State of Louisiana

## COMBINING BALANCE SHEET

### NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	DEBT SERVICE FUNDS			PERMANENT FUNDS
	TOBACCO SETTLEMENT FINANCING CORPORATION	TRANSPORTATION INFRASTRUCTURE MODEL FOR ECONOMIC DEVELOPMENT	TOTAL DEBT SERVICE FUNDS	EDUCATION EXCELLENCE FUND
<b>ASSETS:</b>				
CASH & CASH EQUIVALENTS	\$ 208	\$ 9,985	\$ 10,193	\$ 489
INVESTMENTS	69,243	42,697	111,940	528,547
RECEIVABLES (NET)	6	8,745	8,751	--
DUE FROM OTHER FUNDS	--	438	438	1,144
DUE FROM FEDERAL GOVERNMENT	--	--	--	--
<b>TOTAL ASSETS</b>	<b>\$ 69,457</b>	<b>\$ 61,865</b>	<b>\$ 131,322</b>	<b>\$ 530,180</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
ACCOUNTS PAYABLE	\$ 25	\$ 438	\$ 463	\$ 281
DUE TO OTHER FUNDS	--	--	--	191
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	9
DUE TO LOCAL GOVERNMENTS	--	--	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	--
<b>TOTAL LIABILITIES</b>	<b>25</b>	<b>438</b>	<b>463</b>	<b>481</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
UNAVAILABLE REVENUE	--	262	262	--
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>--</b>	<b>262</b>	<b>262</b>	<b>--</b>
<b>FUND BALANCES:</b>				
NONSPENDABLE	--	--	--	465,319
RESTRICTED	69,432	61,165	130,597	64,380
COMMITTED	--	--	--	--
UNASSIGNED	--	--	--	--
<b>TOTAL FUND BALANCES</b>	<b>69,432</b>	<b>61,165</b>	<b>130,597</b>	<b>529,699</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 69,457</b>	<b>\$ 61,865</b>	<b>\$ 131,322</b>	<b>\$ 530,180</b>

(Concluded)

# State of Louisiana

## PERMANENT FUNDS

FULLER-EDWARDS ARBORETUM TRUST FUND		HEALTH EXCELLENCE FUND	W.R. IRBY BEQUEST FUND	TOPS FUND	TOTAL PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$	173	\$ --	\$ 3,164	\$ 2,610	\$ 6,436	\$ 619,928
	--	528,546	1,018	528,546	1,586,657	1,698,598
	--	--	91	--	91	19,939
	--	1,585	--	1,144	3,873	91,450
	--	--	--	--	--	80,327
\$	<u>173</u>	<u>530,131</u>	<u>4,273</u>	<u>532,300</u>	<u>1,597,057</u>	<u>2,510,242</u>
\$	1	\$ 5,386	\$ 14	\$ --	\$ 5,682	\$ 6,145
	--	1,857	--	10	2,058	146,625
	--	--	--	--	9	9
	--	--	--	--	--	6,938
	--	--	77	--	77	77
	<u>1</u>	<u>7,243</u>	<u>91</u>	<u>10</u>	<u>7,826</u>	<u>159,794</u>
	--	--	--	--	--	262
	--	--	--	--	--	262
	100	467,174	--	465,662	1,398,255	1,398,255
	72	55,714	4,182	66,628	190,976	910,198
	--	--	--	--	--	46,814
	--	--	--	--	--	(5,081)
	<u>172</u>	<u>522,888</u>	<u>4,182</u>	<u>532,290</u>	<u>1,589,231</u>	<u>2,350,186</u>
\$	<u>173</u>	<u>530,131</u>	<u>4,273</u>	<u>532,300</u>	<u>1,597,057</u>	<u>2,510,242</u>

# State of Louisiana

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

### NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

### SPECIAL REVENUE FUNDS

(EXPRESSED IN THOUSANDS)

	EMPLOYMENT SECURITY ADMINISTRATIVE ACCOUNT	FEDERAL ENERGY SETTLEMENT FUND	INCUMBENT WORKER TRAINING ACCOUNT	LABOR PENALTY & INTEREST ACCOUNT
REVENUES:				
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --
TAXES	3,388	--	17,006	--
TOBACCO SETTLEMENT	--	--	--	--
USE OF MONEY & PROPERTY	17	116	231	77
LICENSES, PERMITS & FEES	--	--	--	3,520
OTHER	--	7	--	--
TOTAL REVENUES	<u>3,405</u>	<u>123</u>	<u>17,237</u>	<u>3,597</u>
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	--	--	--	--
CULTURE, RECREATION & TOURISM	--	--	--	--
EDUCATION	--	--	--	--
AGRICULTURE & FORESTRY	--	--	--	--
INTERGOVERNMENTAL	--	--	--	--
CAPITAL OUTLAY	--	--	--	--
DEBT SERVICE:				
PRINCIPAL	--	--	--	--
INTEREST	--	--	--	--
ISSUANCE COSTS & OTHER CHARGES	--	--	--	--
TOTAL EXPENDITURES	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,405</u>	<u>123</u>	<u>17,237</u>	<u>3,597</u>
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	--	--	--	--
TRANSFERS OUT	(3,978)	(302)	(19,188)	(4,606)
SALES OF GENERAL CAPITAL ASSETS	--	--	--	--
TOTAL OTHER FINANCING SOURCES/(USES)	<u>(3,978)</u>	<u>(302)</u>	<u>(19,188)</u>	<u>(4,606)</u>
NET CHANGE IN FUND BALANCES	(573)	(179)	(1,951)	(1,009)
FUND BALANCES AT BEGINNING OF YEAR	<u>2,054</u>	<u>(4,902)</u>	<u>25,056</u>	<u>11,758</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,481</u>	<u>\$ (5,081)</u>	<u>\$ 23,105</u>	<u>\$ 10,749</u>

(Continued)

# State of Louisiana

## SPECIAL REVENUE FUNDS

LOUISIANA TOURISM PROMOTION DISTRICT FUND	MARSH ISLAND OPERATING FUND	RETIREMENT SYSTEMS INSURANCE PROCEEDS FUND	STATE HIGHWAY FUND #2	TRANSPORTATION TRUST FUND	TOTAL SPECIAL REVENUE FUNDS
\$ --	\$ --	\$ --	\$ --	\$ 734,685	\$ 734,685
24,856	--	--	--	--	45,250
--	--	--	--	--	--
22	100	--	--	3,003	3,566
--	--	73,112	12,940	--	89,572
--	--	--	--	--	7
<u>24,878</u>	<u>100</u>	<u>73,112</u>	<u>12,940</u>	<u>737,688</u>	<u>873,080</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	73,112	6,470	--	79,582
--	--	--	--	--	--
--	--	--	--	7,914	7,914
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>73,112</u>	<u>6,470</u>	<u>7,914</u>	<u>87,496</u>
<u>24,878</u>	<u>100</u>	<u>--</u>	<u>6,470</u>	<u>729,774</u>	<u>785,584</u>
5,823	604	--	--	589,906	596,333
(29,781)	(705)	--	(6,470)	(1,381,744)	(1,446,774)
<u>--</u>	<u>1</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1</u>
<u>(23,958)</u>	<u>(100)</u>	<u>--</u>	<u>(6,470)</u>	<u>(791,838)</u>	<u>(850,440)</u>
920	--	--	--	(62,064)	(64,856)
<u>10,559</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>650,689</u>	<u>695,214</u>
<u>\$ 11,479</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 588,625</u>	<u>\$ 630,358</u>

# State of Louisiana

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

### NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	DEBT SERVICE FUNDS			PERMANENT FUNDS
	TOBACCO SETTLEMENT FINANCING CORPORATION	TRANSPORTATION INFRASTRUCTURE MODEL FOR ECONOMIC DEVELOPMENT	TOTAL DEBT SERVICE FUNDS	EDUCATION EXCELLENCE FUND
REVENUES:				
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	--
TAXES	--	116,245	116,245	--
TOBACCO SETTLEMENT	86,328	--	86,328	--
USE OF MONEY & PROPERTY	860	1,034	1,894	--
LICENSES, PERMITS & FEES	--	--	--	--
OTHER	2	--	2	--
<b>TOTAL REVENUES</b>	<b>87,190</b>	<b>117,279</b>	<b>204,469</b>	<b>--</b>
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	129	--	129	--
CULTURE, RECREATION & TOURISM	--	--	--	--
EDUCATION	--	--	--	280
AGRICULTURE & FORESTRY	--	--	--	--
INTERGOVERNMENTAL	--	--	--	9
CAPITAL OUTLAY	--	--	--	--
DEBT SERVICE:				
PRINCIPAL	66,685	33,375	100,060	--
INTEREST	20,360	115,177	135,537	--
ISSUANCE COSTS & OTHER CHARGES	--	11,155	11,155	--
<b>TOTAL EXPENDITURES</b>	<b>87,174</b>	<b>159,707</b>	<b>246,881</b>	<b>289</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	16	(42,428)	(42,412)	(289)
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	--	19,795	19,795	18,974
TRANSFERS OUT	--	--	--	(18,680)
SALES OF GENERAL CAPITAL ASSETS	--	--	--	--
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>--</b>	<b>19,795</b>	<b>19,795</b>	<b>294</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>16</b>	<b>(22,633)</b>	<b>(22,617)</b>	<b>5</b>
FUND BALANCES AT BEGINNING OF YEAR	69,416	83,798	153,214	529,694
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 69,432</b>	<b>\$ 61,165</b>	<b>\$ 130,597</b>	<b>\$ 529,699</b>

(Concluded)

# State of Louisiana

## PERMANENT FUNDS

FULLER-EDWARDS ARBORETUM TRUST FUND	HEALTH EXCELLENCE FUND	W.R. IRBY BEQUEST FUND	TOPS FUND	TOTAL PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ --	\$ --	\$ --	\$ --	\$ --	734,685
--	--	--	--	--	161,495
--	--	--	--	--	86,328
2	--	--	--	2	5,462
--	--	1,690	--	1,690	91,262
--	--	--	--	--	9
<u>2</u>	<u>--</u>	<u>1,690</u>	<u>--</u>	<u>1,692</u>	<u>1,079,241</u>
--	--	--	--	--	129
--	--	1,504	--	1,504	1,504
--	--	--	--	280	280
1	--	--	--	1	1
--	--	--	58,411	58,420	138,002
--	--	89	--	89	89
--	--	--	--	--	100,060
--	--	--	--	--	143,451
--	--	--	--	--	11,155
<u>1</u>	<u>--</u>	<u>1,593</u>	<u>58,411</u>	<u>60,294</u>	<u>394,671</u>
<u>1</u>	<u>--</u>	<u>97</u>	<u>(58,411)</u>	<u>(58,602)</u>	<u>684,570</u>
--	27,659	--	62,138	108,771	724,899
--	(22,472)	--	(57)	(41,209)	(1,487,983)
--	--	--	--	--	1
<u>--</u>	<u>5,187</u>	<u>--</u>	<u>62,081</u>	<u>67,562</u>	<u>(763,083)</u>
1	5,187	97	3,670	8,960	(78,513)
<u>171</u>	<u>517,701</u>	<u>4,085</u>	<u>528,620</u>	<u>1,580,271</u>	<u>2,428,699</u>
<u>\$ 172</u>	<u>\$ 522,888</u>	<u>\$ 4,182</u>	<u>\$ 532,290</u>	<u>\$ 1,589,231</u>	<u>\$ 2,350,186</u>

# State of Louisiana

## COMBINING STATEMENT OF NET POSITION

### NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	BOARDS & COMMISSIONS	CLEAN WATER STATE REVOLVING LOAN FUND	DRINKING WATER REVOLVING LOAN FUND	LOUISIANA AGRICULTURAL FINANCE AUTHORITY
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
CASH & CASH EQUIVALENTS	\$ 53,789	\$ 215,285	\$ 112,412	\$ 12,501
INVESTMENTS	21,541	--	--	--
RECEIVABLES (NET)	449	1,034	1,396	654
DUE FROM OTHER FUNDS	21	--	--	672
INVENTORIES	15	--	--	--
PREPAYMENTS	799	--	--	48
NOTES RECEIVABLE	--	26,852	14,133	367
OTHER CURRENT ASSETS	3	--	--	--
<b>TOTAL CURRENT ASSETS</b>	<b>76,617</b>	<b>243,171</b>	<b>127,941</b>	<b>14,242</b>
<b>NON-CURRENT ASSETS:</b>				
<b>RESTRICTED ASSETS</b>				
CASH	2,753	--	--	1,837
INVESTMENTS	110	--	--	--
RECEIVABLES	2	--	--	--
INVESTMENTS	1,018	--	--	--
NOTES RECEIVABLE	--	396,333	185,334	401
LEASES RECEIVABLE	--	--	--	200
<b>CAPITAL ASSETS (NOTE 5)</b>				
LAND	2,557	--	--	6,505
BUILDING & IMPROVEMENTS (NET)	13,033	--	--	19,545
MACHINERY & EQUIPMENT (NET)	622	--	--	2,625
INFRASTRUCTURE (NET)	--	--	--	--
INTANGIBLE ASSETS (NET)	178	--	--	--
CONSTRUCTION IN PROGRESS	30	--	--	445
OTHER NONCURRENT ASSETS	501	--	--	22
<b>TOTAL NON-CURRENT ASSETS</b>	<b>20,804</b>	<b>396,333</b>	<b>185,334</b>	<b>31,580</b>
<b>TOTAL ASSETS</b>	<b>97,421</b>	<b>639,504</b>	<b>313,275</b>	<b>45,822</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	2,631	--	--	--
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	9,885	--	--	--
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>12,516</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES:</b>				
ACCOUNTS PAYABLE	1,696	36	--	235
ACCRUED INTEREST	--	--	--	--
DUE TO OTHER FUNDS	--	--	--	573
AMOUNTS HELD IN CUSTODY FOR OTHERS	63	--	--	--
UNEARNED REVENUES	8,023	--	--	15
OTHER CURRENT LIABILITIES	590	--	--	3
<b>CURRENT PORTION OF LONG-TERM LIABILITIES:</b>				
COMPENSATED ABSENCES PAYABLE	285	--	--	--
CAPITAL LEASE OBLIGATIONS	--	--	--	--
NOTES PAYABLE	30	--	--	--
BONDS PAYABLE	--	--	--	--
OPEB LIABILITY	538	--	--	--
<b>TOTAL CURRENT LIABILITIES</b>	<b>11,225</b>	<b>36</b>	<b>--</b>	<b>826</b>
<b>NONCURRENT LIABILITIES:</b>				
<b>NONCURRENT PORTION OF LONG-TERM LIABILITIES:</b>				
COMPENSATED ABSENCES PAYABLE	1,309	--	--	--
CAPITAL LEASE OBLIGATIONS	--	--	--	--
NOTES PAYABLE	687	--	--	--
BONDS PAYABLE	--	--	--	--
OPEB LIABILITY	21,550	--	--	--
NET PENSION LIABILITY	52,089	--	--	--
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>75,635</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>TOTAL LIABILITIES</b>	<b>86,860</b>	<b>36</b>	<b>--</b>	<b>826</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--	--
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	4,821	--	--	--
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	1,399	--	--	--
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>6,220</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>NET POSITION</b>				
NET INVESTMENT IN CAPITAL ASSETS	16,420	--	--	29,120
RESTRICTED FOR CAPITAL PROJECTS	9	--	--	--
RESTRICTED FOR OTHER PURPOSES	3,289	--	--	1,837
UNRESTRICTED	(2,861)	639,468	313,275	14,039
<b>TOTAL NET POSITION</b>	<b>\$ 16,857</b>	<b>\$ 639,468</b>	<b>\$ 313,275</b>	<b>\$ 44,996</b>

# State of Louisiana

LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY	LOUISIANA GULF OPPORTUNITY ZONE LOAN FUND	LOUISIANA PROPERTY ASSISTANCE AGENCY	LOUISIANA TRANSPORTATION AUTHORITY	PRISON ENTERPRISES	TOTAL NONMAJOR ENTERPRISE FUNDS
\$ 2,918	\$ --	\$ 2,961	\$ --	\$ 1,151	\$ 401,017
--	--	--	--	--	21,541
140	--	627	--	5,225	9,525
--	--	--	--	--	693
355	--	--	--	7,301	7,671
--	--	--	--	10	857
--	11,859	--	--	--	53,211
--	--	--	--	--	3
<u>3,413</u>	<u>11,859</u>	<u>3,588</u>	<u>--</u>	<u>13,687</u>	<u>494,518</u>
--	--	--	200	--	4,790
--	--	--	24	--	134
--	--	--	412	--	414
--	--	--	--	--	1,018
--	91,530	--	--	--	673,598
--	--	--	--	--	200
--	--	526	--	--	9,588
502	--	374	645	601	34,700
57	--	63	--	4,992	8,359
--	--	--	282,109	--	282,109
--	--	--	--	--	178
--	--	--	--	189	664
--	--	--	--	--	523
<u>559</u>	<u>91,530</u>	<u>963</u>	<u>283,390</u>	<u>5,782</u>	<u>1,016,275</u>
<u>3,972</u>	<u>103,389</u>	<u>4,551</u>	<u>283,390</u>	<u>19,469</u>	<u>1,510,793</u>
132	--	521	--	1,209	4,493
201	--	988	--	2,223	13,297
<u>333</u>	<u>--</u>	<u>1,509</u>	<u>--</u>	<u>3,432</u>	<u>17,790</u>
247	--	1,022	4	4,332	7,572
--	--	--	1,926	--	1,926
--	--	--	--	--	573
--	--	--	--	--	63
--	--	--	--	1	8,039
--	--	3	--	--	596
1	--	12	--	38	336
--	--	--	--	23	23
--	--	147	--	--	177
--	--	--	2,768	--	2,768
80	--	129	--	503	1,250
<u>328</u>	<u>--</u>	<u>1,313</u>	<u>4,698</u>	<u>4,897</u>	<u>23,323</u>
34	--	124	--	286	1,753
--	--	--	--	14	14
--	--	371	--	--	1,058
--	--	--	163,039	--	163,039
1,574	--	3,832	--	12,069	39,025
966	--	4,664	--	11,587	69,306
<u>2,574</u>	<u>--</u>	<u>8,991</u>	<u>163,039</u>	<u>23,956</u>	<u>274,195</u>
<u>2,902</u>	<u>--</u>	<u>10,304</u>	<u>167,737</u>	<u>28,853</u>	<u>297,518</u>
--	--	--	5,771	--	5,771
459	--	683	--	2,187	8,150
63	--	347	--	352	2,161
<u>522</u>	<u>--</u>	<u>1,030</u>	<u>5,771</u>	<u>2,539</u>	<u>16,082</u>
559	--	963	111,176	5,782	164,020
--	--	--	--	--	9
--	--	--	--	--	5,126
322	103,389	(6,237)	(1,294)	(14,273)	1,045,828
<u>\$ 881</u>	<u>\$ 103,389</u>	<u>\$ (5,274)</u>	<u>\$ 109,882</u>	<u>\$ (8,491)</u>	<u>\$ 1,214,983</u>

# State of Louisiana

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

### NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	BOARDS & COMMISSIONS	CLEAN WATER STATE REVOLVING LOAN FUND	DRINKING WATER REVOLVING LOAN FUND	LOUISIANA AGRICULTURAL FINANCE AUTHORITY
<b>OPERATING REVENUES:</b>				
SALES OF COMMODITIES & SERVICES	\$ 1,242	\$ --	\$ --	--
ASSESSMENTS	3,503	--	--	--
USE OF MONEY & PROPERTY	26	4,103	6,376	2,584
LICENSES, PERMITS & FEES	37,865	--	--	--
FEDERAL GRANTS & CONTRACTS	108	875	--	--
OTHER	5,064	2,063	954	17
<b>TOTAL OPERATING REVENUES</b>	<b>47,808</b>	<b>7,041</b>	<b>7,330</b>	<b>2,601</b>
<b>OPERATING EXPENSES:</b>				
COST OF SALES & SERVICES	17,069	1,971	1,874	1,504
ADMINISTRATIVE	30,003	--	--	738
DEPRECIATION	672	--	--	2,438
AMORTIZATION	163	--	--	--
<b>TOTAL OPERATING EXPENSES</b>	<b>47,907</b>	<b>1,971</b>	<b>1,874</b>	<b>4,680</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(99)</b>	<b>5,070</b>	<b>5,456</b>	<b>(2,079)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
INTERGOVERNMENTAL REVENUES	8	--	--	21
INTERGOVERNMENTAL EXPENSES	--	--	--	--
GAIN ON SALE OF CAPITAL ASSETS	2	--	--	19
LOSS ON SALE OF CAPITAL ASSETS	(3)	--	--	(2)
FEDERAL GRANTS	--	--	--	9,786
INTEREST EXPENSE	--	--	--	--
OTHER REVENUES	3,202	--	--	52
OTHER EXPENSES	(2,189)	--	(120)	(9,795)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>1,020</b>	<b>--</b>	<b>(120)</b>	<b>81</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>921</b>	<b>5,070</b>	<b>5,336</b>	<b>(1,998)</b>
CAPITAL CONTRIBUTIONS	--	17,227	13,481	--
TRANSFERS IN	21	--	--	1,306
TRANSFERS OUT	--	(2,856)	--	--
<b>CHANGE IN NET POSITION</b>	<b>942</b>	<b>19,441</b>	<b>18,817</b>	<b>(692)</b>
<b>TOTAL NET POSITION - BEGINNING AS RESTATED</b>	<b>15,915</b>	<b>620,027</b>	<b>294,458</b>	<b>45,688</b>
<b>TOTAL NET POSITION - ENDING</b>	<b>\$ 16,857</b>	<b>\$ 639,468</b>	<b>\$ 313,275</b>	<b>\$ 44,996</b>

# State of Louisiana

LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY	LOUISIANA GULF OPPORTUNITY ZONE LOAN FUND	LOUISIANA PROPERTY ASSISTANCE AGENCY	LOUISIANA TRANSPORTATION AUTHORITY	PRISON ENTERPRISES	TOTAL NONMAJOR ENTERPRISE FUNDS
\$ 2,035	\$ --	\$ 6,411	\$ --	\$ 25,754	\$ 35,442
--	--	--	--	--	3,503
--	--	--	--	--	13,089
--	--	--	4,933	--	42,798
--	--	--	--	--	983
51	--	--	--	--	8,149
<u>2,086</u>	<u>--</u>	<u>6,411</u>	<u>4,933</u>	<u>25,754</u>	<u>103,964</u>
806	--	1,552	--	13,979	38,755
1,075	--	4,601	24	10,132	46,573
31	--	40	9,428	694	13,303
--	--	--	--	--	163
<u>1,912</u>	<u>--</u>	<u>6,193</u>	<u>9,452</u>	<u>24,805</u>	<u>98,794</u>
<u>174</u>	<u>--</u>	<u>218</u>	<u>(4,519)</u>	<u>949</u>	<u>5,170</u>
--	--	--	--	--	29
--	--	--	--	(1,205)	(1,205)
--	--	--	--	231	252
(6)	--	--	--	(687)	(698)
--	--	--	--	--	9,786
--	--	(5)	(4,663)	(1)	(4,669)
43	--	52	26	934	4,309
--	--	--	--	(168)	(12,272)
<u>37</u>	<u>--</u>	<u>47</u>	<u>(4,637)</u>	<u>(896)</u>	<u>(4,468)</u>
211	--	265	(9,156)	53	702
--	--	--	--	3	30,711
--	--	--	7,991	--	9,318
--	(20,688)	--	(4,999)	--	(28,543)
<u>211</u>	<u>(20,688)</u>	<u>265</u>	<u>(6,164)</u>	<u>56</u>	<u>12,188</u>
<u>670</u>	<u>124,077</u>	<u>(5,539)</u>	<u>116,046</u>	<u>(8,547)</u>	<u>1,202,795</u>
<u>\$ 881</u>	<u>\$ 103,389</u>	<u>\$ (5,274)</u>	<u>\$ 109,882</u>	<u>\$ (8,491)</u>	<u>\$ 1,214,983</u>

# State of Louisiana

## COMBINING STATEMENT OF CASH FLOWS

### NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	BOARDS & COMMISSIONS	CLEAN WATER STATE REVOLVING LOAN FUND	DRINKING WATER REVOLVING LOAN FUND	LOUISIANA AGRICULTURAL FINANCE AUTHORITY
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
RECEIPTS FROM CUSTOMERS	\$ 48,181	\$ --	\$ --	\$ 2,901
RECEIPTS FROM INTERFUND SERVICES PROVIDED	--	--	--	--
RECEIPTS FROM INTERFUND REIMBURSEMENTS	--	--	--	107
RECEIPTS OF PRINCIPAL/INTEREST FROM LOAN PROGRAMS	--	32,780	18,327	525
OTHER OPERATING RECEIPTS	1,424	3,713	--	--
PAYMENTS TO SUPPLIERS & SERVICE PROVIDERS	(20,051)	--	--	(1,812)
PAYMENTS FOR LOANS MADE UNDER LOAN PROGRAMS	(16)	(51,726)	(32,103)	--
PAYMENTS TO EMPLOYEES FOR SERVICES	(25,005)	--	--	--
PAYMENTS FOR INTERFUND SERVICES USED	--	--	--	(1,304)
OTHER OPERATING PAYMENTS	(136)	--	--	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>4,397</u>	<u>(15,233)</u>	<u>(13,776)</u>	<u>417</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
PROCEEDS FROM THE ISSUANCE OF NON-CAPITAL DEBT	--	--	3,200	--
RECEIPTS FROM OPERATING GRANTS	--	--	--	9,525
RECEIPTS FOR PRINCIPAL AND INTEREST DEBT SERVICE	--	--	--	--
RECEIPTS FROM OTHER FUNDS	4,085	--	--	801
PAYMENTS FOR PRINCIPAL ON NON-CAPITAL DEBT	--	--	(3,200)	--
PAYMENTS FOR INTEREST ON NON-CAPITAL DEBT	--	--	(120)	--
PAYMENTS FOR GRANTS AND SUBSIDIES	--	--	--	(9,543)
PAYMENTS TO OTHER FUNDS	(3,016)	(2,891)	--	--
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>1,069</u>	<u>(2,891)</u>	<u>(120)</u>	<u>783</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
RECEIPTS FROM CAPITAL GRANTS	--	17,227	13,481	--
PROCEEDS FROM THE SALE OF CAPITAL ASSETS	2	--	--	960
PAYMENTS TO ACQUIRE, CONSTRUCT, & IMPROVE CAPITAL ASSETS	(460)	--	--	(936)
PAYMENTS FOR PRINCIPAL ON CAPITAL DEBT	--	--	--	--
PAYMENTS FOR INTEREST ON CAPITAL DEBT	--	--	--	--
NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(458)</u>	<u>17,227</u>	<u>13,481</u>	<u>24</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
PURCHASES OF INVESTMENTS	(10,475)	--	--	--
PROCEEDS FROM THE SALE OF INVESTMENTS	10,177	--	--	--
INTEREST AND DIVIDENDS	627	--	--	--
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>329</u>	<u>--</u>	<u>--</u>	<u>--</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	5,337	(897)	(415)	1,224
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR AS RESTATED	<u>51,205</u>	<u>216,182</u>	<u>112,827</u>	<u>13,114</u>
CASH & CASH EQUIVALENTS AT END OF YEAR	<u>\$ 56,542</u>	<u>\$ 215,285</u>	<u>\$ 112,412</u>	<u>\$ 14,338</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
OPERATING INCOME (LOSS)	\$ (99)	\$ 5,070	\$ 5,456	\$ (2,079)
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
DEPRECIATION/AMORTIZATION	835	--	--	2,438
NONEMPLOYER CONTRIBUTING ENTITY REVENUE	--	--	--	--
OTHER	13	--	--	--
<b>CHANGES IN ASSETS AND LIABILITIES:</b>				
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	297	370	242	21
(INCREASE)/DECREASE IN DUE FROM OTHER FUNDS	9	--	--	423
(INCREASE)/DECREASE IN PREPAYMENTS	(247)	--	--	--
(INCREASE)/DECREASE IN INVENTORIES	(4)	--	--	--
(INCREASE)/DECREASE IN OTHER ASSETS	208	(20,694)	(19,474)	572
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO OPEB	(739)	--	--	--
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO PENSIONS	(1,723)	--	--	--
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS	(86)	21	--	(356)
INCREASE/(DECREASE) IN COMPENSATED ABSENCES	175	--	--	--
INCREASE/(DECREASE) IN DUE TO OTHER FUNDS	(9)	--	--	(565)
INCREASE/(DECREASE) IN UNEARNED REVENUES	1,049	--	--	(37)
INCREASE/(DECREASE) IN TOTAL OPEB LIABILITY	(1,719)	--	--	--
INCREASE/(DECREASE) IN NET PENSION LIABILITY	4,854	--	--	--
INCREASE/(DECREASE) IN OTHER LIABILITIES	(16)	--	--	--
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO OPEB	2,223	--	--	--
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO PENSIONS	(624)	--	--	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 4,397</u>	<u>\$ (15,233)</u>	<u>\$ (13,776)</u>	<u>\$ 417</u>

(Continued)

# State of Louisiana

LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY	LOUISIANA GULF OPPORTUNITY ZONE LOAN FUND	LOUISIANA PROPERTY ASSISTANCE AGENCY	LOUISIANA TRANSPORTATION AUTHORITY	PRISON ENTERPRISES	TOTAL NONMAJOR ENTERPRISE FUNDS
\$ 1,570	\$ --	\$ 4,344	\$ 4,862	\$ 23,956	\$ 85,814
781	--	1,453	--	--	2,234
--	--	--	--	--	107
57	--	119	--	--	51,632
(1,527)	--	(3,959)	(26)	(18,309)	5,313
--	--	--	--	--	(45,684)
(509)	--	(2,317)	--	(6,061)	(83,845)
(145)	--	--	--	--	(33,892)
--	--	--	--	--	(1,449)
--	--	--	--	--	(136)
<u>227</u>	<u>--</u>	<u>(360)</u>	<u>4,836</u>	<u>(414)</u>	<u>(19,906)</u>
--	--	--	--	--	3,200
--	--	--	--	--	9,525
--	20,688	--	--	--	20,688
--	--	--	7,991	--	12,877
--	--	--	--	--	(3,200)
--	--	--	--	--	(120)
--	--	--	--	--	(9,543)
--	(20,688)	--	(4,999)	--	(31,594)
--	--	--	2,992	--	1,833
--	--	--	--	--	30,708
--	--	--	--	602	1,564
--	--	--	--	(1,031)	(2,427)
--	--	--	(2,765)	(23)	(2,788)
--	--	--	(5,201)	(1)	(5,202)
--	--	--	(7,966)	(453)	21,855
--	--	--	(12,933)	--	(23,408)
--	--	--	12,989	--	23,166
35	--	39	25	43	769
35	--	39	81	43	527
262	--	(321)	(57)	(824)	4,309
2,656	--	3,282	257	1,975	401,498
<u>\$ 2,918</u>	<u>\$ --</u>	<u>\$ 2,961</u>	<u>\$ 200</u>	<u>\$ 1,151</u>	<u>\$ 405,807</u>
\$ 174	\$ --	\$ 218	\$ (4,519)	\$ 949	\$ 5,170
31	--	40	9,428	694	13,466
--	--	--	--	1	1
--	--	--	--	(1,410)	(1,397)
307	--	(402)	(32)	(1,798)	(995)
--	--	--	(38)	--	394
--	--	--	--	(1)	(248)
(11)	--	--	--	(761)	(776)
(14)	--	(29)	--	--	(39,431)
(24)	--	(2)	--	232	(533)
(13)	--	(262)	--	(634)	(2,632)
(28)	--	152	--	1,455	1,158
6	--	8	--	106	295
--	--	--	(3)	--	(577)
--	--	--	--	--	1,012
(267)	--	(341)	--	(1,066)	(3,393)
(20)	--	681	--	1,055	6,570
--	--	(415)	--	19	(412)
168	--	354	--	1,021	3,766
(82)	--	(362)	--	(276)	(1,344)
<u>\$ 227</u>	<u>\$ --</u>	<u>\$ (360)</u>	<u>\$ 4,836</u>	<u>\$ (414)</u>	<u>\$ (19,906)</u>

# State of Louisiana

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## COMBINING STATEMENT OF CASH FLOWS

### NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

### NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

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	2020
LOUISIANA AGRICULTURAL FINANCE AUTHORITY	
GAIN ON DISPOSAL OF CAPITAL ASSETS	19
LOSS ON DISPOSAL OF CAPITAL ASSETS	(2)
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS	
GAIN ON DISPOSAL OF CAPITAL ASSETS	2
PRISON ENTERPRISES	
CONTRIBUTIONS OF CAPITAL ASSETS	3
GAIN ON DISPOSAL OF CAPITAL ASSETS	231
LOSS ON DISPOSAL OF CAPITAL ASSETS	(687)

(Concluded)



# State of Louisiana

## COMBINING STATEMENT OF NET POSITION

### INTERNAL SERVICE FUNDS

JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	DIVISION OF ADMINISTRATIVE LAW	LOUISIANA CORRECTIONAL FACILITIES CORPORATION	OFFICE FACILITIES CORPORATION
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
CASH & CASH EQUIVALENTS	\$ 1,359	\$ 22	\$ 457
INVESTMENTS	--	301	18,527
RESTRICTED INVESTMENTS	--	--	16,264
RECEIVABLES (NET)	--	1	--
INVENTORIES	--	--	--
PREPAYMENTS	--	--	--
TOTAL CURRENT ASSETS	<u>1,359</u>	<u>324</u>	<u>35,248</u>
<b>NON-CURRENT ASSETS:</b>			
<b>RESTRICTED ASSETS</b>			
INVESTMENTS	--	2,406	--
INVESTMENTS	--	--	18,323
CAPITAL ASSETS (NOTE 5)			
LAND	--	--	301
MACHINERY & EQUIPMENT (NET)	62	--	--
TOTAL NON-CURRENT ASSETS	<u>62</u>	<u>2,406</u>	<u>18,624</u>
<b>TOTAL ASSETS</b>	<u>1,421</u>	<u>2,730</u>	<u>53,872</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	630	--	--
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	2,765	--	--
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>3,395</u>	<u>--</u>	<u>--</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES:</b>			
ACCOUNTS PAYABLE	394	--	--
DUE TO OTHER FUNDS	5	--	--
UNEARNED REVENUES	6	--	52
<b>CURRENT PORTION OF LONG-TERM LIABILITIES:</b>			
CONTRACTS PAYABLE	--	--	--
COMPENSATED ABSENCES PAYABLE	39	--	--
NOTES PAYABLE	--	--	--
OPEB LIABILITY	160	--	--
TOTAL CURRENT LIABILITIES	<u>604</u>	<u>--</u>	<u>52</u>
<b>NONCURRENT LIABILITIES:</b>			
<b>NONCURRENT PORTION OF LONG-TERM LIABILITIES:</b>			
COMPENSATED ABSENCES PAYABLE	360	--	--
NOTES PAYABLE	--	--	--
OPEB LIABILITY	5,708	--	--
NET PENSION LIABILITY	13,642	--	--
TOTAL NON-CURRENT LIABILITIES	<u>19,710</u>	<u>--</u>	<u>--</u>
<b>TOTAL LIABILITIES</b>	<u>20,314</u>	<u>--</u>	<u>52</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	1,167	--	--
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	358	--	--
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,525</u>	<u>--</u>	<u>--</u>
<b>NET POSITION</b>			
NET INVESTMENT IN CAPITAL ASSETS	62	--	301
RESTRICTED FOR DEBT SERVICE	--	2,406	16,264
UNRESTRICTED	(17,085)	324	37,255
<b>TOTAL NET POSITION</b>	<u>\$ (17,023)</u>	<u>\$ 2,730</u>	<u>\$ 53,820</u>

# State of Louisiana

OFFICE OF AIRCRAFT SERVICES	OFFICE OF STATE PROCUREMENT	OFFICE OF TECHNOLOGY SERVICES	TOTAL INTERNAL SERVICE FUNDS
\$ 695	\$ 4,238	\$ 11,205	\$ 17,976
--	--	--	18,828
--	--	--	16,264
564	1	98,048	98,614
198	--	6,418	6,616
--	--	10,026	10,026
<u>1,457</u>	<u>4,239</u>	<u>125,697</u>	<u>168,324</u>
--	--	--	2,406
--	--	--	18,323
--	--	--	301
--	--	33,828	33,890
--	--	33,828	54,920
<u>1,457</u>	<u>4,239</u>	<u>159,525</u>	<u>223,244</u>
48	654	10,458	11,790
80	3,605	32,144	38,594
<u>128</u>	<u>4,259</u>	<u>42,602</u>	<u>50,384</u>
470	462	61,136	62,462
--	--	25,000	25,005
--	--	--	58
--	--	7,300	7,300
6	58	363	466
--	--	7,427	7,427
24	145	2,429	2,758
<u>500</u>	<u>665</u>	<u>103,655</u>	<u>105,476</u>
9	487	6,080	6,936
--	--	23,235	23,235
531	7,313	111,226	124,778
356	18,913	179,628	212,539
<u>896</u>	<u>26,713</u>	<u>320,169</u>	<u>367,488</u>
<u>1,396</u>	<u>27,378</u>	<u>423,824</u>	<u>472,964</u>
137	1,676	23,409	26,389
2	91	910	1,361
<u>139</u>	<u>1,767</u>	<u>24,319</u>	<u>27,750</u>
--	--	33,828	34,191
--	--	--	18,670
50	(20,647)	(279,844)	(279,947)
<u>\$ 50</u>	<u>\$ (20,647)</u>	<u>\$ (246,016)</u>	<u>\$ (227,086)</u>

# State of Louisiana

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

### INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	DIVISION OF ADMINISTRATIVE LAW	LOUISIANA CORRECTIONAL FACILITIES CORPORATION	OFFICE FACILITIES CORPORATION
OPERATING REVENUES:			
SALES OF COMMODITIES & SERVICES	\$ 8,022	\$ --	\$ --
USE OF MONEY & PROPERTY	--	--	32,012
LICENSES, PERMITS & FEES	8	--	--
OTHER	1	--	--
TOTAL OPERATING REVENUES	8,031	--	32,012
OPERATING EXPENSES:			
COST OF SALES & SERVICES	1,203	191	--
ADMINISTRATIVE	7,082	--	23,026
DEPRECIATION	22	--	--
TOTAL OPERATING EXPENSES	8,307	191	23,026
OPERATING INCOME (LOSS)	(276)	(191)	8,986
NONOPERATING REVENUES (EXPENSES)			
INTEREST EXPENSE	--	--	--
OTHER REVENUES	25	43	930
OTHER EXPENSES	--	--	(34)
TOTAL NONOPERATING REVENUES (EXPENSES)	25	43	896
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(251)	(148)	9,882
TRANSFERS OUT	--	--	--
CHANGE IN NET POSITION	(251)	(148)	9,882
TOTAL NET POSITION - BEGINNING AS RESTATED	(16,772)	2,878	43,938
TOTAL NET POSITION - ENDING	\$ (17,023)	\$ 2,730	\$ 53,820

# State of Louisiana

OFFICE OF AIRCRAFT SERVICES	OFFICE OF STATE PROCUREMENT	OFFICE OF TECHNOLOGY SERVICES	TOTAL INTERNAL SERVICE FUNDS
\$ 1,718	\$ 4,479	\$ 431,249	\$ 445,468
--	--	--	32,012
--	4,610	--	4,618
--	257	--	258
<u>1,718</u>	<u>9,346</u>	<u>431,249</u>	<u>482,356</u>
1,502	--	39,432	42,328
395	11,488	381,282	423,273
--	--	11,906	11,928
<u>1,897</u>	<u>11,488</u>	<u>432,620</u>	<u>477,529</u>
<u>(179)</u>	<u>(2,142)</u>	<u>(1,371)</u>	<u>4,827</u>
--	--	(254)	(254)
8	90	189	1,285
--	--	--	(34)
<u>8</u>	<u>90</u>	<u>(65)</u>	<u>997</u>
(171)	(2,052)	(1,436)	5,824
--	--	(6,000)	(6,000)
(171)	(2,052)	(7,436)	(176)
<u>221</u>	<u>(18,595)</u>	<u>(238,580)</u>	<u>(226,910)</u>
<u>\$ 50</u>	<u>\$ (20,647)</u>	<u>\$ (246,016)</u>	<u>\$ (227,086)</u>

# State of Louisiana

## COMBINING STATEMENT OF CASH FLOWS

### INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	DIVISION OF ADMINISTRATIVE LAW	LOUISIANA CORRECTIONAL FACILITIES CORPORATION	OFFICE FACILITIES CORPORATION
CASH FLOWS FROM OPERATING ACTIVITIES:			
RECEIPTS FROM CUSTOMERS	\$ --	\$ --	\$ 32,012
RECEIPTS FROM INTERFUND SERVICES PROVIDED	8,159	--	--
OTHER OPERATING RECEIPTS	--	--	--
PAYMENTS TO SUPPLIERS & SERVICE PROVIDERS	(1,068)	(191)	(23,026)
PAYMENTS TO EMPLOYEES FOR SERVICES	(6,895)	--	--
PAYMENTS FOR INTERFUND SERVICES USED	--	--	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>196</u>	<u>(191)</u>	<u>8,986</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
RECEIPTS FROM OTHER FUNDS	--	--	--
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>--</u>	<u>--</u>	<u>--</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
PAYMENTS TO ACQUIRE, CONSTRUCT, & IMPROVE CAPITAL ASSETS	(36)	--	--
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(36)</u>	<u>--</u>	<u>--</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
PURCHASES OF INVESTMENTS	--	(5,894)	(9,798)
PROCEEDS FROM THE SALE OF INVESTMENTS	--	6,060	--
INTEREST AND DIVIDENDS	24	43	930
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>24</u>	<u>209</u>	<u>(8,868)</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	184	18	118
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR AS RESTATED	<u>1,175</u>	<u>4</u>	<u>339</u>
CASH & CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,359</u>	<u>\$ 22</u>	<u>\$ 457</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS)	<u>\$ (276)</u>	<u>\$ (191)</u>	<u>\$ 8,986</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
DEPRECIATION/AMORTIZATION	22	--	--
OTHER	--	--	--
CHANGES IN ASSETS AND LIABILITIES:			
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	--	--	681
(INCREASE)/DECREASE IN DUE FROM OTHER FUNDS	195	--	--
(INCREASE)/DECREASE IN PREPAYMENTS	--	--	--
(INCREASE)/DECREASE IN INVENTORIES	--	--	--
(INCREASE)/DECREASE IN OTHER ASSETS	--	--	(637)
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO OPEB	80	--	--
(INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO PENSIONS	(417)	--	--
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS	135	--	(44)
INCREASE/(DECREASE) IN COMPENSATED ABSENCES	51	--	--
INCREASE/(DECREASE) IN UNEARNED REVENUES	(68)	--	--
INCREASE/(DECREASE) IN TOTAL OPEB LIABILITY	(772)	--	--
INCREASE/(DECREASE) IN NET PENSION LIABILITY	403	--	--
INCREASE/(DECREASE) IN OTHER LIABILITIES	--	--	--
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO OPEB	664	--	--
INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO PENSIONS	179	--	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 196</u>	<u>\$ (191)</u>	<u>\$ 8,986</u>

# State of Louisiana

OFFICE OF AIRCRAFT SERVICES	OFFICE OF STATE PROCUREMENT	OFFICE OF TECHNOLOGY SERVICES	TOTAL INTERNAL SERVICE FUNDS
\$ 84	\$ 4,621	\$ 898	\$ 37,615
2,044	4,479	411,796	426,478
31	--	131	162
(1,670)	(69)	(296,843)	(322,867)
(407)	(8,889)	(88,487)	(104,678)
--	(1,387)	(20,365)	(21,752)
<u>82</u>	<u>(1,245)</u>	<u>7,130</u>	<u>14,958</u>
--	260	--	260
--	260	--	260
--	--	--	(36)
--	--	--	(36)
--	--	--	(15,692)
--	--	--	6,060
8	74	196	1,275
<u>8</u>	<u>74</u>	<u>196</u>	<u>(8,357)</u>
90	(911)	7,326	6,825
<u>605</u>	<u>5,149</u>	<u>3,879</u>	<u>11,151</u>
<u>\$ 695</u>	<u>\$ 4,238</u>	<u>\$ 11,205</u>	<u>\$ 17,976</u>
<u>\$ (179)</u>	<u>\$ (2,142)</u>	<u>\$ (1,371)</u>	<u>\$ 4,827</u>
--	--	11,906	11,928
--	(245)	(1,708)	(1,953)
441	--	(18,543)	(17,421)
--	--	--	195
--	--	(3,672)	(3,672)
(62)	--	(1,221)	(1,283)
(1)	(7)	--	(645)
(4)	59	(4,585)	(4,450)
(5)	(377)	(6,808)	(7,607)
75	117	40,972	41,255
(14)	53	472	562
--	--	(11,657)	(11,725)
(108)	(1,015)	(7,561)	(9,456)
18	1,662	12,439	14,522
--	--	(10,715)	(10,715)
83	826	10,677	12,250
<u>(162)</u>	<u>(176)</u>	<u>(1,495)</u>	<u>(1,654)</u>
<u>\$ 82</u>	<u>\$ (1,245)</u>	<u>\$ 7,130</u>	<u>\$ 14,958</u>

# State of Louisiana

## COMBINING STATEMENT OF FIDUCIARY NET POSITION

### PENSION TRUST FUNDS

JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE POLICE RETIREMENT SYSTEM	TEACHERS' RETIREMENT SYSTEM OF LOUISIANA	TOTAL PENSION TRUST FUNDS
<b>ASSETS</b>					
CASH & CASH EQUIVALENTS	\$ 15,923	\$ 139,023	\$ 95	\$ 239,807	\$ 394,848
RECEIVABLES:					
EMPLOYER CONTRIBUTIONS	14,380	61,312	1,867	186,946	264,505
MEMBER CONTRIBUTIONS	2,981	12,643	277	59,382	75,283
INVESTMENT PROCEEDS	2,826	58,184	--	2,088,925	2,149,935
INTEREST & DIVIDENDS	2,350	36,168	468	38,015	77,001
OTHER	652	3,620	--	20,940	25,212
TOTAL RECEIVABLES	23,189	171,927	2,612	2,394,208	2,591,936
INVESTMENTS (AT FAIR VALUE):					
SHORT-TERM INVESTMENTS	16,522	533,930	19,123	869,650	1,439,225
U.S. GOVERNMENT AND AGENCY OBLIGATIONS	141,097	132,400	16,377	1,158,081	1,447,955
BONDS - DOMESTIC	103,873	628,929	132,434	1,195,391	2,060,627
BONDS - INTERNATIONAL	61,890	1,267,657	28,145	1,225,528	2,583,220
EQUITIES - DOMESTIC	363,087	2,172,131	409,507	5,832,149	8,776,874
EQUITIES - INTERNATIONAL	592,133	2,929,335	162,988	3,308,748	6,993,204
ALTERNATIVE INVESTMENTS	499,380	3,028,016	121,643	7,725,681	11,374,720
COLLATERAL HELD UNDER SECURITIES LENDING PROGRAM	80,577	1,079,839	45,968	2,135,109	3,341,493
INVESTMENTS (AT CONTRACT VALUE):					
SYNTHETIC GUARANTEED INVESTMENT CONTRACT	39,511	525,791	--	--	565,302
TOTAL INVESTMENTS	1,898,070	12,298,028	936,185	23,450,337	38,582,620
OTHER ASSETS	216	--	2	--	218
PROPERTY PLANT AND EQUIPMENT (NET)	3,328	6,218	1,175	3,582	14,303
TOTAL ASSETS	1,940,726	12,615,196	940,069	26,087,934	41,583,925
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	597	1,076	34	1,308	3,015
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	--	--	186	2,632	2,818
TOTAL DEFERRED OUTFLOWS OF RESOURCES	597	1,076	220	3,940	5,833
<b>LIABILITIES</b>					
ACCOUNTS PAYABLE	1,264	22,391	728	12,380	36,763
RETIREMENT BENEFITS PAYABLE	1,553	--	--	1,885	3,438
INVESTMENT COMMITMENTS PAYABLE	4,857	73,007	--	2,669,785	2,747,649
OBLIGATIONS UNDER SECURITIES LENDING PROGRAM	80,577	1,079,833	45,968	2,135,109	3,341,487
TOTAL OPEB LIABILITY	6,093	17,024	276	23,570	46,963
NET PENSION LIABILITY	--	--	1,113	15,838	16,951
REFUNDS PAYABLE	--	--	--	5,911	5,911
OTHER LIABILITIES	--	--	304	2,033	2,337
TOTAL LIABILITIES	94,344	1,192,255	48,389	4,866,511	6,201,499
<b>DEFERRED INFLOWS OF RESOURCES</b>					
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	1,360	3,306	97	4,325	9,088
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	--	--	52	452	504
TOTAL DEFERRED INFLOWS OF RESOURCES	1,360	3,306	149	4,777	9,592
NET POSITION RESTRICTED FOR PENSIONS	\$ 1,845,619	\$ 11,420,711	\$ 891,751	\$ 21,220,586	\$ 35,378,667

# State of Louisiana

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

### PENSION TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE POLICE RETIREMENT SYSTEM	TEACHERS' RETIREMENT SYSTEM OF LOUISIANA	TOTAL PENSION TRUST FUNDS
<b>ADDITIONS</b>					
CONTRIBUTIONS:					
EMPLOYER	\$ 89,857	\$ 854,118	\$ 43,663	\$ 1,224,828	\$ 2,212,466
MEMBER	23,298	164,576	7,243	351,288	546,405
NON-EMPLOYER	--	--	--	43,151	43,151
TOTAL CONTRIBUTIONS	<u>113,155</u>	<u>1,018,694</u>	<u>50,906</u>	<u>1,619,267</u>	<u>2,802,022</u>
INVESTMENT INCOME:					
NET INCREASE (DECREASE) IN FAIR VALUE OF INVESTMENTS	(23,206)	(557,982)	818	(158,853)	(739,223)
INTEREST & DIVIDENDS	13,930	218,045	11,734	328,285	571,994
ALTERNATIVE INVESTMENT INCOME (LOSS)	7,594	(54,102)	--	110,713	64,205
LESS ALTERNATIVE INVESTMENT EXPENSES	--	(58,349)	--	(77,526)	(135,875)
SECURITIES LENDING INCOME	1,483	14,181	83	38,809	54,556
LESS SECURITIES LENDING EXPENSES	(1,234)	(9,299)	--	(26,608)	(37,141)
OTHER INVESTMENT INCOME	--	1,000	--	--	1,000
LESS INVESTMENT EXPENSES OTHER THAN ALTERNATIVE INVESTMENTS AND SECURITIES LENDING	(5,627)	(34,068)	(2,414)	(43,791)	(85,900)
NET INVESTMENT INCOME (LOSS)	(7,060)	(480,574)	10,221	171,029	(306,384)
OTHER INCOME	--	15,955	2,871	39,771	58,597
TOTAL ADDITIONS	<u>106,095</u>	<u>554,075</u>	<u>63,998</u>	<u>1,830,067</u>	<u>2,554,235</u>
<b>DEDUCTIONS</b>					
RETIREMENT BENEFITS	191,516	1,368,004	64,174	2,195,861	3,819,555
REFUNDS OF CONTRIBUTIONS	4,461	30,447	31	50,225	85,164
ADMINISTRATIVE EXPENSES	3,791	16,792	795	15,454	36,832
DEPRECIATION & AMORTIZATION EXPENSES	250	820	31	423	1,524
OTHER	848	--	566	--	1,414
TOTAL DEDUCTIONS	<u>200,866</u>	<u>1,416,063</u>	<u>65,597</u>	<u>2,261,963</u>	<u>3,944,489</u>
CHANGE IN NET POSITION	(94,771)	(861,988)	(1,599)	(431,896)	(1,390,254)
NET POSITION RESTRICTED FOR PENSIONS					
BEGINNING OF YEAR	<u>1,940,390</u>	<u>12,282,699</u>	<u>893,350</u>	<u>21,652,482</u>	<u>36,768,921</u>
END OF YEAR	<u>\$ 1,845,619</u>	<u>\$ 11,420,711</u>	<u>\$ 891,751</u>	<u>\$ 21,220,586</u>	<u>\$ 35,378,667</u>

# State of Louisiana

## COMBINING STATEMENT OF FIDUCIARY NET POSITION

### INVESTMENT TRUST FUNDS

JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	EDUCATION EXCELLENCE LOCAL GOVERNMENT INVESTMENT TRUST FUND	LOUISIANA ASSET MANAGEMENT POOL *	TOTAL INVESTMENT TRUST FUNDS
<u>ASSETS</u>			
CASH & CASH EQUIVALENTS	\$ 23,128	\$ 3,448	\$ 26,576
RECEIVABLES:			
INTEREST & DIVIDENDS	13	545	558
OTHER	281	--	281
TOTAL RECEIVABLES	294	545	839
INVESTMENTS (AT FAIR VALUE):			
SHORT-TERM INVESTMENTS	--	1,086,627	1,086,627
U.S. GOVERNMENT AND AGENCY OBLIGATIONS	4,180	698,903	703,083
BONDS - DOMESTIC	6,189	--	6,189
REPURCHASE AGREEMENTS	--	468,957	468,957
OTHER INVESTMENTS	15,848	--	15,848
TOTAL INVESTMENTS	26,217	2,254,487	2,280,704
OTHER ASSETS	--	22	22
PROPERTY PLANT AND EQUIPMENT (NET)	--	21	21
TOTAL ASSETS	49,639	2,258,523	2,308,162
<u>LIABILITIES</u>			
ACCOUNTS PAYABLE	291	149	440
OTHER LIABILITIES	--	65	65
TOTAL LIABILITIES	291	214	505
NET POSITION HELD IN TRUST FOR INVESTMENT POOL PARTICIPANTS	\$ 49,348	\$ 2,258,309	\$ 2,307,657

\* For the period ending December 31, 2019.

# State of Louisiana

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

### INVESTMENT TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	EDUCATION EXCELLENCE LOCAL GOVERNMENT INVESTMENT TRUST FUND	LOUISIANA ASSET MANAGEMENT POOL *	TOTAL INVESTMENT TRUST FUNDS
<u>ADDITIONS</u>			
CONTRIBUTIONS:			
POOL PARTICIPANTS (DEPOSITS)	\$ 18,611	\$ 2,998,822	\$ 3,017,433
TOTAL CONTRIBUTIONS	18,611	2,998,822	3,017,433
INVESTMENT INCOME:			
NET INCREASE IN FAIR VALUE OF INVESTMENTS	384	238	622
INTEREST & DIVIDENDS	847	25,895	26,742
GAIN ON SALE OF INVESTMENTS	--	14	14
OTHER INVESTMENT INCOME	--	27,525	27,525
NET INVESTMENT INCOME	1,231	53,672	54,903
TOTAL ADDITIONS	19,842	3,052,494	3,072,336
<u>DEDUCTIONS</u>			
ADMINISTRATIVE EXPENSES	216	2,298	2,514
DISTRIBUTIONS TO POOL PARTICIPANTS	25,708	2,638,661	2,664,369
TOTAL DEDUCTIONS	25,924	2,640,959	2,666,883
CHANGE IN NET POSITION	(6,082)	411,535	405,453
NET POSITION HELD IN TRUST FOR INVESTMENT POOL PARTICIPANTS			
BEGINNING OF YEAR	55,430	1,846,774	1,902,204
END OF YEAR	\$ 49,348	\$ 2,258,309	\$ 2,307,657

\* For the period ending December 31, 2019.

# State of Louisiana

## COMBINING STATEMENT OF FIDUCIARY NET POSITION

### PRIVATE-PURPOSE TRUST FUNDS

JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	ACHIEVING A BETTER LIFE EXPERIENCE IN LOUISIANA FUND *	LOUISIANA EDUCATION TUITION & SAVINGS FUND *	START K-12 PROGRAM *	TOTAL PRIVATE- PURPOSE TRUST FUNDS
<b>ASSETS</b>				
CASH & CASH EQUIVALENTS	\$ 7	\$ 75,774	\$ 34	\$ 75,815
RECEIVABLES:				
INTEREST & DIVIDENDS	--	279	--	279
TOTAL RECEIVABLES	--	279	--	279
INVESTMENTS (AT FAIR VALUE):				
SHORT-TERM INVESTMENTS	10	4,982	--	4,992
U.S. GOVERNMENT AND AGENCY OBLIGATIONS	295	181,749	378	182,422
BONDS - DOMESTIC	298	132,714	581	133,593
EQUITIES - DOMESTIC	448	600,933	995	602,376
EQUITIES - INTERNATIONAL	--	42,395	269	42,664
TOTAL INVESTMENTS	1,051	962,773	2,223	966,047
TOTAL ASSETS	1,058	1,038,826	2,257	1,042,141
<b>LIABILITIES</b>				
ACCOUNTS PAYABLE	--	2,703	--	2,703
TOTAL LIABILITIES	--	2,703	--	2,703
NET POSITION HELD IN TRUST FOR INDIVIDUALS, PRIVATE ORGANIZATIONS, AND OTHER GOVERNMENTS	\$ 1,058	\$ 1,036,123	\$ 2,257	\$ 1,039,438

\* For the period ending December 31, 2019.

# State of Louisiana

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

### PRIVATE-PURPOSE TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	ACHIEVING A BETTER LIFE EXPERIENCE IN LOUISIANA FUND *	LOUISIANA EDUCATION TUITION & SAVINGS FUND *	START K-12 PROGRAM *	TOTAL PRIVATE- PURPOSE TRUST FUNDS
<u>ADDITIONS</u>				
CONTRIBUTIONS:				
POOL PARTICIPANTS (DEPOSITS)	\$ 600	\$ 101,081	\$ 2,494	\$ 104,175
TOTAL CONTRIBUTIONS	600	101,081	2,494	104,175
INVESTMENT INCOME:				
NET INCREASE IN FAIR VALUE OF INVESTMENTS	121	129,389	104	129,614
INTEREST & DIVIDENDS	19	24,200	13	24,232
NET INVESTMENT INCOME	140	153,589	117	153,846
TOTAL ADDITIONS	740	254,670	2,611	258,021
<u>DEDUCTIONS</u>				
DISTRIBUTIONS TO POOL PARTICIPANTS	163	61,303	378	61,844
TOTAL DEDUCTIONS	163	61,303	378	61,844
CHANGE IN NET POSITION	577	193,367	2,233	196,177
NET POSITION HELD IN TRUST FOR INDIVIDUALS, PRIVATE ORGANIZATIONS, AND OTHER GOVERNMENTS				
BEGINNING OF YEAR	481	842,756	24	843,261
END OF YEAR	\$ 1,058	\$ 1,036,123	\$ 2,257	\$ 1,039,438

\* For the period ending December 31, 2019.

# State of Louisiana

## COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

### AGENCY FUNDS

JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	ESCROW FUND	FREE SCHOOL FUND	INSURANCE TRUST FUND	MISCELLANEOUS AGENCY FUNDS
<b>ASSETS</b>				
CASH & CASH EQUIVALENTS	\$ 156,789	\$ 4,101	\$ 16,177	\$ 16,599
INVESTMENTS	212,726	28,701	39,775	--
RECEIVABLES	22,016	437	274	--
OTHER ASSETS	--	--	557	--
<b>TOTAL ASSETS</b>	<b>\$ 391,531</b>	<b>\$ 33,239</b>	<b>\$ 56,783</b>	<b>\$ 16,599</b>

### LIABILITIES

AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 319,687	\$ 33,025	\$ 56,340	\$ 16,599
OTHER LIABILITIES	71,844	214	443	--
<b>TOTAL LIABILITIES</b>	<b>\$ 391,531</b>	<b>\$ 33,239</b>	<b>\$ 56,783</b>	<b>\$ 16,599</b>

	NON-STATE ENTITIES OPEB FUND	PARISH ROYALTY FUND	PAYROLL CLEARING FUND	TOTAL AGENCY FUNDS
<b>ASSETS</b>				
CASH & CASH EQUIVALENTS	\$ 76,417	\$ 2,572	\$ 92,204	\$ 364,859
INVESTMENTS	--	--	--	281,202
RECEIVABLES	79,764	1,001	--	103,492
OTHER ASSETS	--	--	--	557
<b>TOTAL ASSETS</b>	<b>\$ 156,181</b>	<b>\$ 3,573</b>	<b>\$ 92,204</b>	<b>\$ 750,110</b>

### LIABILITIES

AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 155,423	\$ 3,573	\$ 92,204	\$ 676,851
OTHER LIABILITIES	758	--	--	73,259
<b>TOTAL LIABILITIES</b>	<b>\$ 156,181</b>	<b>\$ 3,573</b>	<b>\$ 92,204</b>	<b>\$ 750,110</b>

# State of Louisiana

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

### AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 2019	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2020
<u>ESCROW FUND</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 156,652	\$ 1,411,122	\$ 1,410,985	\$ 156,789
INVESTMENTS	237,212	--	24,486	212,726
RECEIVABLES	<u>32,147</u>	<u>22,016</u>	<u>32,147</u>	<u>22,016</u>
TOTAL ASSETS	<u>\$ 426,011</u>	<u>\$ 1,433,138</u>	<u>\$ 1,467,618</u>	<u>\$ 391,531</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 356,232	\$ 1,400,991	\$ 1,437,536	\$ 319,687
OTHER LIABILITIES	<u>69,779</u>	<u>71,844</u>	<u>69,779</u>	<u>71,844</u>
TOTAL LIABILITIES	<u>\$ 426,011</u>	<u>\$ 1,472,835</u>	<u>\$ 1,507,315</u>	<u>\$ 391,531</u>
<u>FREE SCHOOL FUND</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 12,825	\$ 663	\$ 9,387	\$ 4,101
INVESTMENTS	18,954	9,747	--	28,701
RECEIVABLES	<u>403</u>	<u>105</u>	<u>71</u>	<u>437</u>
TOTAL ASSETS	<u>\$ 32,182</u>	<u>\$ 10,515</u>	<u>\$ 9,458</u>	<u>\$ 33,239</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 32,017	\$ 1,381	\$ 373	\$ 33,025
OTHER LIABILITIES	<u>165</u>	<u>214</u>	<u>165</u>	<u>214</u>
TOTAL LIABILITIES	<u>\$ 32,182</u>	<u>\$ 1,595</u>	<u>\$ 538</u>	<u>\$ 33,239</u>
<u>INSURANCE TRUST FUND</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 22,678	\$ 2,926	\$ 9,427	\$ 16,177
INVESTMENTS	38,803	1,822	850	39,775
RECEIVABLES	1,863	75	1,664	274
OTHER ASSETS	<u>3,384</u>	<u>9</u>	<u>2,836</u>	<u>557</u>
TOTAL ASSETS	<u>\$ 66,728</u>	<u>\$ 4,832</u>	<u>\$ 14,777</u>	<u>\$ 56,783</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 66,085	\$ 2,261	\$ 12,006	\$ 56,340
OTHER LIABILITIES	<u>643</u>	<u>125</u>	<u>325</u>	<u>443</u>
TOTAL LIABILITIES	<u>\$ 66,728</u>	<u>\$ 2,386</u>	<u>\$ 12,331</u>	<u>\$ 56,783</u>

(Continued)

# State of Louisiana

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

### AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 2019	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2020
<u>MISCELLANEOUS AGENCY FUNDS</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 14,747	\$ 60,599	\$ 58,747	\$ 16,599
TOTAL ASSETS	\$ 14,747	\$ 60,599	\$ 58,747	\$ 16,599
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 14,747	\$ 60,599	\$ 58,747	\$ 16,599
TOTAL LIABILITIES	\$ 14,747	\$ 60,599	\$ 58,747	\$ 16,599
<u>NON-STATE ENTITIES OPEB FUND</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 32,852	\$ 261,040	\$ 217,475	\$ 76,417
RECEIVABLES	54,601	286,203	261,040	79,764
TOTAL ASSETS	\$ 87,453	\$ 547,243	\$ 478,515	\$ 156,181
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 85,619	\$ 286,209	\$ 216,405	\$ 155,423
OTHER LIABILITIES	1,834	216,406	217,482	758
TOTAL LIABILITIES	\$ 87,453	\$ 502,615	\$ 433,887	\$ 156,181
<u>PARISH ROYALTY FUND</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 6,584	\$ 14,914	\$ 18,926	\$ 2,572
RECEIVABLES	2,122	1,001	2,122	1,001
TOTAL ASSETS	\$ 8,706	\$ 15,915	\$ 21,048	\$ 3,573
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 8,706	\$ 13,793	\$ 18,926	\$ 3,573
TOTAL LIABILITIES	\$ 8,706	\$ 13,793	\$ 18,926	\$ 3,573

(Continued)

# State of Louisiana

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

### AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 2019	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2020
<u>PAYROLL CLEARING FUND</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 84,666	\$ 2,995,292	\$ 2,987,754	\$ 92,204
TOTAL ASSETS	<u>\$ 84,666</u>	<u>\$ 2,995,292</u>	<u>\$ 2,987,754</u>	<u>\$ 92,204</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 84,666	\$ 2,995,292	\$ 2,987,754	\$ 92,204
TOTAL LIABILITIES	<u>\$ 84,666</u>	<u>\$ 2,995,292</u>	<u>\$ 2,987,754</u>	<u>\$ 92,204</u>
 <u>TOTAL ALL AGENCY FUNDS</u>				
ASSETS:				
CASH & CASH EQUIVALENTS	\$ 331,004	\$ 4,746,556	\$ 4,712,701	\$ 364,859
INVESTMENTS	294,969	11,569	25,336	281,202
RECEIVABLES	91,136	309,400	297,044	103,492
OTHER ASSETS	<u>3,384</u>	<u>9</u>	<u>2,836</u>	<u>557</u>
TOTAL ASSETS	<u>\$ 720,493</u>	<u>\$ 5,067,534</u>	<u>\$ 5,037,917</u>	<u>\$ 750,110</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 648,072	\$ 4,760,526	\$ 4,731,747	\$ 676,851
OTHER LIABILITIES	<u>72,421</u>	<u>288,589</u>	<u>287,751</u>	<u>73,259</u>
TOTAL LIABILITIES	<u>\$ 720,493</u>	<u>\$ 5,049,115</u>	<u>\$ 5,019,498</u>	<u>\$ 750,110</u>

(Concluded)

# State of Louisiana

## COMBINING STATEMENT OF NET POSITION

### NONMAJOR COMPONENT UNITS

JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	ASCENSION ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY	BOARDS & COMMISSIONS	FOUNDATION FOR EXCELLENCE IN LOUISIANA PUBLIC BROADCASTING	GREATER BATON ROUGE PORT COMMISSION **	GREATER NEW ORLEANS EXPRESSWAY COMMISSION *
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
CASH & CASH EQUIVALENTS	\$ 375	\$ 12,983	\$ 1,210	\$ 13,576	\$ 16,807
RESTRICTED CASH & CASH EQUIVALENTS	160	--	--	--	25,914
INVESTMENTS	--	15,694	39,445	15,116	598
RESTRICTED INVESTMENTS	--	--	--	--	45,446
RECEIVABLES (NET)	6	126	948	2,298	2,363
LEASES RECEIVABLE (NET)	--	--	--	--	--
AMOUNTS DUE FROM PRIMARY GOVERNMENT	140	--	--	587	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
INVENTORIES	21	--	--	--	857
PREPAYMENTS	--	--	--	56	1,467
NOTES RECEIVABLE	--	--	--	--	--
OTHER CURRENT ASSETS	41	2	162	60	--
TOTAL CURRENT ASSETS	743	28,805	41,765	31,693	93,452
<b>NON-CURRENT ASSETS:</b>					
RESTRICTED ASSETS	--	--	--	--	--
INVESTMENTS	--	12,544	--	--	--
NOTES RECEIVABLE	--	--	--	--	--
<b>CAPITAL ASSETS</b>					
LAND	1,883	352	--	11,212	--
BUILDING & IMPROVEMENTS (NET)	1,111	1,006	--	32,391	4,378
MACHINERY & EQUIPMENT (NET)	173	103	--	1,292	3,390
INFRASTRUCTURE (NET)	10,196	--	--	15,919	186,334
INTANGIBLE ASSETS (NET)	--	--	--	--	--
CONSTRUCTION IN PROGRESS	3,175	2,694	--	26,758	--
OTHER NONCURRENT ASSETS	--	--	--	--	--
TOTAL NON-CURRENT ASSETS	16,538	16,699	--	87,572	194,102
TOTAL ASSETS	17,281	45,504	41,765	119,265	287,554
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--	--	--
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	--	276	--	233	659
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	--	1,923	--	805	3,158
TOTAL DEFERRED OUTFLOWS OF RESOURCES	--	2,199	--	1,038	3,817
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES:</b>					
ACCOUNTS PAYABLE	149	305	700	3,259	9,093
ACCRUED INTEREST	18	--	--	--	2,898
AMOUNTS DUE TO PRIMARY GOVERNMENT	1	--	9	--	--
DUE TO FEDERAL GOVERNMENT	--	--	--	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	9	--	--	--	--
UNEARNED REVENUES	16	2,176	126	1,694	1,083
OTHER CURRENT LIABILITIES	41	219	--	132	--
<b>CURRENT PORTION OF LONG-TERM LIABILITIES:</b>					
CONTRACTS PAYABLE	--	--	--	--	--
COMPENSATED ABSENCES PAYABLE	--	55	--	--	--
CAPITAL LEASE OBLIGATIONS	--	--	--	--	--
NOTES PAYABLE	--	24	--	--	--
BONDS PAYABLE	20	--	--	--	2,882
ESTIMATED LIABILITY FOR CLAIMS	--	--	--	--	--
OPEB LIABILITY	--	151	--	234	228
OTHER LONG-TERM LIABILITIES	--	--	--	--	--
TOTAL CURRENT LIABILITIES	254	2,930	835	5,319	16,184
<b>NONCURRENT LIABILITIES:</b>					
<b>NONCURRENT PORTION OF LONG-TERM LIABILITIES:</b>					
COMPENSATED ABSENCES PAYABLE	--	237	--	--	820
CAPITAL LEASE OBLIGATIONS	--	--	--	--	--
NOTES PAYABLE	--	299	--	--	--
BONDS PAYABLE	613	--	--	1,999	131,340
ESTIMATED LIABILITY FOR CLAIMS	--	--	--	--	1,803
OPEB LIABILITY	--	5,059	--	5,549	5,306
NET PENSION LIABILITY	--	9,341	--	6,338	3,629
OTHER LONG-TERM LIABILITIES	--	--	--	--	--
UNEARNED REVENUE	--	--	--	--	1,193
TOTAL NON-CURRENT LIABILITIES	613	14,936	--	13,886	144,091
TOTAL LIABILITIES	867	17,866	835	19,205	160,275
<b>DEFERRED INFLOWS OF RESOURCES</b>					
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--	--	--
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	--	--	--	--	--
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	--	1,344	--	1,452	187
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	--	612	--	29	239
TOTAL DEFERRED INFLOWS OF RESOURCES	--	1,956	--	1,481	426
<b>NET POSITION</b>					
NET INVESTMENT IN CAPITAL ASSETS	15,905	3,832	--	83,293	95,946
<b>RESTRICTED FOR:</b>					
CAPITAL PROJECTS	--	--	--	--	13,676
DEBT SERVICE	161	--	--	--	9,553
OTHER PURPOSES	--	--	--	--	--
UNRESTRICTED	348	24,049	40,930	16,324	11,495
TOTAL NET POSITION	\$ 16,414	\$ 27,881	\$ 40,930	\$ 99,617	\$ 130,670

(Continued)

\* As of October 31, 2019.

\*\* As of December 31, 2019.

# State of Louisiana

HEALTH EDUCATION AUTHORITY OF LOUISIANA	HUMAN SERVICES DISTRICTS	LOUISIANA CANCER RESEARCH CENTER	LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION **	LOUISIANA ECONOMIC DEVELOPMENT CORPORATION	LOUISIANA HOUSING CORPORATION	LOUISIANA INTERNATIONAL DEEP WATER GULF TRANSFER TERMINAL AUTHORITY	LOUISIANA PUBLIC FACILITIES AUTHORITY **
\$ 1,509	\$ 52,899	\$ 24,518	\$ 137,291	\$ 14,319	\$ 2,559	\$ 102	\$ 2,519
--	--	--	48,607	--	--	--	--
--	--	12,388	57,530	--	6,345	--	4,761
--	16,692	70	22,097	2,180	3,597	--	130
--	--	2,508	--	--	--	--	--
--	19,742	5,411	--	--	--	--	--
--	--	--	--	--	7,035	--	--
--	229	--	--	--	--	--	--
--	417	128	1,589	--	--	--	11
--	--	--	--	110	520	--	3,996
--	--	--	--	13,856	257	--	--
<u>1,509</u>	<u>89,979</u>	<u>45,023</u>	<u>267,114</u>	<u>30,465</u>	<u>20,313</u>	<u>102</u>	<u>11,417</u>
--	--	--	1,896	--	324,509	--	173,169
--	--	--	26,074	17,446	--	--	14,308
--	--	--	--	408	--	--	10,447
--	2,146	672	--	--	1,022	--	--
--	9,324	82,028	--	--	64,989	--	--
--	1,036	3,716	195	--	177	--	22
--	--	--	--	--	--	--	--
--	849	--	262	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	108	4,539	--	--	--
--	13,355	86,416	28,535	22,393	390,697	--	197,946
<u>1,509</u>	<u>103,334</u>	<u>131,439</u>	<u>295,649</u>	<u>52,858</u>	<u>411,010</u>	<u>102</u>	<u>209,363</u>
--	--	--	4,069	--	--	--	--
--	9,325	--	586	--	1,224	--	--
--	43,754	--	210	--	5,871	--	--
--	53,079	--	4,865	--	7,095	--	--
--	8,771	4,632	1,632	327	6,585	9	1,011
--	--	--	1,449	--	--	--	--
--	31,051	--	--	--	--	--	32
--	--	--	--	--	2,468	--	--
--	--	--	--	--	--	--	--
--	150	--	32,867	782	--	--	--
--	1,451	2	283	--	8,256	--	459
--	--	--	--	--	--	--	--
--	3,056	46	78	--	56	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	58,290	--	--	--	--
--	--	--	16,000	--	--	--	--
--	6,299	--	--	--	146	--	--
--	--	--	--	--	--	--	--
--	50,778	4,680	110,599	1,109	17,511	9	1,502
--	4,647	60	--	--	1,270	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	345,565	--	835	--	135,355
--	--	--	--	854	--	--	--
--	123,461	--	3,950	--	10,848	--	--
--	248,267	--	--	--	28,348	--	--
--	--	--	1,896	--	1,196	--	--
--	--	--	--	--	--	--	--
--	376,375	60	351,411	854	42,497	--	135,355
--	427,153	4,740	462,010	1,963	60,008	9	136,857
--	--	--	--	--	193	--	--
--	--	--	--	--	4,420	--	--
--	24,791	--	211	--	2,222	--	--
--	6,888	--	190	--	104	--	--
--	31,679	--	401	--	6,939	--	--
--	13,355	86,416	457	--	66,188	--	22
--	--	--	--	--	--	--	--
--	--	--	153,178	--	--	--	36,357
--	--	35,752	--	4,421	314,030	--	--
<u>1,509</u>	<u>(315,774)</u>	<u>4,531</u>	<u>(315,532)</u>	<u>46,474</u>	<u>(29,060)</u>	<u>93</u>	<u>36,127</u>
<u>\$ 1,509</u>	<u>\$ (302,419)</u>	<u>\$ 126,699</u>	<u>\$ (161,897)</u>	<u>\$ 50,895</u>	<u>\$ 351,158</u>	<u>\$ 93</u>	<u>\$ 72,506</u>

# State of Louisiana

## COMBINING STATEMENT OF NET POSITION

### NONMAJOR COMPONENT UNITS

JUNE 30, 2020

(EXPRESSED IN THOUSANDS)

	LOUISIANA UTILITIES RESTORATION CORPORATION	OTHER LEVEE DISTRICTS	ROAD HOME CORPORATION	SABINE RIVER AUTHORITY	SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST & WEST	TOTAL NONMAJOR COMPONENT UNITS
<b>ASSETS</b>						
<b>CURRENT ASSETS:</b>						
CASH & CASH EQUIVALENTS	\$ --	\$ 30,799	\$ 292	\$ 16,243	\$ 31,987	\$ 359,988
RESTRICTED CASH & CASH EQUIVALENTS	51,020	10,892	--	6,674	--	143,267
INVESTMENTS	--	100,210	--	--	141,450	393,537
RESTRICTED INVESTMENTS	--	--	--	--	13,668	59,114
RECEIVABLES (NET)	7,168	12,490	1,878	1,645	1,859	75,547
LEASES RECEIVABLE (NET)	--	--	--	--	--	2,508
AMOUNTS DUE FROM PRIMARY GOVERNMENT	--	1,218	--	206	1,795	29,099
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	2,026	9,061
INVENTORIES	--	35	--	--	279	1,421
PREPAYMENTS	--	258	110	--	--	4,036
NOTES RECEIVABLE	--	--	--	--	--	4,626
OTHER CURRENT ASSETS	--	25	--	--	3,170	17,573
TOTAL CURRENT ASSETS	58,188	155,927	2,280	24,768	196,234	1,099,777
<b>NON-CURRENT ASSETS:</b>						
RESTRICTED ASSETS	--	384	--	543	--	500,501
INVESTMENTS	--	19,422	--	18,200	--	107,994
NOTES RECEIVABLE	--	--	--	--	--	10,855
<b>CAPITAL ASSETS</b>						
LAND	--	12,769	19,959	1,435	42,734	94,184
BUILDING & IMPROVEMENTS (NET)	--	8,692	473	18,612	119,302	342,306
MACHINERY & EQUIPMENT (NET)	--	10,470	--	1,942	8,938	31,454
INFRASTRUCTURE (NET)	--	106,133	--	27,717	902,327	1,248,626
INTANGIBLE ASSETS (NET)	--	--	--	4,639	--	5,750
CONSTRUCTION IN PROGRESS	--	203,995	--	4,826	8,212,079	8,453,527
OTHER NONCURRENT ASSETS	--	13	--	79	--	4,739
TOTAL NON-CURRENT ASSETS	--	361,878	20,432	77,993	9,285,380	10,799,936
TOTAL ASSETS	58,188	517,805	22,712	102,761	9,481,614	11,899,713
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--	--	--	4,069
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	--	3,413	--	218	5,270	21,204
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	--	7,348	--	1,637	11,561	76,267
TOTAL DEFERRED OUTFLOWS OF RESOURCES	--	10,761	--	1,855	16,831	101,540
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES:</b>						
ACCOUNTS PAYABLE	356	4,743	2,791	170	3,797	48,330
ACCRUED INTEREST	5,233	10	--	113	59	9,780
AMOUNTS DUE TO PRIMARY GOVERNMENT	--	2	--	--	178	31,273
DUE TO FEDERAL GOVERNMENT	--	--	--	--	--	2,468
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	--	--	9
UNEARNED REVENUES	--	134	--	10	836	39,874
OTHER CURRENT LIABILITIES	--	353	--	--	16,376	27,572
<b>CURRENT PORTION OF LONG-TERM LIABILITIES:</b>						
CONTRACTS PAYABLE	--	1,655	--	--	786	2,441
COMPENSATED ABSENCES PAYABLE	--	198	--	--	1,071	4,560
CAPITAL LEASE OBLIGATIONS	--	105	--	--	--	105
NOTES PAYABLE	--	--	--	--	--	24
BONDS PAYABLE	92,649	745	--	1,059	321	155,966
ESTIMATED LIABILITY FOR CLAIMS	--	--	--	--	--	16,000
OPEB LIABILITY	--	877	--	133	1,323	9,391
OTHER LONG-TERM LIABILITIES	--	--	23	--	--	23
TOTAL CURRENT LIABILITIES	98,238	8,822	2,814	1,485	24,747	347,816
<b>NONCURRENT LIABILITIES:</b>						
<b>NONCURRENT PORTION OF LONG-TERM LIABILITIES:</b>						
COMPENSATED ABSENCES PAYABLE	--	1,232	58	241	1,697	10,262
CAPITAL LEASE OBLIGATIONS	--	114	--	--	--	114
NOTES PAYABLE	--	--	--	--	--	299
BONDS PAYABLE	261,894	15,583	--	9,918	5,963	909,065
ESTIMATED LIABILITY FOR CLAIMS	--	--	--	--	--	2,657
OPEB LIABILITY	--	40,345	--	5,104	21,181	220,803
NET PENSION LIABILITY	--	33,889	--	6,608	52,149	388,569
OTHER LONG-TERM LIABILITIES	--	--	--	--	--	3,092
UNEARNED REVENUE	--	--	--	--	--	1,193
TOTAL NON-CURRENT LIABILITIES	261,894	91,163	58	21,871	80,990	1,536,054
TOTAL LIABILITIES	360,132	99,985	2,872	23,356	105,737	1,883,870
<b>DEFERRED INFLOWS OF RESOURCES</b>						
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--	--	--	193
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	--	--	--	--	--	4,420
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	--	6,513	--	1,106	5,892	43,718
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	--	2,798	--	1,820	786	13,466
TOTAL DEFERRED INFLOWS OF RESOURCES	--	9,311	--	2,926	6,678	61,797
<b>NET POSITION</b>						
NET INVESTMENT IN CAPITAL ASSETS	--	325,732	20,432	43,555	9,278,311	10,033,444
<b>RESTRICTED FOR:</b>						
CAPITAL PROJECTS	--	9,095	--	6,661	--	29,432
DEBT SERVICE	--	2,035	--	--	--	201,284
OTHER PURPOSES	--	146	--	14	500	354,863
UNRESTRICTED	(301,944)	82,262	(592)	28,104	107,219	(563,437)
TOTAL NET POSITION	\$ (301,944)	\$ 419,270	\$ 19,840	\$ 78,334	\$ 9,386,030	\$ 10,055,586

(Concluded)

\* As of October 31, 2019.

\*\* As of December 31, 2019.

# State of Louisiana

## COMBINING STATEMENT OF ACTIVITIES

### NONMAJOR COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2020

(EXPRESSED IN THOUSAND)

	PROGRAM REVENUES				NET (EXPENSE) REVENUE
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	
NONMAJOR COMPONENT UNITS:					
ASCENSION ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY	\$ 1,180	\$ 649	\$ 10	\$ 3,010	\$ 2,489
BOARDS & COMMISSIONS	8,231	8,506	90	--	365
FOUNDATION FOR EXCELLENCE IN LOUISIANA PUBLIC BROADCASTING	6,726	1,085	4,844	--	(797)
GREATER BATON ROUGE PORT COMMISSION **	11,002	17,694	--	1,473	8,165
GREATER NEW ORLEANS EXPRESSWAY COMMISSION *	26,847	23,959	--	--	(2,888)
HEALTH EDUCATION AUTHORITY OF LOUISIANA	--	--	--	--	--
HUMAN SERVICES DISTRICTS	208,772	72,011	10,746	--	(126,015)
LOUISIANA CANCER RESEARCH CENTER	18,558	3,582	176	--	(14,800)
LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION **	43,288	40,194	--	--	(3,094)
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION	18,706	290	--	--	(18,416)
LOUISIANA HOUSING CORPORATION	209,629	15,193	213,335	--	18,899
LOUISIANA INTERNATIONAL DEEP WATER GULF TRANSFER TERMINAL AUTHORITY	224	--	--	--	(224)
LOUISIANA PUBLIC FACILITIES AUTHORITY **	8,557	7,415	--	--	(1,142)
LOUISIANA UTILITIES RESTORATION CORPORATION	15,022	104,838	--	--	89,816
OTHER LEVEE DISTRICTS	61,589	290	2,376	23,861	(35,062)
ROAD HOME CORPORATION	8,566	--	14,649	351	6,434
SABINE RIVER AUTHORITY	17,113	16,532	--	--	(581)
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST & WEST	82,392	5,991	--	9,950	(66,451)
<b>TOTAL NONMAJOR COMPONENT UNITS</b>	<b>\$ 746,402</b>	<b>\$ 318,229</b>	<b>\$ 246,226</b>	<b>\$ 38,645</b>	<b>\$ (143,302)</b>

	GENERAL REVENUES			NET POSITION BEGINNING OF YEAR AS RESTATED	NET POSITION END OF YEAR
	PAYMENTS FROM PRIMARY GOVERNMENT	OTHER GENERAL REVENUES	CHANGE IN NET POSITION		
NONMAJOR COMPONENT UNITS:					
ASCENSION ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY	\$ --	\$ 14	\$ 2,503	\$ 13,911	\$ 16,414
BOARDS & COMMISSIONS	319	4,315	4,999	22,882	27,881
FOUNDATION FOR EXCELLENCE IN LOUISIANA PUBLIC BROADCASTING	--	449	(348)	41,278	40,930
GREATER BATON ROUGE PORT COMMISSION **	--	502	8,667	90,950	99,617
GREATER NEW ORLEANS EXPRESSWAY COMMISSION *	6,489	3,951	7,552	123,118	130,670
HEALTH EDUCATION AUTHORITY OF LOUISIANA	--	1	1	1,508	1,509
HUMAN SERVICES DISTRICTS	119,778	1,884	(4,353)	(298,066)	(302,419)
LOUISIANA CANCER RESEARCH CENTER	13,917	908	25	126,674	126,699
LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION **	--	76,197	73,103	(235,000)	(161,897)
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION	12,104	1,381	(4,931)	55,826	50,895
LOUISIANA HOUSING CORPORATION	--	10,805	29,704	321,454	351,158
LOUISIANA INTERNATIONAL DEEP WATER GULF TRANSFER TERMINAL AUTHORITY	--	--	(224)	317	93
LOUISIANA PUBLIC FACILITIES AUTHORITY **	--	1,020	(122)	72,628	72,506
LOUISIANA UTILITIES RESTORATION CORPORATION	--	615	90,431	(392,375)	(301,944)
OTHER LEVEE DISTRICTS	6,195	63,107	34,240	385,030	419,270
ROAD HOME CORPORATION	--	--	6,434	13,406	19,840
SABINE RIVER AUTHORITY	--	614	33	78,301	78,334
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST & WEST	968	1,609,642	1,544,159	7,841,871	9,386,030
<b>TOTAL NONMAJOR COMPONENT UNITS</b>	<b>\$ 159,770</b>	<b>\$ 1,775,405</b>	<b>\$ 1,791,873</b>	<b>\$ 8,263,713</b>	<b>\$ 10,055,586</b>

\* As of October 31, 2019.

\*\* As of December 31, 2019.



# III. STATISTICAL SECTION



## Statistical Section Index

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	<b>188</b>
These schedules contain trend information to help the reader understand how Louisiana's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>198</b>
These schedules contain information to help the reader assess Louisiana's most significant state revenue source, income tax.	
<b>Debt Capacity</b>	<b>204</b>
These schedules present information to help the reader assess the affordability of Louisiana's current levels of outstanding debt and Louisiana's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>210</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which Louisiana's financial activities take place.	
<b>Operating Information</b>	<b>212</b>
These schedules contain service and infrastructure data to help the reader understand how the information in Louisiana's financial report relates to the services Louisiana provides and the activities it performs.	

# State of Louisiana

## NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
NET INVESTMENT IN CAPITAL ASSETS *	\$ 12,549,039	\$ 12,124,794	\$ 11,730,196	\$ 11,641,540
RESTRICTED	5,761,907	5,175,816	4,556,099	4,571,712
UNRESTRICTED	<u>(15,627,759)</u>	<u>(15,699,730)</u>	<u>(16,052,435)</u>	<u>(11,949,852)</u>
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	<u>\$ 2,683,187</u>	<u>\$ 1,600,880</u>	<u>\$ 233,860</u>	<u>\$ 4,263,400</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
NET INVESTMENT IN CAPITAL ASSETS *	\$ 424,397	\$ 436,013	\$ 446,322	\$ 446,609
RESTRICTED	783,632	1,309,498	1,220,926	1,127,101
UNRESTRICTED	<u>476,582</u>	<u>421,712</u>	<u>339,229</u>	<u>506,154</u>
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	<u>\$ 1,684,611</u>	<u>\$ 2,167,223</u>	<u>\$ 2,006,477</u>	<u>\$ 2,079,864</u>
<b>PRIMARY GOVERNMENT</b>				
NET INVESTMENT IN CAPITAL ASSETS *	\$ 12,973,436	\$ 12,560,807	\$ 12,176,518	\$ 12,088,149
RESTRICTED	6,545,539	6,485,314	5,777,025	5,698,813
UNRESTRICTED	<u>(15,151,177)</u>	<u>(15,278,018)</u>	<u>(15,713,206)</u>	<u>(11,443,698)</u>
TOTAL PRIMARY GOVERNMENT NET POSITION	<u>\$ 4,367,798</u>	<u>\$ 3,768,103</u>	<u>\$ 2,240,337</u>	<u>\$ 6,343,264</u>

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

Source: Office of Statewide Reporting and Accounting Policy

# State of Louisiana

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 11,664,584	\$ 11,401,308	\$ 11,230,136	\$ 11,573,027	\$ 11,466,833	\$ 11,862,399
4,656,885	4,820,821	4,592,434	4,721,228	4,580,471	5,008,705
<u>(12,343,424)</u>	<u>(12,443,429)</u>	<u>(5,460,846)</u>	<u>(5,034,905)</u>	<u>(3,914,614)</u>	<u>(3,341,575)</u>
<u>\$ 3,978,045</u>	<u>\$ 3,778,700</u>	<u>\$ 10,361,724</u>	<u>\$ 11,259,350</u>	<u>\$ 12,132,690</u>	<u>\$ 13,529,529</u>
\$ 429,685	\$ 389,158	\$ 354,442	\$ 338,894	\$ 200,294	\$ 218,826
1,109,109	1,122,120	1,038,066	991,425	839,363	906,600
<u>542,336</u>	<u>535,413</u>	<u>943,383</u>	<u>966,905</u>	<u>1,042,012</u>	<u>896,531</u>
<u>\$ 2,081,130</u>	<u>\$ 2,046,691</u>	<u>\$ 2,335,891</u>	<u>\$ 2,297,224</u>	<u>\$ 2,081,669</u>	<u>\$ 2,021,957</u>
\$ 12,094,269	\$ 11,790,466	\$ 11,584,578	\$ 11,911,921	\$ 11,667,127	\$ 12,081,225
5,765,994	5,942,941	5,630,500	5,712,653	5,419,834	5,915,305
<u>(11,801,088)</u>	<u>(11,908,016)</u>	<u>(4,517,463)</u>	<u>(4,068,000)</u>	<u>(2,872,602)</u>	<u>(2,445,044)</u>
<u>\$ 6,059,175</u>	<u>\$ 5,825,391</u>	<u>\$ 12,697,615</u>	<u>\$ 13,556,574</u>	<u>\$ 14,214,359</u>	<u>\$ 15,551,486</u>

# State of Louisiana

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>EXPENSES</b>				
GOVERNMENTAL ACTIVITIES:				
GENERAL GOVERNMENT	\$ 2,314,015	\$ 2,216,867	\$ 2,887,652	\$ 2,527,768
CULTURE, RECREATION, AND TOURISM	116,014	100,426	97,685	103,386
TRANSPORTATION AND DEVELOPMENT	1,415,047	1,445,953	1,377,898	1,560,415
PUBLIC SAFETY	2,008,320	1,008,130	949,390	1,872,279
HEALTH AND WELFARE	16,194,195	14,755,484	13,975,446	14,044,785
CORRECTIONS	707,416	779,224	702,948	713,713
YOUTH SERVICES	112,321	86,781	75,263	91,636
CONSERVATION AND ENVIRONMENT	565,621	651,864	554,590	550,652
EDUCATION	6,610,669	6,357,514	6,308,850	6,147,844
AGRICULTURE & FORESTRY	140,607	201,646	93,118	89,613
ECONOMIC DEVELOPMENT	233,454	213,769	231,981	259,836
MILITARY & VETERANS AFFAIRS	209,300	189,476	170,224	183,731
WORKFORCE SUPPORT & TRAINING	235,317	255,141	247,754	251,137
OTHER	--	--	--	--
INTERGOVERNMENTAL	--	--	--	--
INTEREST ON LONG-TERM DEBT	284,761	278,405	294,885	289,139
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES	<u>31,147,057</u>	<u>28,540,680</u>	<u>27,967,684</u>	<u>28,685,934</u>
BUSINESS-TYPE ACTIVITIES:				
HIGHER EDUCATION	515,007	471,802	478,936	488,498
LENDING & FINANCING ACTIVITIES	32,557	26,396	38,243	24,749
PROPERTY ASSISTANCE	8,116	8,288	8,427	9,892
PRISON ENTERPRISES	26,866	27,043	28,911	29,230
REGULATION & OVERSIGHT	50,099	47,107	47,182	48,926
UNEMPLOYMENT INSURANCE	4,078,459	152,840	187,023	242,249
TOTAL BUSINESS-TYPE ACTIVITIES EXPENSES	<u>4,711,104</u>	<u>733,476</u>	<u>788,722</u>	<u>843,544</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 35,858,161</u>	<u>\$ 29,274,156</u>	<u>\$ 28,756,406</u>	<u>\$ 29,529,478</u>
<b>PROGRAM REVENUES</b>				
GOVERNMENTAL ACTIVITIES:				
CHARGES FOR SERVICES				
GENERAL GOVERNMENT	\$ 1,288,419	\$ 1,225,420	\$ 1,216,509	\$ 1,305,131
CULTURE, RECREATION, AND TOURISM	13,018	17,423	16,612	15,021
TRANSPORTATION AND DEVELOPMENT	183,311	179,410	174,505	181,040
PUBLIC SAFETY	309,491	336,604	344,842	321,562
HEALTH AND WELFARE	556,953	396,209	288,857	291,734
CORRECTIONS	36,138	41,337	41,150	39,170
YOUTH SERVICES	69	--	1,008	1,215
CONSERVATION AND ENVIRONMENT	192,356	186,335	169,362	168,717
EDUCATION	7,365	6,405	17,218	6,009
AGRICULTURE & FORESTRY	21,702	22,134	21,652	20,153
ECONOMIC DEVELOPMENT	3,321	4,368	4,259	5,513
MILITARY & VETERANS AFFAIRS	14,247	15,075	15,806	16,404
WORKFORCE SUPPORT & TRAINING	83,039	78,501	76,684	78,238
INTERGOVERNMENTAL	--	--	--	--
OPERATING GRANTS AND CONTRIBUTIONS	17,171,529	14,412,186	13,859,304	14,464,231
CAPITAL GRANTS AND CONTRIBUTIONS	586,194	669,490	587,843	607,380
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES	<u>20,467,152</u>	<u>17,590,897</u>	<u>16,835,611</u>	<u>17,521,518</u>

\* GASB 63 replaced Net Assets with Net Position.

Source: Office of Statewide Reporting and Accounting Policy

(Continued)

# State of Louisiana

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$	2,625,646	\$ 2,832,201	\$ 4,675,822	\$ 4,607,483	\$ 5,308,576	\$ 6,497,216
	112,186	117,876	98,784	99,582	92,741	110,078
	1,446,159	1,415,006	1,542,225	1,312,998	1,500,182	1,370,238
	886,259	1,636,934	347,473	336,143	326,627	337,149
	11,287,812	11,065,490	10,208,763	10,071,069	9,769,203	9,335,925
	670,100	697,116	639,414	657,028	633,544	671,436
	78,435	85,475	108,772	106,779	116,791	134,274
	571,969	541,139	354,087	343,487	364,234	372,703
	6,184,322	6,246,331	6,382,964	6,705,462	6,614,109	6,602,774
	83,850	70,710	--	--	--	--
	256,067	311,360	--	--	--	--
	171,718	161,366	--	--	--	--
	257,060	240,505	--	--	--	--
	--	--	26,599	29,369	25,407	49,174
	--	--	586,420	515,763	505,680	430,763
	258,062	305,799	305,101	305,746	332,586	284,395
	<u>24,889,645</u>	<u>25,727,308</u>	<u>25,276,424</u>	<u>25,090,909</u>	<u>25,589,680</u>	<u>26,196,125</u>
	478,874	484,420	491,101	492,782	--	--
	29,311	34,838	41,506	32,993	26,544	39,310
	7,866	6,998	6,720	7,617	7,661	10,239
	30,489	31,307	29,222	29,282	28,224	28,395
	45,699	42,643	44,755	43,125	45,074	171,720
	251,175	204,083	218,744	339,852	537,217	761,747
	<u>843,414</u>	<u>804,289</u>	<u>832,048</u>	<u>945,651</u>	<u>644,720</u>	<u>1,011,411</u>
\$	<u>25,733,059</u>	<u>26,531,597</u>	<u>26,108,472</u>	<u>26,036,560</u>	<u>26,234,400</u>	<u>27,207,536</u>
\$	1,399,925	\$ 1,282,105	\$ 2,044,842	\$ 2,178,896	\$ 1,579,216	\$ 1,906,708
	14,602	15,212	11,678	11,576	11,246	10,932
	189,311	178,548	34,254	63,437	122,485	88,817
	351,318	318,140	277,384	310,738	323,089	279,280
	171,475	237,623	440,330	276,815	274,054	208,998
	30,491	42,818	40,809	43,518	40,780	39,958
	1,612	230	438	793	2,789	1,490
	159,403	158,759	740,512	812,599	757,891	966,275
	11,175	66,501	60,397	37,810	38,915	5,518
	19,750	20,928	--	--	--	--
	17,425	13,658	--	--	--	--
	16,189	16,572	--	--	--	--
	68,723	50,984	--	--	--	--
	--	--	1,812	1,678	1,471	1,733
	10,614,966	11,323,586	10,475,760	10,308,201	11,707,327	11,390,940
	686,918	572,203	637,078	1,049,293	1,076,896	2,403,996
	<u>13,753,283</u>	<u>14,297,867</u>	<u>14,765,294</u>	<u>15,095,354</u>	<u>15,936,159</u>	<u>17,304,645</u>

# State of Louisiana

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>				
CHARGES FOR SERVICES				
HIGHER EDUCATION	172,574	153,445	140,290	150,683
LENDING & FINANCING ACTIVITIES	21,522	26,505	24,358	18,521
PROPERTY ASSISTANCE	8,592	10,363	8,618	7,247
PRISON ENTERPRISES	26,687	27,380	27,900	28,098
REGULATION & OVERSIGHT	50,902	49,766	48,398	48,703
UNEMPLOYMENT INSURANCE	199,073	232,168	251,285	234,254
OPERATING GRANTS AND CONTRIBUTIONS	3,540,055	194,025	190,902	168,135
CAPITAL GRANTS AND CONTRIBUTIONS	38,865	41,184	47,847	56,539
TOTAL BUSINESS-TYPE ACTIVITIES PROGRAM REVENUES	<u>4,058,270</u>	<u>734,836</u>	<u>739,598</u>	<u>712,180</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 24,525,422</u>	<u>\$ 18,325,733</u>	<u>\$ 17,575,209</u>	<u>\$ 18,233,698</u>
<b>NET (EXPENSE) REVENUE</b>				
GOVERNMENTAL ACTIVITIES	\$ (10,679,905)	\$ (10,949,783)	\$ (11,132,073)	\$ (11,164,416)
BUSINESS-TYPE ACTIVITIES	(652,834)	1,360	(49,124)	(131,364)
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	<u>\$ (11,332,739)</u>	<u>\$ (10,948,423)</u>	<u>\$ (11,181,197)</u>	<u>\$ (11,295,780)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
<b>GOVERNMENTAL ACTIVITIES:</b>				
CORPORATE INCOME TAXES	\$ 473,836	\$ 484,799	\$ 348,577	\$ 313,977
INDIVIDUAL INCOME TAXES	3,689,687	3,650,188	3,439,082	2,873,345
SALES & USE TAXES	3,729,536	3,843,976	4,342,563	4,335,828
SEVERANCE TAXES	426,434	511,814	460,998	384,866
TOBACCO TAXES	277,694	283,442	296,860	314,307
FRANCHISE TAXES	148,317	157,723	119,403	97,124
GAS & FUELS TAXES, restricted for transportation	586,273	639,922	605,962	639,493
TOBACCO SETTLEMENT, restricted for education, health and welfare	--	--	--	--
INSURANCE PREMIUM TAXES	956,281	915,201	893,076	888,386
ALCOHOL TAXES	77,523	75,993	76,064	77,468
OCCUPANCY TAXES	52,874	69,130	66,329	60,613
OTHER TAXES	63,622	63,677	68,523	56,167
UNCLAIMED PROPERTY	2,441	23,927	49,979	59,637
GAMING	777,718	889,864	887,941	864,754
USE OF MONEY & PROPERTY	554,069	745,516	424,388	536,130
MISCELLANEOUS	--	--	--	--
OTHER	--	11,104	--	--
ADDITIONS TO PERMANENT ENDOWMENTS	--	--	--	--
EXTRAORDINARY ITEM	--	--	--	--
TRANSFERS	(172,666)	(160,648)	(131,586)	(124,701)
TOTAL GOVERNMENTAL ACTIVITIES	<u>11,643,639</u>	<u>12,205,628</u>	<u>11,948,159</u>	<u>11,377,394</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>				
USE OF MONEY & PROPERTY	(162)	4,912	(663)	595
OTHER	--	--	--	--
TRANSFERS	172,666	160,648	131,586	124,701
TOTAL BUSINESS-TYPE ACTIVITIES	<u>172,504</u>	<u>165,560</u>	<u>130,923</u>	<u>125,296</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 11,816,143</u>	<u>\$ 12,371,188</u>	<u>\$ 12,079,082</u>	<u>\$ 11,502,690</u>
<b>CHANGE IN NET POSITION *</b>				
GOVERNMENTAL ACTIVITIES	\$ 963,734	\$ 1,255,845	\$ 816,086	\$ 212,978
BUSINESS-TYPE ACTIVITIES	(480,330)	166,920	81,799	(6,068)
TOTAL PRIMARY GOVERNMENT	<u>\$ 483,404</u>	<u>\$ 1,422,765</u>	<u>\$ 897,885</u>	<u>\$ 206,910</u>

\* GASB 63 replaced Net Assets with Net Position.

(Concluded)

# State of Louisiana

	2016	2015	2014	2013	2012	2011
	144,913	122,637	113,895	107,259	--	--
	17,169	17,869	19,043	16,770	16,714	18,086
	7,579	7,831	7,547	8,206	8,101	10,692
	28,766	32,590	28,105	29,186	27,872	27,203
	48,580	49,221	44,157	43,467	42,329	229,344
	236,139	257,726	262,738	284,229	266,907	281,951
	183,245	216,051	96,002	162,789	212,490	376,724
	67,147	78,919	61,802	82,395	49,127	107,519
	733,538	782,844	633,289	734,301	623,540	1,051,519
\$	<u>14,486,821</u>	<u>15,080,711</u>	<u>15,398,583</u>	<u>15,829,655</u>	<u>16,559,699</u>	<u>18,356,164</u>
\$	(11,136,362)	(11,429,441)	(10,511,130)	(9,995,555)	(9,653,521)	(8,891,480)
	(109,876)	(21,445)	(198,759)	(211,350)	(21,180)	40,108
\$	<u>(11,246,238)</u>	<u>(11,450,886)</u>	<u>(10,709,889)</u>	<u>(10,206,905)</u>	<u>(9,674,701)</u>	<u>(8,851,372)</u>
\$	309,499	226,162	293,641	276,031	402,538	232,010
	3,020,992	2,856,468	2,744,460	2,626,994	2,473,473	2,433,794
	3,294,191	3,129,686	2,969,835	2,858,889	2,860,313	2,821,598
	434,449	710,071	837,130	840,966	850,685	748,355
	253,015	153,952	129,338	123,497	133,194	142,064
	77,185	97,831	160,178	83,904	83,595	65,577
	626,618	609,805	613,917	619,379	596,052	639,452
	--	--	123,828	226,328	146,620	140,978
	528,999	454,795	428,815	406,530	346,217	356,089
	63,520	57,613	56,968	56,878	56,811	56,001
	58,085	59,150	56,682	51,985	48,342	47,093
	52,022	63,187	241,807	210,486	191,109	121,230
	50,033	32,614	--	--	--	--
	858,492	892,336	846,045	835,470	828,010	823,418
	669,883	560,646	17,429	(23,149)	(80,613)	(4,208)
	--	--	--	3,303	3,548	3,123
	--	--	302	10,838	7,032	7,950
	--	--	66,205	--	--	--
	1,000,000	--	--	--	--	--
	(153,459)	(148,466)	(122,171)	(115,210)	77,050	1,609
	11,143,524	9,755,850	9,464,409	9,093,119	9,023,976	8,636,133
	949	1,188	--	--	--	--
	--	--	118,928	153,590	3,739	14,483
	153,459	148,466	122,171	115,210	(77,050)	(1,609)
	154,408	149,654	241,099	268,800	(73,311)	12,874
\$	<u>11,297,932</u>	<u>9,905,504</u>	<u>9,705,508</u>	<u>9,361,919</u>	<u>8,950,665</u>	<u>8,649,007</u>
\$	7,162	(1,673,591)	(1,046,721)	(902,436)	(629,545)	(255,347)
	44,532	128,209	42,340	57,450	(94,491)	52,982
\$	<u>51,694</u>	<u>(1,545,382)</u>	<u>(1,004,381)</u>	<u>(844,986)</u>	<u>(724,036)</u>	<u>(202,365)</u>

# State of Louisiana

## FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	<u>2020</u>		<u>2019</u>		<u>2018</u>		<u>2017</u>
GENERAL FUND							
NONSPENDABLE	\$ 110,226	\$	101,335	\$	103,596	\$	97,936
RESTRICTED	1,855,350		1,206,253		949,804		995,329
COMMITTED	1,378,232		1,287,677		1,152,626		966,361
ASSIGNED	--		289,711		84,121		--
UNASSIGNED	<u>(52,343)</u>		<u>96,654</u>		<u>--</u>		<u>(565,349)</u>
TOTAL GENERAL FUND	<u>\$ 3,291,465</u>	\$	<u>2,981,630</u>	\$	<u>2,290,147</u>	\$	<u>1,494,277</u>
ALL OTHER GOVERNMENTAL FUNDS							
NONSPENDABLE	\$ 2,746,851	\$	2,728,597	\$	2,690,586	\$	2,663,784
RESTRICTED	1,070,071		1,148,931		814,358		811,329
COMMITTED	738,351		519,622		198,073		194,530
UNASSIGNED	<u>(5,081)</u>		<u>(4,902)</u>		<u>(4,928)</u>		<u>(4,508)</u>
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>\$ 4,550,192</u>	\$	<u>4,392,248</u>	\$	<u>3,698,089</u>	\$	<u>3,665,135</u>

Source: Office of Statewide Reporting and Accounting Policy

# State of Louisiana

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 92,904	\$ 100,429	\$ 111,497	\$ 73,780	\$ 70,707	\$ 76,273
1,228,992	1,448,205	1,479,562	1,270,682	1,405,987	1,439,257
965,705	924,421	1,320,903	1,608,089	1,809,517	2,073,954
--	282,248	190,400	224,672	223,490	234,052
<u>(1,002,223)</u>	<u>(658,759)</u>	<u>62,574</u>	<u>36,529</u>	<u>127,508</u>	<u>111,769</u>
<u>\$ 1,285,378</u>	<u>\$ 2,096,544</u>	<u>\$ 3,164,936</u>	<u>\$ 3,213,752</u>	<u>\$ 3,637,209</u>	<u>\$ 3,935,305</u>
\$ 2,634,282	\$ 2,596,312	\$ 2,577,930	\$ 2,511,725	\$ 2,466,207	\$ 2,479,800
743,429	765,601	820,023	804,512	932,411	1,056,686
113,443	341,726	444,094	342,924	508,847	697,635
<u>(2,750)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 3,488,404</u>	<u>\$ 3,703,639</u>	<u>\$ 3,842,047</u>	<u>\$ 3,659,161</u>	<u>\$ 3,907,465</u>	<u>\$ 4,234,121</u>

# State of Louisiana

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

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	2020	2019	2018	2017
<b>REVENUES</b>				
INTERGOVERNMENTAL REVENUES	\$ 17,459,331	\$ 14,836,452	\$ 14,138,100	\$ 14,858,460
TAXES	10,420,695	10,801,963	10,698,899	10,000,554
TOBACCO SETTLEMENT	143,880	150,473	155,071	141,267
GAMING	777,718	889,864	887,941	864,754
USE OF MONEY AND PROPERTY	558,436	679,817	442,439	520,222
LICENSES, PERMITS, AND FEES	1,427,167	1,358,235	1,348,734	1,299,999
SALES OF COMMODITIES AND SERVICES	1,020,337	962,175	873,355	961,480
UNCLAIMED PROPERTY	2,440	23,927	49,979	59,637
OTHER SETTLEMENTS	53,333	64,438	290	5,323
GIFTS, DONATIONS, AND CONTRIBUTIONS	190,501	144,578	146,983	117,427
OTHER	124,627	122,270	108,015	106,011
<b>TOTAL REVENUES</b>	<b>32,178,465</b>	<b>30,034,192</b>	<b>28,849,806</b>	<b>28,935,134</b>
<b>EXPENDITURES</b>				
GENERAL GOVERNMENT	1,806,857	1,861,185	2,329,105	1,891,306
CULTURE, RECREATION, AND TOURISM	82,744	79,993	67,123	67,201
TRANSPORTATION AND DEVELOPMENT	519,531	517,049	412,303	433,428
PUBLIC SAFETY	1,324,963	679,594	652,535	898,418
HEALTH AND WELFARE	16,163,931	14,671,163	13,785,451	13,431,804
CORRECTIONS	623,714	733,592	635,117	627,210
YOUTH DEVELOPMENT	101,921	109,365	76,169	86,201
CONSERVATION AND ENVIRONMENT	341,190	321,152	269,001	266,212
EDUCATION	846,002	759,062	862,579	794,447
AGRICULTURE & FORESTRY*	149,885	122,429	90,979	42,802
ECONOMIC DEVELOPMENT*	88,788	70,470	85,255	82,898
MILITARY & VETERANS AFFAIRS*	152,883	142,927	123,548	132,166
WORKFORCE SUPPORT & TRAINING*	208,241	201,746	171,606	191,460
OTHER	--	--	--	--
INTERGOVERNMENTAL	7,100,966	6,579,801	6,383,525	7,438,801
CAPITAL OUTLAY	1,520,117	1,485,515	1,554,562	1,741,572
DEBT SERVICE:				
PRINCIPAL	427,125	415,716	421,837	381,991
INTEREST	327,685	322,642	328,732	314,769
ISSUANCE COSTS & OTHER CHARGES	14,973	4,184	8,428	5,487
<b>TOTAL EXPENDITURES</b>	<b>31,801,516</b>	<b>29,077,585</b>	<b>28,257,855</b>	<b>28,828,173</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	376,949	956,607	591,951	106,961
<b>OTHER FINANCING SOURCES (USES)</b>				
TRANSFERS IN	16,284,551	16,564,091	15,963,693	15,587,527
TRANSFERS OUT	(16,451,217)	(16,724,739)	(16,095,053)	(15,712,228)
LONG-TERM DEBT ISSUED	263,165	491,720	300,090	349,150
PREMIUM ON LONG-TERM DEBT ISSUED	77,312	86,482	41,667	41,722
REFUNDING BONDS ISSUED	98,620	--	596,955	415,080
PREMIUM ON REFUNDING BONDS ISSUED	4,528	--	57,287	39,776
PAYMENTS TO REFUNDED BOND ESCROW AGENT	(103,141)	--	(638,969)	(454,625)
SALES OF GENERAL CAPITAL ASSETS	710	1,326	1,241	1,216
INSURANCE RECOVERIES	9,469	10,549	10,316	12,348
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>183,997</b>	<b>429,429</b>	<b>237,227</b>	<b>279,966</b>
EXTRAORDINARY ITEM	--	--	--	--
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 560,946</b>	<b>\$ 1,386,036</b>	<b>\$ 829,178</b>	<b>\$ 386,927</b>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	2.6%	2.7%	2.8%	2.6%

\* New functions for 2015 formerly General Government

Source: Office of Statewide Reporting and Accounting Policy

# State of Louisiana

	2016	2015	2014	2013	2012	2011
\$	11,043,313	\$ 11,435,410	\$ 11,553,209	\$ 11,543,881	\$ 12,930,021	\$ 13,823,449
	8,648,395	8,467,558	8,692,410	8,152,282	7,927,305	7,668,449
	137,487	139,124	140,296	210,625	141,240	138,518
	858,492	892,336	848,880	838,500	831,227	810,424
	655,115	593,682	915,701	683,994	844,927	925,682
	1,275,285	1,055,348	897,489	886,465	911,723	775,640
	1,008,850	996,066	863,538	876,564	948,106	916,938
	50,033	32,614	--	--	--	--
	19,128	245,674	44,785	87,519	13,996	258,631
	110,160	67,787	--	--	--	--
	143,181	253,766	606,387	688,113	265,458	308,458
	<u>23,949,439</u>	<u>24,179,365</u>	<u>24,562,695</u>	<u>23,967,943</u>	<u>24,814,003</u>	<u>25,626,189</u>
	2,026,766	2,191,384	4,394,827	4,065,713	4,827,035	5,764,484
	70,084	75,751	83,803	86,857	91,934	82,009
	422,252	432,151	461,917	438,779	455,333	428,301
	879,925	832,434	312,080	312,227	308,651	306,984
	10,934,259	10,765,058	10,174,503	10,006,567	9,884,320	9,671,602
	628,518	643,885	597,220	627,148	601,057	620,948
	83,530	82,701	103,472	98,823	110,992	125,651
	289,977	274,273	240,356	275,245	247,954	259,065
	953,550	1,000,636	6,128,360	6,334,414	6,312,152	6,293,778
	49,323	53,338	--	--	--	--
	75,849	83,776	--	--	--	--
	126,860	120,152	--	--	--	--
	192,828	193,700	--	--	--	--
	--	--	55	20,884	15,840	70,541
	6,046,293	6,372,891	586,420	515,763	505,680	488,336
	1,985,318	2,092,773	1,596,212	1,843,811	2,000,974	2,502,456
	531,969	283,013	1,188,276	329,643	281,575	273,765
	306,394	311,514	324,349	315,377	317,271	304,065
	5,916	21,325	41,271	--	--	--
	<u>25,609,611</u>	<u>25,830,755</u>	<u>26,233,121</u>	<u>25,271,251</u>	<u>25,960,768</u>	<u>27,191,985</u>
	(1,660,172)	(1,651,390)	(1,670,426)	(1,303,308)	(1,146,765)	(1,565,796)
	14,741,282	14,637,229	14,839,157	14,021,497	13,395,676	13,135,572
	(14,894,793)	(14,784,679)	(14,929,078)	(14,121,707)	(13,318,829)	(13,133,963)
	537,382	535,648	821,190	385,400	1,814,570	1,169,445
	8,245	69,868	72,385	58,825	253,845	115,999
	368,585	1,082,590	841,145	633,980	--	--
	63,865	141,275	45,135	--	--	--
	(431,712)	(1,223,400)	--	(645,040)	(1,596,172)	(528,128)
	1,025	1,324	--	--	--	--
	8,999	--	24,898	221,489	--	--
	<u>402,878</u>	<u>459,855</u>	<u>1,714,832</u>	<u>554,444</u>	<u>549,090</u>	<u>758,925</u>
	200,000	--	--	--	--	--
\$	<u>(1,057,294)</u>	<u>(1,191,535)</u>	<u>44,406</u>	<u>(748,864)</u>	<u>(597,675)</u>	<u>(806,871)</u>
	3.6%	2.6%	2.5%	2.8%	2.5%	2.4%

# State of Louisiana

## INDIVIDUAL INCOME TAX

(by adjusted gross income bracket)

### LAST TEN FISCAL YEARS

ADJUSTED GROSS INCOME CLASS	FISCAL YEAR 2019			
	NUMBER OF RETURNS	PERCENT OF TOTAL	TAX LIABILITY	PERCENT OF TOTAL
LESS THAN \$0	8,260	0.39%	\$ 11,362	0.00%
\$0	86,055	4.02%	2,240,657	0.07%
\$1 - 25,000	701,210	32.78%	89,686,817	2.70%
\$25,001 - 50,000	492,541	23.02%	353,545,522	10.65%
\$50,001 - 75,000	281,361	13.15%	386,869,389	11.66%
\$75,001 - 100,000	182,969	8.55%	371,450,991	11.19%
\$100,001 - 200,000	276,838	12.94%	973,562,104	29.34%
GREATER THAN \$200,000	110,226	5.15%	1,141,212,113	34.39%
TOTALS	2,139,460	100.00%	\$ 3,318,578,955	100.00%

ADJUSTED GROSS INCOME CLASS	FISCAL YEAR 2018			
	NUMBER OF RETURNS	PERCENT OF TOTAL	TAX LIABILITY	PERCENT OF TOTAL
LESS THAN \$0	8,640	0.40%	\$ 90,750	0.00%
\$0	82,495	3.85%	1,088,167	0.04%
\$1 - 25,000	731,178	34.10%	86,578,795	3.00%
\$25,001 - 50,000	493,649	23.03%	328,415,765	11.36%
\$50,001 - 75,000	280,981	13.11%	348,396,038	12.06%
\$75,001 - 100,000	181,923	8.49%	336,308,641	11.64%
\$100,001 - 200,000	263,315	12.28%	832,399,927	28.80%
GREATER THAN \$200,000	101,752	4.74%	956,721,907	33.10%
TOTALS	2,143,933	100.00%	\$ 2,889,999,990	100.00%

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

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

Source: Louisiana Department of Revenue and Taxation

# State of Louisiana

## FISCAL YEAR 2015

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

## FISCAL YEAR 2014

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

## FISCAL YEAR 2013

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

## FISCAL YEAR 2012

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

# State of Louisiana

<b>FISCAL YEAR 2011</b>				
<u>ADJUSTED GROSS INCOME CLASS</u>	<u>NUMBER OF RETURNS</u>	<u>PERCENT OF TOTAL</u>	<u>TAX LIABILITY</u>	<u>PERCENT OF TOTAL</u>
LESS THAN \$0	8,738	0.42%	\$ 92,453	0.00%
\$0	100,398	4.86%	1,006,349	0.04%
\$1 - 25,000	757,376	36.68%	111,535,118	4.45%
\$25,001 - 50,000	489,950	23.73%	333,260,114	13.30%
\$50,001 - 75,000	271,009	13.12%	343,648,035	13.72%
\$75,001 - 100,000	168,833	8.18%	323,064,252	12.89%
\$100,001 - 200,000	199,537	9.66%	616,660,125	24.61%
GREATER THAN \$200,000	69,137	3.35%	776,510,880	30.99%
TOTALS	<u>2,064,978</u>	<u>100.00%</u>	<u>\$ 2,505,777,326</u>	<u>100.00%</u>

<b>FISCAL YEAR 2010</b>				
<u>ADJUSTED GROSS INCOME CLASS</u>	<u>NUMBER OF RETURNS</u>	<u>PERCENT OF TOTAL</u>	<u>TAX LIABILITY</u>	<u>PERCENT OF TOTAL</u>
LESS THAN \$0	7,651	0.38%	\$ 110,127	0.00%
\$0	104,399	5.12%	5,196,829	0.20%
\$1 - 25,000	755,861	37.07%	109,180,282	4.24%
\$25,001 - 50,000	484,343	23.75%	330,222,000	12.82%
\$50,001 - 75,000	267,195	13.10%	342,076,594	13.29%
\$75,001 - 100,000	164,539	8.07%	320,572,328	12.45%
GREATER THAN \$100,000	255,282	12.51%	1,468,034,921	57.00%
TOTALS	<u>2,039,270</u>	<u>100.00%</u>	<u>\$ 2,575,393,081</u>	<u>100.00%</u>

# State of Louisiana

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

(EXPRESSED IN THOUSANDS)

	2019	2018	2017	2016	2015
<b>PRIVATE EARNINGS:</b>					
HEALTH CARE AND SOCIAL ASSISTANCE	\$ 18,986,832	\$ 17,657,509	\$ 16,929,400	\$ 16,862,968	\$ 15,715,551
PROFESSIONAL, SCIENTIFIC, AND TECHNICAL	10,894,703	10,625,996	9,738,967	10,053,953	10,139,344
MINING	7,140,725	4,943,823	6,097,983	9,215,144	8,071,426
CONSTRUCTION	13,130,419	14,240,235	13,377,156	12,785,829	13,290,199
RETAIL TRADE	9,219,283	9,068,240	9,091,195	9,268,112	9,055,372
TRANSPORTATION AND WAREHOUSING	7,098,652	6,423,427	5,840,500	6,251,606	7,473,896
MANUFACTURING - DURABLE GOODS	5,450,607	5,115,180	4,960,925	5,165,986	5,670,417
MANUFACTURING - NONDURABLE GOODS	8,994,376	8,520,426	7,962,627	7,993,534	8,058,119
WHOLESALE TRADE	6,250,963	6,008,372	5,980,898	6,045,026	6,026,901
FARM	686,880	677,200	366,421	763,631	929,160
FINANCE AND INSURANCE	5,794,895	5,839,849	5,334,686	5,425,402	5,259,144
OTHER SERVICES	30,701,625	29,779,163	27,885,689	28,203,521	29,650,736
<b>GOVERNMENT AND GOVERNMENT ENTERPRISES:</b>					
FEDERAL, CIVILIAN	3,516,000	3,282,959	3,276,979	3,085,766	3,031,110
MILITARY	2,230,451	2,130,130	2,168,453	2,149,151	2,129,276
STATE AND LOCAL	19,617,397	18,907,204	18,462,667	17,668,004	17,717,917
<b>TOTAL PERSONAL INCOME - EARNINGS BY MAJOR INDUSTRY</b>	<b>\$ 149,713,808</b>	<b>\$ 143,219,713</b>	<b>\$ 137,474,546</b>	<b>\$ 140,937,633</b>	<b>\$ 142,218,568</b>

	2014	2013	2012	2011	2010
<b>PRIVATE EARNINGS:</b>					
HEALTH CARE AND SOCIAL ASSISTANCE	\$ 15,050,009	\$ 14,207,471	\$ 13,837,762	\$ 13,699,150	\$ 13,029,493
PROFESSIONAL, SCIENTIFIC, AND TECHNICAL	9,859,591	9,378,961	8,925,518	8,730,072	8,339,346
MINING	8,234,447	7,757,339	7,882,683	6,124,611	5,096,485
CONSTRUCTION	13,237,980	11,833,726	10,995,566	10,191,916	9,561,405
RETAIL TRADE	8,814,700	8,576,112	8,244,257	8,087,269	7,770,214
TRANSPORTATION AND WAREHOUSING	7,349,838	6,912,864	6,359,258	6,559,286	6,016,411
MANUFACTURING - DURABLE GOODS	5,925,487	5,559,024	5,438,151	5,257,344	4,825,233
MANUFACTURING - NONDURABLE GOODS	7,678,061	7,351,905	7,528,374	7,380,719	6,758,768
WHOLESALE TRADE	6,069,106	5,849,153	5,666,896	5,479,840	5,157,434
FARM	1,373,639	1,673,965	1,575,546	953,157	836,006
FINANCE AND INSURANCE	5,319,813	5,093,069	4,714,445	4,981,990	4,557,147
OTHER SERVICES	28,402,242	27,287,269	25,601,221	24,239,200	23,239,428
<b>GOVERNMENT AND GOVERNMENT ENTERPRISES:</b>					
FEDERAL, CIVILIAN	2,878,289	2,869,756	2,912,019	3,199,357	3,208,297
MILITARY	2,275,155	2,356,097	2,426,059	3,187,955	3,093,552
STATE AND LOCAL	17,443,316	18,060,939	18,623,299	17,587,770	18,095,539
<b>TOTAL PERSONAL INCOME - EARNINGS BY MAJOR INDUSTRY</b>	<b>\$ 139,911,673</b>	<b>\$ 134,767,650</b>	<b>\$ 130,731,054</b>	<b>\$ 125,659,636</b>	<b>\$ 119,584,758</b>

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

# State of Louisiana

## TAX RATE BY MAJOR SOURCES OF REVENUE

TAX TYPE	COLLECTION UNIT	RATE/DESCRIPTION
<u>Alcoholic Beverage Taxes</u>		
Beer Tax	Department of Revenue	\$12.50 per 31-gallon barrel. This includes all alcoholic beverages with alcohol content of 6% or less and malt beverages with alcohol content more than 6%.
Liquor and Wine Tax	Department of Revenue	\$0.80 per liter on liquor; \$0.55 per liter on sparkling wine and still wines with alcoholic content more than 24%; \$0.20 per liter on still wine with alcoholic content not more than 14%; \$0.35 per liter on still wine with alcoholic content over 14% but not more than 24%.
<u>Corporation Franchise Tax</u>	Department of Revenue	The tax is currently assessed on the taxable base at the rate of \$1.50 per \$1,000 on the first \$300,000 and \$3.00 per \$1,000 over \$300,000.
<u>Gasoline Tax</u>	Department of Revenue	\$0.20 per gallon. Petroleum Products Testing Fee – the fee for testing the quality and quantity of petroleum products is 4/32 cent per gallon.
<u>Hazardous Waste Disposal Tax</u>	Department of Revenue	\$30 per dry-weight ton for waste disposed of on-site, \$40 per dry-weight ton for waste disposed of off-site from where generated, and \$100 per dry-weight ton on extremely hazardous waste disposed of in Louisiana.
<u>Income Tax</u>		
Corporate Income Tax	Department of Revenue	4% on the first \$25,000 of net taxable income; 5% on the next \$25,000; 6% on the next \$50,000; 7% on the next \$100,000; and 8% on all net taxable income in excess of \$200,000.
Individual Income Tax	Department of Revenue	The rate of tax for taxpayers filing as single, married filing separately, or head of household is: 2% on the first \$12,500; 4% on the next \$37,500, and 6% on the taxable income above \$50,000. Married persons filing a joint return or qualifying surviving spouse are taxed at the following rates: 2% on the first \$25,000; 4% on the next \$75,000; and 6% on the taxable income above \$100,000. The combined personal exemption and standard deduction is \$4,500 for single individuals and married persons filing separately; \$9,000 for married couples filing jointly, qualified surviving spouses, and heads of households. A dependency deduction of \$1,000 is allowed for each dependent, each taxpayer and/or spouse who is 65 years of age or older, and for each taxpayer and/or spouse who is blind.
<u>Insurance Excise License Tax</u>	Department of Insurance	<p>A. The tax rate for life, accident, health and service is \$140 for annual premiums up to \$7,000 and \$225 for each additional \$10,000 or fraction thereof.</p> <p>B. The rate for fire, marine, transportation and casualty and surety is \$185 for annual premiums up to \$6,000 and \$300 for each additional \$10,000 or fraction thereof.</p> <p>C. The annual tax rate for Health Maintenance Organizations (HMO) is \$550 for every \$10,000 of gross annual premium collected in lieu of state income tax and corporation franchise tax.</p>
<u>Mineral Resources - Royalties and Bonuses</u>	Department of Natural Resources	These are not taxes. However, all oil and gas leases provide for a bonus, which is bid on at the time the lease is given. Leasehold payments, such as "delay rentals," "in-lieu royalty," and "deferred development" payments are also provided for in the lease. Annual rentals cannot, by statutory law, be less than one-half the cash bonus amount. Royalty which is bid on at the lease sale cannot, by statutory law, be less than 1/8th of the value of production. Mineral leases for solid mineral, such as sulfur, potash, salt, or lignite, provide for a royalty based on tonnage production at a market price paid per ton.
<u>Motor Vehicle - Licenses and Fees</u>	Department of Public Safety	<p>A. (1) For each passenger-carrying automobile, van, low-speed vehicle as defined in R.S. 32:1(40), or other motor vehicle carrying only persons and their personal effects exclusively, not meeting the requirements of R.S. 47:463.5 or using or operating upon rails or upon permanent tracks and operated only for private use, an annual registration license shall be collected each two years in advance in amounts fixed by the following schedule: (a) For an automobile having an actual value of ten thousand dollars or less, the annual license tax shall be ten dollars. (b) For an automobile having an actual value of greater than ten thousand dollars, the annual license tax shall be the base tax of ten dollars plus an additional tax of one dollar per each one thousand dollars of actual value above ten thousand dollars. In addition, truck fees are established in La. R.S. 47:462. The max weight a truck can be registered for is 88,000 lbs at a rate of \$563.20 annually.</p> <p>B. Personal driver's license fees range from \$6.75 to \$54.00 and are valid for six years. Fees vary based on class of license, age of applicant, and office of issuance. Other driver's license fees may vary. In addition to the license fees stated, a handling fee and service fee may be assessed.</p> <p>C. LRS 32:429 authorizes the collection of a fee not to exceed \$4.50 at a local field office, \$6.00 if within the parishes of Orleans or Jefferson, per service or transaction. This fee is used solely to defray cost of operations of that office not fully funded by the State.</p>

# State of Louisiana

TAX TYPE	COLLECTION UNIT	RATE/DESCRIPTION
<u>Natural Gas Franchise</u>	Department of Revenue	1% of the gross receipts from the operation of franchises or charters in the State.
<u>Sales Tax</u>	Department of Revenue	Effective July 1, 2018, 4.45% sales tax is collected on the sale, use, consumption, distribution, or storage for use or consumption of any tangible personal property, on retail sales, leases, and rentals, and on certain sales of services including repairs of tangible personal property; the aggregate sales tax collected on intrastate telecommunications and certain prepaid telephone services was reduced to 3.45%; the sales tax rate on interstate telecommunication services was reduced to 2.45%. Many statutory exemptions are fully suspended and are currently taxed at the full rate of 4.45%.
<u>Severance Tax</u>	Department of Revenue	<p>A. The tax on oil/condensate is based on the value. The full rate of oil/condensate is 12.5% of the value. The incapable oil rate is 6.25% of the value. The stripper oil rate is 3.125% of the value. Stripper oil is exempt as long as the average value is less than \$20 per barrel. Inactive reduced oil rate is 3.25% of the value and orphan reduced oil rate is 3.125% of the value.</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, 2019, the full rate is \$0.125 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 is \$0.013 per thousand cubic feet. The inactive reduced rate is \$0.0625 per thousand cubic feet. The orphan reduced rate is \$0.03125 per thousand cubic feet.</p> <p>C. The tax rate on sulfur is \$1.03 per long-ton (2,240 pounds).</p> <p>D. The tax rate on salt is \$0.06 per ton.</p> <p>E. The tax rates on timber are 2.25% of stumpage value and 5% of stumpage value of pulpwood.</p> <p>F. The tax rate on shell and sand is \$0.06 per ton.</p> <p>G. The tax rate on stone is \$0.03 per ton.</p> <p>H. The tax rate on lignite is \$0.12 per ton.</p> <p>I. The tax rate on marble is \$0.20 per ton.</p>
<u>Special Fuels Tax</u>	Department of Revenue	The tax on diesel is levied at a rate of \$0.20 per gallon. It is subject to the Petroleum Products Testing Fee of 4/32 cents per gallon effective September 1, 2003. Effective January 1, 2016, a tax of \$0.20 per gallon is levied on compressed natural gas (CNG) and liquefied natural gas (LNG) and a tax of \$0.146 per gallon is levied on liquefied petroleum gas (LPG) when used to power a motor fuels vehicle. Prior to January 1, 2016, the tax had been collected by the purchase/issuance of an annual special fuels decal obtained for each vehicle operating on one of these fuels.
<u>Surface Mining and Reclamation Fee</u>	Department of Revenue	The fee on coal and lignite mined in Louisiana is \$0.08 per ton. There is also an annual fee of \$6 for each acre of land included within the approved mine permit area.
<u>Tobacco Tax</u>	Department of Revenue	An excise tax is imposed on the first dealer who handles a tobacco product in the State. Cigars invoiced up to \$120 per thousand are taxed at 8% of the manufacturer's net invoice price, whereas cigars invoiced over \$120 per thousand are taxed at 20% on the net invoice price. The tax rate on smoking tobacco is computed at 33% of the invoice price to wholesalers. The tax rate on smokeless tobacco is 20% of the invoice price. The tax rate on cigarettes is \$0.054 per cigarette. Effective August 1, 2015, an excise tax is levied at \$0.05 per milliliter of consumable liquid solution or other material containing nicotine that is depleted as a vapor product.
<u>Transportation and Communications Utilities Tax</u>	Department of Revenue	2% of the gross receipts from intrastate business.

# State of Louisiana

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

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

### GOVERNMENTAL ACTIVITIES

FISCAL YEAR	GENERAL OBLIGATION BONDS (1)	TOTAL GENERAL OBLIGATION PER CAPITA **	TIMED AND STATE HIGHWAY IMPROVEMENT BONDS	TOBACCO SETTLEMENT FINANCING CORPORATION	OTHER (2)
2020	\$ 4,912,171	\$ *	\$ 4,563,618	\$ 486,823	\$ 538,517
2019	4,940,246	1,063	4,734,458	593,487	588,730
2018	4,870,460	1,045	4,902,797	705,359	388,378
2017	4,831,735	1,032	5,133,638	823,011	447,609
2016	4,610,809	985	5,274,066	928,140	512,040
2015	4,672,593	1,001	5,439,029	1,065,093	441,436
2014	4,223,157	908	5,736,939	1,101,290	487,092
2013	3,838,301	830	5,554,414	1,837,083	689,595
2012	3,689,767	802	5,634,181	2,049,027	719,959
2011	3,449,859	754	5,884,637	2,178,345	787,416

### BUSINESS-TYPE ACTIVITIES

FISCAL YEAR	OTHER (3)	LOUISIANA TRANSPORTATION AUTHORITY	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	TOTAL DEBT PER CAPITA** (4)
2020	\$ 623,019	\$ 240,875	\$ 11,365,023	*	*
2019	642,290	248,842	11,748,053	7.85	2,527
2018	568,584	256,932	11,692,510	8.16	2,509
2017	621,930	263,153	12,121,076	8.82	2,588
2016	670,412	269,278	12,264,745	8.70	2,620
2015	710,051	275,234	12,603,436	8.86	2,699
2014	477,428	281,439	12,307,345	8.80	2,647
2013	509,462	325,344	12,754,199	9.46	2,758
2012	--	328,604	12,421,538	9.50	2,699
2011	--	330,758	12,631,015	10.05	2,761

(1) General Obligation Bonds less Reimbursable Contracts

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

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

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

\* Information not yet available

\*\* Expressed in whole dollars



# State of Louisiana

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

(EXPRESSED IN THOUSANDS)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>LEGAL DEBT MARGIN</b>			
BOND AUTHORIZATION LIMITATION	\$ 29,638,466	\$ 29,092,143	\$ 27,482,964
TOTAL NET DEBT APPLICABLE TO LIMITATION	<u>3,527,065</u>	<u>3,502,150</u>	<u>3,413,625</u>
LEGAL DEBT MARGIN	<u>\$ 26,111,401</u>	<u>\$ 25,589,993</u>	<u>\$ 24,069,339</u>
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	11.90%	12.04%	12.42%

### LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2020

BSRF REVENUES (3 YEARS)	\$ 44,457,699
DEBT LIMIT CALCULATION (Revenues divided by 3 times 2)	29,638,466
DEBT APPLICABLE TO LIMIT:	
GENERAL OBLIGATION BONDS	<u>3,527,065</u>
LEGAL DEBT MARGIN	<u>\$ 26,111,401</u>

### TAX-SUPPORTED DEBT LIMITATION

ESTIMATED GENERAL FUND AND DEDICATED FUND REVENUE PER REVENUE ESTIMATING	\$ 11,991,900	\$ 12,134,900	\$ 12,110,200
PERCENTAGE ESTABLISHED PER LRS 39:1367	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>
NET STATE TAX-SUPPORTED DEBT LIMIT	<u>719,514</u>	<u>728,094</u>	<u>726,612</u>
TOTAL NET STATE TAX-SUPPORTED DEBT PAID	<u>\$ 671,036</u>	<u>\$ 656,279</u>	<u>\$ 659,078</u>
PERCENTAGE OF ESTIMATED GENERAL FUND AND DEDICATED FUND REVENUES PER REVENUE ESTIMATING	5.60%	5.41%	5.44%

### GENERAL OBLIGATION DEBT LIMITATION

THREE YEAR AVERAGE BOND SECURITY REVENUES	\$ 14,819,233	\$ 14,546,071	\$ 13,741,482
PERCENTAGE DEBT LIMITATION	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>
GENERAL OBLIGATION DEBT LIMITATION	<u>1,481,923</u>	<u>1,454,607</u>	<u>1,374,148</u>
HIGHEST CURRENT OR FUTURE ANNUAL GENERAL OBLIGATION DEBT SERVICE REQUIREMENT	<u>\$ 410,575</u>	<u>\$ 393,250</u>	<u>\$ 368,626</u>
PERCENTAGE OF THE GENERAL OBLIGATION DEBT SERVICE REQUIREMENT	27.71%	27.03%	26.83%

# State of Louisiana

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
26,095,025 \$	25,523,769 \$	25,110,650 \$	24,492,802 \$	23,292,744 \$	22,551,477 \$	23,423,522
<u>3,326,290</u>	<u>3,225,275</u>	<u>3,129,840</u>	<u>2,817,410</u>	<u>2,524,325</u>	<u>2,543,225</u>	<u>2,205,655</u>
<u><u>22,768,735</u></u> \$	<u><u>22,298,494</u></u> \$	<u><u>21,980,810</u></u> \$	<u><u>21,675,392</u></u> \$	<u><u>20,768,419</u></u> \$	<u><u>20,008,252</u></u> \$	<u><u>21,217,867</u></u>
12.75%	12.64%	12.46%	11.50%	10.80%	11.28%	9.42%
11,795,800 \$	11,265,700 \$	10,523,400 \$	10,314,000 \$	9,852,700 \$	9,926,000 \$	9,486,200
<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>
<u>707,748</u>	<u>675,942</u>	<u>631,404</u>	<u>618,840</u>	<u>591,162</u>	<u>595,560</u>	<u>569,172</u>
<u><u>637,090</u></u> \$	<u><u>470,575</u></u> \$	<u><u>607,318</u></u> \$	<u><u>594,468</u></u> \$	<u><u>566,762</u></u> \$	<u><u>518,024</u></u> \$	<u><u>509,161</u></u>
5.40%	4.18%	5.77%	5.76%	5.75%	5.22%	5.37%
13,047,513 \$	12,761,884 \$	12,555,325 \$	12,246,401 \$	11,646,372 \$	11,275,738 \$	11,711,761
<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>
<u>1,304,751</u>	<u>1,276,188</u>	<u>1,255,533</u>	<u>1,224,640</u>	<u>1,164,637</u>	<u>1,127,574</u>	<u>1,171,176</u>
<u><u>356,113</u></u> \$	<u><u>583,994</u></u> \$	<u><u>360,575</u></u> \$	<u><u>332,153</u></u> \$	<u><u>316,019</u></u> \$	<u><u>298,833</u></u> \$	<u><u>281,732</u></u>
27.29%	45.76%	28.72%	27.12%	27.10%	26.50%	24.06%

# State of Louisiana

## PLEDGED REVENUE BOND COVERAGE LAST TEN FISCAL YEARS

(EXPRESSED IN THOUSANDS EXCEPT COVERAGE RATIO)

	FISCAL YEAR ENDED JUNE 30	GROSS REVENUE	DIRECT OPERATING EXPENSES	AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	ANNUAL DEBT SERVICE	COVERAGE RATIO
Louisiana Agricultural Finance Authority *	2020	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	--
	2019	--	--	--	--	--	--	--
	2018	5,706	4,295	1,411	8,735	229	8,964	0.16
	2017	4,035	3,024	1,011	13,805	784	14,589	0.07
	2016	13,985	3,442	10,543	8,285	1,216	9,501	1.11
	2015	13,745	4,159	9,586	8,105	1,626	9,731	0.99
	2014	13,904	4,616	9,288	7,785	1,927	9,712	0.96
	2013	21,402	4,889	16,513	13,577	3,712	17,289	0.96
	2012	15,437	69,006	(53,569)	9,197	2,507	11,704	(4.58)
	2011	16,282	5,186	11,096	9,082	3,034	12,116	0.92
Louisiana Transportation Authority	2020	\$ 4,933	\$ 24	\$ 4,909	\$ 2,765	\$ 5,201	\$ 7,966	0.62
	2019	5,367	25	5,342	2,790	5,301	8,091	0.66
	2018	4,931	23	4,908	855	5,365	6,220	0.79
	2017	4,327	23	4,304	735	5,391	6,126	0.70
	2016	5,281	22	5,259	545	5,411	5,956	0.88
	2015	6,135	22	6,113	170	6,035	6,205	0.99
	2014	5,816	2	5,814	--	14,815	14,815	0.39
	2013	3,637	2	3,635	--	5,530	5,530	0.66
	2012	3,803	12	3,791	--	3,708	3,708	1.02
	2011	4,562	13	4,549	645	6,315	6,960	0.65
Tobacco Settlement Financing Corporation	2020	\$ 87,190	\$ 129	\$ 87,061	\$ 66,685	\$ 20,360	\$ 87,045	1.00
	2019	91,835	100	91,735	69,290	24,038	93,328	0.98
	2018	93,967	98	93,869	67,880	27,445	95,325	0.98
	2017	85,123	119	85,004	56,455	30,268	86,723	0.98
	2016	82,738	108	82,630	75,870	33,851	109,721	0.75
	2015	83,603	140	83,463	--	32,796	32,796	2.54
	2014	85,008	3,256	81,752	--	36,416	36,416	2.24
	2013	129,785	172	129,613	84,800	47,856	132,656	0.98
	2012	89,598	89	89,509	39,835	50,047	89,882	1.00
	2011	87,258	100	87,158	36,110	52,033	88,143	0.99
State Highway Improvement Bonds	2020	\$ 65,087	\$ --	\$ 65,087	\$ 11,225	\$ 11,769	\$ 22,994	2.83
	2019	58,212	--	58,212	10,695	12,304	22,999	2.53
	2018	57,817	--	57,817	10,210	12,782	22,992	2.51
	2017	58,255	--	58,255	9,755	13,240	22,995	2.53
	2016	58,412	--	58,412	9,320	13,676	22,996	2.54
	2015	53,070	--	53,070	6,225	16,771	22,996	2.31
	2014	52,645	--	52,645	1,950	4,932	6,882	7.65
	2013	--	--	--	--	--	--	--
	2012	--	--	--	--	--	--	--
	2011	--	--	--	--	--	--	--
Transportation Infrastructure Model for Economic Development	2020	\$ 581,227	\$ 11,155	\$ 570,072	\$ 33,375	\$ 115,177	\$ 148,552	3.84
	2019	635,511	98	635,413	29,985	115,988	145,973	4.35
	2018	601,841	4,711	597,130	26,870	114,248	141,118	4.23
	2017	634,884	224	634,660	23,705	116,239	139,944	4.54
	2016	622,234	300	621,934	21,450	123,580	145,030	4.29
	2015	606,410	11,845	594,565	18,875	123,401	142,276	4.18
	2014	588,830	15,970	572,860	17,375	112,246	129,621	4.42
	2013	582,760	473	582,287	14,430	140,054	154,484	3.77
	2012	530,700	4,160	526,540	8,270	118,569	126,839	4.15
	2011	488,520	15	488,505	6,090	113,266	119,356	4.09

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	FISCAL YEAR ENDED JUNE 30	GROSS REVENUE	DIRECT OPERATING EXPENSES	AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	ANNUAL DEBT SERVICE	COVERAGE RATIO
LPFA-Department of Public Safety	2020	\$ 11,771	\$ --	\$ 11,771	\$ 5,395	\$ 297	\$ 5,692	2.07
	2019	17,368	--	17,368	4,365	492	4,857	3.58
	2018	17,934	--	17,934	5,720	1,006	6,726	2.67
	2017	17,238	--	17,238	5,440	1,314	6,754	2.55
	2016	17,134	--	17,134	5,185	1,579	6,764	2.53
	2015	15,099	--	15,099	4,930	1,832	6,762	2.23
	2014	14,931	--	14,931	4,705	1,073	5,778	2.58
	2013	18,973	--	18,973	4,480	2,303	6,783	2.80
	2012	16,589	--	16,589	4,265	2,521	6,786	2.44
	2011	13,410	--	13,410	4,065	2,730	6,795	1.97
Unclaimed Property Special Revenue Bonds	2020	\$ 26,719	\$ --	\$ 26,719	\$ 6,890	\$ 7,901	\$ 14,791	1.81
	2019	27,005	--	27,005	6,585	8,226	14,811	1.82
	2018	47,425	--	47,425	6,315	8,513	14,828	3.20
	2017	40,991	--	40,991	6,150	8,729	14,879	2.75
	2016	43,021	--	43,021	3,825	7,085	10,910	3.94
	2015	15,000	--	15,000	--	5,358	5,358	2.80
	2014	15,000	--	15,000	--	3,691	3,691	4.06
	2013	--	--	--	--	--	--	--
	2012	--	--	--	--	--	--	--
	2011	--	--	--	--	--	--	--
Grant Anticipation Revenue Bond	2020	\$ 7,914	\$ --	\$ 7,914	\$ --	\$ 7,914	\$ 7,914	1.00
	2019	--	--	--	--	--	--	--
	2018	--	--	--	--	--	--	--
	2017	--	--	--	--	--	--	--
	2016	--	--	--	--	--	--	--
	2015	--	--	--	--	--	--	--
	2014	--	--	--	--	--	--	--
	2013	--	--	--	--	--	--	--
	2012	--	--	--	--	--	--	--
	2011	--	--	--	--	--	--	--

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

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

Source: Office of Statewide Reporting and Accounting Policy

# State of Louisiana

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

YEAR	POPULATION	PERSONAL INCOME	PER CAPITA PERSONAL INCOME	MEDIAN AGE
	(A)(B)(1)	(A)(1)	(C)(1)	(2)
2019	4,649	\$ 223,179,100	\$ 48,008	38.5
2018	4,660	215,488,700	46,242	38.2
2017	4,684	203,725,026	43,491	38.1
2016	4,682	198,025,102	42,298	37.9
2015	4,670	200,594,438	42,947	36.4
2014	4,650	195,426,167	42,030	36.3
2013	4,625	190,589,832	41,204	36.1
2012	4,602	184,340,179	40,057	35.9
2011	4,575	176,356,255	38,549	35.9
2010	4,544	168,230,509	37,021	35.8

YEAR	CIVILIAN LABOR FORCE	LOUISIANA UNEMPLOYMENT RATE	U.S. UNEMPLOYMENT RATE
	(A)(3)	(3)	(3)
2019	2,095	4.8%	3.7%
2018	2,104	4.9	3.9
2017	2,112	5.1	4.4
2016	2,120	6.1	4.9
2015	2,159	6.3	5.3
2014	2,154	6.4	6.2
2013	2,099	6.2	7.4
2012	2,084	6.4	8.1
2011	2,060	7.3	8.9
2010	2,082	7.5	9.6

(A) Expressed in thousands

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

(C) Expressed in dollars

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

## PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

2020 EMPLOYERS	RANGE
STATE OF LOUISIANA (1)	40,000+
OCHSNER HEALTH SYSTEM	25,000+
LOUISIANA STATE UNIVERSITY SYSTEM (2)	13,000+
UNIVERSITY OF LOUISIANA SYSTEM (2)	8,000+
OUR LADY OF THE LAKE REGIONAL MEDICAL CENTER	6,000+
LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM (3)	5,000-9,999
HILTON-NEW ORLEANS RIVERSIDE	5,000-9,999
LAFAYETTE GENERAL HEALTH	5,000-9,999
WILLIS KNIGHTON HEALTH SYSTEM	5,000-9,999
JAZZ CASINO CO LLC	1,000-4,999
EAST JEFFERSON GENERAL HOSPITAL	1,000-4,999
BATON ROUGE GENERAL MEDICAL CENTER	1,000-4,999
NORTH OAKS HEALTH SYSTEM	1,000-4,999
LOCKHEED MARTIN MANNED SPACE	1,000-4,999
SOUTHERN UNIVERSITY SYSTEM (2)	1,000-4,999

### 2011 EMPLOYERS \*

STATE OF LOUISIANA (1)	45,000+
LOUISIANA STATE UNIVERSITY SYSTEM (2)	25,000+
OCHSNER HEALTH SYSTEM	10,000+
UNIVERSITY OF LOUISIANA SYSTEM (2)	5,000-9,999
NORTHROP GRUMMAN SHIP SYSTEMS	5,000-9,999
WILLIS KNIGHTON HEALTH SYSTEM	5,000-9,999
LAFAYETTE MEDICAL CENTER	5,000-9,999
OUR LADY OF THE LAKE MEDICAL CENTER	5,000-9,999
TULANE UNIVERSITY	5,000-9,999
LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM (2)	5,000-9,999
SOUTHERN UNIVERSITY SYSTEM (2)	1,000-4,999
US POST OFFICE	1,000-4,999
HARRAH'S ENTERTAINMENT	1,000-4,999
NORTH OAKS HEALTH SYSTEM	1,000-4,999
ALLIED HEALTH CARE, INC.	1,000-4,999

\* 2011 employer list is from Louisiana's Comprehensive Annual Financial Report for the year ended June 30, 2011

(1) Government - Primary

(2) Government - Component Unit

(3) Currently, it is part of Primary Government, but in 2011 it was a Component Unit

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
GENERAL GOVERNMENT				
CLASSIFIED	3,959	3,906	3,881	3,850
UNCLASSIFIED	1,589	1,579	1,581	1,521
CULTURE, RECREATION, AND TOURISM				
CLASSIFIED	658	728	658	705
UNCLASSIFIED	429	452	439	428
TRANSPORTATION AND DEVELOPMENT				
CLASSIFIED	4,170	4,215	4,202	4,258
UNCLASSIFIED	103	121	125	127
PUBLIC SAFETY				
CLASSIFIED	2,594	2,551	2,619	2,568
UNCLASSIFIED	444	452	467	458
HEALTH AND WELFARE				
CLASSIFIED	11,373	11,007	10,785	10,508
UNCLASSIFIED	714	707	684	902
CORRECTIONS				
CLASSIFIED	4,881	4,955	4,903	4,795
UNCLASSIFIED	134	140	117	114
YOUTH DEVELOPMENT				
CLASSIFIED	735	771	733	737
UNCLASSIFIED	82	80	71	77
CONSERVATION AND ENVIRONMENT				
CLASSIFIED	1,906	1,926	1,913	1,946
UNCLASSIFIED	132	163	157	147
EDUCATION				
CLASSIFIED	654	815	801	797
UNCLASSIFIED	607	625	677	666
AGRICULTURE*				
CLASSIFIED	550	539	546	528
UNCLASSIFIED	51	55	52	60
WORKFORCE DEVELOPMENT*				
CLASSIFIED	874	904	900	894
UNCLASSIFIED	60	57	58	58
ECONOMIC DEVELOPMENT*				
CLASSIFIED	61	59	60	61
UNCLASSIFIED	50	48	57	50
MILITARY AND VETERANS AFFAIRS*				
CLASSIFIED	823	840	826	888
UNCLASSIFIED	36	857	809	783
COLLEGES AND UNIVERSITIES				
CLASSIFIED	5,175	5,296	5,443	5,625
UNCLASSIFIED	25,311	25,865	23,744	25,001
OTHER				
CLASSIFIED	1,504	1,495	1,548	1,540
UNCLASSIFIED	859	868	861	861
TOTAL	<u>70,518</u>	<u>72,076</u>	<u>69,717</u>	<u>70,953</u>

\* New Functions, beginning in 2015, formerly within General Government

Source: Louisiana Department of State Civil Service

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<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
4,122	3,954	6,525	6,011	6,315	6,422
1,529	1,587	3,283	3,661	3,772	3,814
675	670	852	603	595	604
432	412	443	641	579	532
4,237	4,220	4,235	4,336	4,441	4,466
115	117	134	96	101	91
2,525	2,522	2,446	2,536	2,548	2,645
463	499	141	213	239	173
10,194	10,551	10,465	10,002	12,200	13,346
786	843	912	1,168	1,238	1,142
4,833	4,915	4,827	4,758	5,075	5,179
106	104	77	175	186	142
735	739	800	843	918	916
86	79	80	106	110	110
1,891	1,951	1,818	1,850	1,928	1,971
145	124	124	152	145	138
763	781	759	779	922	1,011
648	815	1,041	1,871	2,058	2,302
500	479	--	--	--	--
65	78	--	--	--	--
943	1,023	--	--	--	--
68	84	--	--	--	--
59	57	--	--	--	--
55	58	--	--	--	--
820	793	--	--	--	--
826	855	--	--	--	--
5,810	6,135	6,533	10,059	15,563	16,603
23,088	22,279	22,074	22,978	24,428	24,717
1,577	1,564	1,558	1,525	1,526	1,567
863	862	900	963	976	983
<u>68,959</u>	<u>69,150</u>	<u>70,027</u>	<u>75,326</u>	<u>85,863</u>	<u>88,874</u>

# State of Louisiana

## OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
GENERAL GOVERNMENT				
AGRICULTURE - CROPS (in thousands) - [1]	*	\$2,005,552	\$1,994,633	\$1,997,566
AGRICULTURE - LIVESTOCK (in thousands) - [1]	*	\$1,026,954	\$1,146,527	\$1,096,216
AGRICULTURE - TIMBER (in thousands) - [1]	*	\$456,573	\$456,653	\$490,527
ELECTIONS - REGISTERED VOTERS (in thousands) - [1]	*	2,981	3,001	2,977
REVENUE - TAX RETURNS FILED (in thousands) - [2]	4,017	4,068	4,170	3,871
REVENUE - TAX RETURNS FILED ELECTRONICALLY - [2]	83%	83%	79%	80%
CULTURE, RECREATION, AND TOURISM				
STATE PARKS VISITORS (in thousands) - [2]	1,292	1,593	1,641	1,772
TRANSPORTATION AND DEVELOPMENT				
NUMBER OF BRIDGES - [1]	12,536	12,497	12,629	12,741
PUBLIC SAFETY				
STATE POLICE ROAD PATROL MILEAGE (in thousands) - [2]	12,705	13,682	13,687	9,855
HEALTH AND WELFARE				
LDH - MEDICAID CLAIMS PROCESSED (in thousands) - [2, 7]	151,819	147,639**	141,289**	125,387**
LDH - CHILDREN IMMUNIZED - [3]	*	94%	90%	92%
CORRECTIONS				
AVERAGE DAILY COST PER INMATE BED - [2]	\$71.15	\$65.35	\$60.67	\$55.39
CONSERVATION AND ENVIRONMENT				
WLF - FISH AND SHELLFISH (in thousands) - [1]	*	\$431,392	\$387,569	\$308,519
WLF - ALLIGATOR AND GAME (in thousands) - [1, 6]	*	91,243	\$106,774	\$87,697
WLF - HUNTER DAYS ANNUALLY (in millions) - [1]	*	5.5	4.3	5.9
WLF - LICENSED COMMERCIAL FISHERMEN - [1]	*	11,498	11,903	11,879
EDUCATION				
GRADES K-12 (number of students) - [3]	*	684,582	683,823	687,644
AVERAGE ACT SCORE - [4]	18.7	18.9	19.3	19.6
START PRINCIPAL DEPOSITS (in thousands, cumulative) - [1]	*	\$100,308	\$97,063	\$86,625
TOPS TUITION AWARDS (in thousands) - [2]	\$307,533	\$302,531	\$293,562	\$201,627
TOPS AWARDS RECIPIENTS (number of students) - [2]	53,961	53,995	51,961	50,858
COLLEGES & UNIVERSITIES (number of students) - [5]	*	214,205	211,747	212,361

\* Information for this year is not yet available

\*\* Restated

Sources: [1] based on calendar years

[2] based on fiscal years

[3] based on school year reported on October 1

[4] based on graduating class

[5] based on preliminary amounts reported on September 1

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

[7] Methodology for counting Medicaid claims changed in 2017

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<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$1,780,005	\$2,024,038	\$2,649,907	\$2,766,125	\$2,962,500	\$2,402,228
\$1,029,661	\$1,273,555	\$1,342,101	\$1,159,661	\$1,165,382	\$1,058,342
\$415,123	\$463,747	\$386,975	\$425,046	\$337,288	\$446,905
2,976	2,910	2,948	2,918	2,920	2,861
3,808	2,858	3,517	3,577	3,952	4,332
80%	80%	77%	74%	61%	48%
1,994	1,899	1,747	1,967	2,151	2,242
12,748	12,907	12,982	12,955	13,095	13,016
13,425	12,788	8,555	8,958	11,305	13,055
61,836	57,690	53,814	56,395	60,498	64,703
95%	96%	94%	94%	93%	95%
\$53.74	\$53.79	\$50.21	\$53.43	\$54.82	\$55.77
\$384,260	\$384,519	\$413,854	\$317,515	\$265,092	\$238,481
\$83,393	\$84,381	\$97,431	\$39,106	\$84,738	\$66,418
5.9	6.0	7.0	7.0	5.4	5.8
13,430	13,929	13,651	13,272	13,629	14,301
688,319	690,267	717,896	713,110	707,464	673,968
19.5	19.2	19.1	20.3	20.3	20.2
\$75,152	\$72,618	\$71,619	\$64,111	\$62,913	\$52,720
\$262,489	\$249,995	\$244,627	\$192,085	\$166,886	\$144,450
51,106	48,790	48,224	46,263	44,433	43,782
211,248	215,200	216,123	216,613	221,831	225,835

# State of Louisiana

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>CULTURE, RECREATION, AND TOURISM</b>					
STATE PARKS	24	24	24	25	25
STATE PARKS (ACREAGE)	29,819	29,819	29,819	32,047	32,047
STATE HISTORIC SITES	21	21	21	21	21
STATE HISTORIC SITES (ACREAGE)	2,830	2,855	2,855	2,850	2,850
<b>TRANSPORTATION AND DEVELOPMENT</b>					
STATE HIGHWAYS (MILES)	17,142	16,581	16,679	16,679	16,698
LOCAL ROADS (MILES)	46,826	44,026	44,026	44,026	44,026
BRIDGES ON STATE HIGHWAYS	7,867	7,807	7,834	7,828	7,932
BRIDGES OFF STATE HIGHWAYS	4,669	4,690	4,795	4,761	4,829
<b>PUBLIC SAFETY</b>					
TROOPS	9	9	9	9	9
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>CULTURE, RECREATION, AND TOURISM</b>					
STATE PARKS	25	25	25	26	26
STATE PARKS (ACREAGE)	32,047	32,047	32,271	34,215	34,639
STATE HISTORIC SITES	21	21	21	22	22
STATE HISTORIC SITES (ACREAGE)	2,850	2,567	2,573	2,676	2,676
<b>TRANSPORTATION AND DEVELOPMENT</b>					
STATE HIGHWAYS (MILES)	16,699	16,634	16,606	16,655	16,667
LOCAL ROADS (MILES)	44,026	44,671	44,040	43,924	44,934
BRIDGES ON STATE HIGHWAYS	8,002	7,887	7,906	8,013	7,983
BRIDGES OFF STATE HIGHWAYS	4,905	4,934	4,999	5,030	5,033
<b>PUBLIC SAFETY</b>					
TROOPS	9	9	9	9	9

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

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