



LOUISIANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

**State of Louisiana
Comprehensive Annual Financial Report
for the Year Ended June 30, 2008**

BOBBY JINDAL
Governor



Prepared By
DIVISION OF ADMINISTRATION
ANGELE DAVIS
Commissioner

On the Cover

Focusing on a Better Louisiana.

Louisiana Governor Bobby Jindal has established a number of priorities designed to effectively tackle major issues facing our state. Among them are making investments to strengthen our economy; using higher education to prepare Louisiana's students for the economy of tomorrow; improving education opportunities for Louisiana's children; reforming health care and social services; preserving our natural resources

and rebuilding our coast; improving our transportation system to attract jobs and improve our quality of life; bringing security to all Louisiana citizens; targeting and eliminating wasteful spending and adopting measures to increase efficiency, productivity, and customer service; and ensuring a transparent and accountable state government. Louisiana is strongly committed to these priorities.

Photo Credits

Front Cover

Bottom-left: Photograph of External Tank 120 at Michoud Assembly Facility in New Orleans being moved to a barge for transport to the Kennedy Space Center. Photograph by Lockheed Martin.

Back Cover

Left-center: Shrimp boat docked at Grand Isle. Photograph courtesy of Louisiana Seafood Promotion and Marketing Board. Bottom-right: Photograph courtesy of Louisiana Immersive Technologies Enterprise (LITE). Photograph by Robin May 2008.

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Bobby Jindal

Governor

State of Louisiana

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I. INTRODUCTORY SECTION



BOBBY JINDAL
GOVERNOR

ANGELE DAVIS
COMMISSIONER OF ADMINISTRATION

State of Louisiana

Division of Administration
Office of the Commissioner

December 31, 2008

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

It is my privilege to present the Comprehensive Annual Financial Report (CAFR) on the financial condition of the State of Louisiana for the fiscal year ended June 30, 2008. The report was prepared in conformity with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and Louisiana Revised Statutes.

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

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

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

The CAFR is organized as follows:

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

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

INDEPENDENT AUDIT

The State of Louisiana's basic financial statements have been audited by the Office of Legislative Auditor. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the State for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report is presented as the first component of the financial section of this report.

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

ACCOUNTING AND BUDGETARY CONTROL

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

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

PROFILE OF THE GOVERNMENT

Located on the Gulf of Mexico and bounded by Arkansas, Texas, and Mississippi, Louisiana serves a population of 4,293,000. The Executive, Judicial, and Legislative Branches govern the State as provided by the Louisiana Constitution of 1974.

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

The State financial reporting entity includes 52 active component units, which are reported discretely in the financial statements. These component units include colleges and universities, boards and commissions, ports, levee districts, and other special purpose authorities.

CASH MANAGEMENT

The State Treasurer is responsible for managing all cash and investments, with the exception of certain component units included in the reporting entity that have independent powers to manage and invest their funds. During fiscal year 2008, cash management and investment transactions managed by the State Treasurer included checking accounts, certificates of deposit, U.S. government and agency obligations, commercial paper, repurchase agreements, and security lending agreements. Legal requirements for the investment of funds maintained by the State Treasurer are discussed in Note 2 to the basic financial statements.

For fiscal year 2008, the Treasury earned \$417,344,401 on its fixed-income investments for the General Fund portfolios. The investments earned a cash rate of return of 4.54% during fiscal year 2008 compared to a 4.05% rate that earned \$309,444,296 in the previous year. Additionally, the thirty-day Treasury bill yield averaged 2.96% and the two-year Treasury note averaged 7.66% during the same period. The investments of the Louisiana Education Quality Trust Fund earned a fixed income rate of return of 2.5% and a loss of 12.99% on equities for the 2008 fiscal year.

RISK MANAGEMENT

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

PENSIONS

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

ECONOMIC OUTLOOK

Louisiana's economy is always in motion. It set record levels of employment in 2007 by regaining all the losses from Hurricanes Katrina and Rita over an 18 month period. This track is expected to slow in 2009, but the increase in jobs should intensify in 2010, approaching a two million job economy. Even with this eventual job growth, the State's economy is still affected by the condition of the national economy.

The State handled Hurricanes Gustav and Ike superbly despite the impact and inconvenience of major evacuations, significant property loss, and temporary business closures. It would be unreasonable to expect another windfall in terms of revenue collections, sales tax collections, or a surge in oil prices following Hurricanes Gustav and Ike similar to that which occurred after Hurricanes Katrina and Rita.

Louisiana's eight Metropolitan Statistical Areas (MSAs) remain a picture of diversity in their makeup and their economic future. For example:

- The New Orleans MSA is expected to see over \$20 billion in ongoing and planned construction jobs, but will lose around 1,300 jobs at Lockheed Martin Space Systems. It is estimated to lose 3,000 jobs in 2009 and add 6,000 in 2010.
- The employment trajectory for Baton Rouge's MSA is projected to add 2,400 jobs in 2009 and 6,800 in 2010. Its growth will be stimulated by new and expanding firms and construction projects estimated at \$6.5 billion which includes Dynamic Fuels' new biofuels plant in Ascension parish, the expansion of Coca Cola Bottling, and the expansion of Shintech.

- Monroe's MSA suffered a number of layoffs over the past six years. It is not expected to add any jobs in 2009 and only 400 jobs in 2010.
- Alexandria's growth rate has slowed after the end of hiring at the Union Tank Car and the completion of the Cleco power plant. This MSA is not expected to add new jobs in 2009 but is projected to add 800 in 2010 due mainly from road projects.
- Energy-dominated Houma is estimated to be the fastest growing MSA with 1,800 jobs in 2009 (+1.9%) and 2,400 in 2010 (+2.4%). The region's extraction and extraction service firms plus the area's shipbuilders are contributing to the hiring binge.
- The Shreveport-Bossier MSA is anticipated to experience large layoffs at GM, Pilgrim's Pride, and Beard Industries resulting in a loss of approximately 2,100 jobs in 2009, but expected to add 2,500 in 2010.
- Employment in Lafayette has been propelled by high energy prices. The discovery of the lower tertiary trend in the Gulf of Mexico should mean increased business for this region's extraction firms, fabricators, and drilling service firms. One half billion dollars in construction projects are forecasted to boost this area's economy. Lafayette's MSA is projected to add 2,800 jobs in 2009 and 3,200 in 2010.
- The Lake Charles MSA is forecasted to be bolstered by the Leucadia construction project (a synthetic natural gas plant), a 1600-person casino resort (Sugarcane Bayou), and the new Shaw Project which will require a workforce of about 1,400. It is expected to add 1,400 new jobs in 2009 and 2,000 in 2010.
- There was impressive growth over the past four years in Louisiana's 35 rural parishes; however, a loss of 2,000 (-0.5%) jobs is anticipated for 2009 and a gain of 4,300 jobs for 2010 (+1.2%) is expected. North Oaks Hospital is planning a \$250 million expansion in Tangipahoa Parish, which also attracted Gray & Company, an oil and natural gas insurer that may build a \$12-\$15 million office/hanger complex in the parish.¹

RECENT EVENTS

In the August 2008 release of The Louisiana Economic Outlook: 2009 and 2010, employment in Louisiana was projected to rise by 27,000 jobs in 2009. However, due to the decline in the national economy and the weakening prices of oil, The Louisiana Economic Outlook: 2009 and 2010 was subsequently revised to reflect employment increases of 1,300 (+0.1%) in 2009 and 28,400 (+1.5%) in 2010.

The State should not expect continued revenue increases because of Katrina and Rita and should be aware that oil prices are now weakening, hence the need for careful evaluation on how the existing revenues are spent in regards to the State's economic future.

On December 15, 2008, the Revenue Estimating Conference met and incorporated the fact that the National Bureau of Economic Research officially declared that the United States was in a recession. Further, it recognized that mineral prices had fallen substantially from their elevated level attained earlier this year and last year. Consequently, the State's economic outlook has worsened again, and the official revenue forecasts for both the current fiscal year and the next have been reduced significantly. The administration is addressing the anticipated budget shortfalls for both fiscal years.

¹The economic discussion is an excerpt from The Louisiana Economic Outlook: 2009 and 2010, by Loren C. Scott, James A. Richardson, M. Dek Terrell, and Mary Jo Neathery, published in October 2008.

The Honorable Bobby Jindal, et al.

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December 31, 2008

ACKNOWLEDGEMENTS

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

Sincerely yours,



Angele Davis
Commissioner of Administration

AD:AA

PRINCIPAL STATE OFFICIALS

Executive (Elected)

Bobby Jindal
Governor
Mitchell J. Landrieu
Lieutenant Governor
Jay Dardenne
Secretary of State
James D. "Buddy" Caldwell
Attorney General
John Neely Kennedy
Treasurer
Dr. Mike Strain
Commissioner of Agriculture and Forestry
James J. Donelon
Commissioner of Insurance

Legislative (Elected)

Jim Tucker
Speaker of the House of Representatives
Joel T. Chaisson, II
President of the Senate

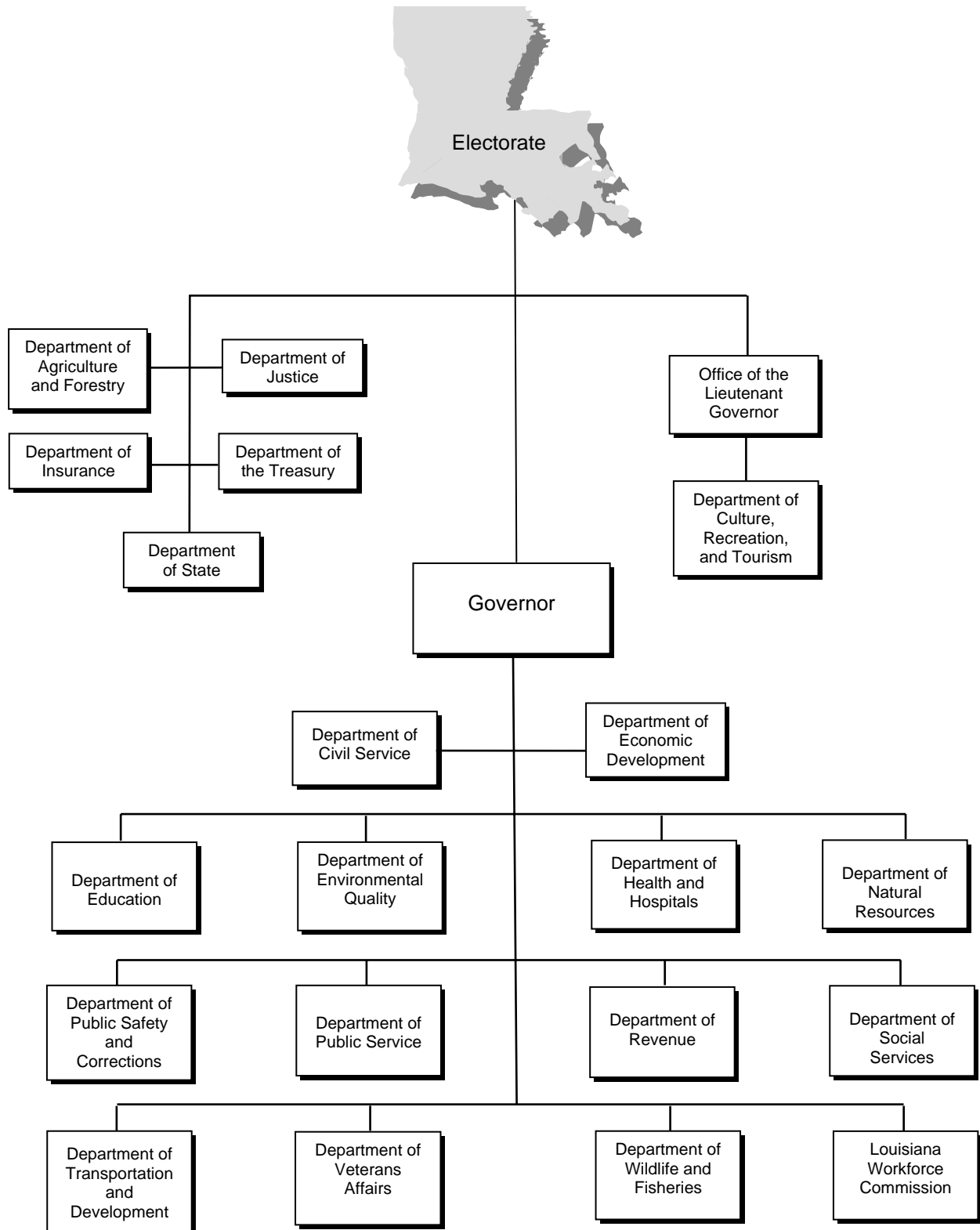
Judicial (Elected)

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

Executive (Appointed)

Anne S. Soileau
Director of Civil Service
Pam Breaux
Secretary of Culture, Recreation, and Tourism
Stephen Moret
Secretary of Economic Development
Paul G. Pastorek
State Superintendent of Education
Harold Leggett, Ph.D.
Secretary of Environmental Quality
Alan Levine
Secretary of Health and Hospitals
Tim Barfield
Executive Director of Louisiana Workforce Commission
Scott A. Angelle
Secretary of Natural Resources
James M. LeBlanc
Secretary of Public Safety and Corrections
Colonel Michael D. Edmonson
Deputy Secretary of Public Safety and Corrections
Superintendent, Office of State Police
Lawrence C. St. Blanc
Secretary of Public Service Commission
Cynthia Bridges
Secretary of Revenue
Kristy Nichols
Secretary of Social Services
William D. Ankner, Ph.D.
Secretary of Transportation and Development
Lane Carson
Secretary of Veterans Affairs
Robert Barham
Secretary of Wildlife and Fisheries

STATE ORGANIZATIONAL CHART





II. FINANCIAL SECTION



LOUISIANA LEGISLATIVE AUDITOR
STEVE J. THERIOT, CPA

December 31, 2008

Independent Auditor's Report

Honorable Bobby Jindal, Governor
Honorable Joel T. Chaisson, President, and
Members of the Senate
Honorable Jim Tucker, Speaker, and
Members of the House of Representatives
State of Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Louisiana, as of and for the year ended June 30, 2008, which collectively comprise the state's basic financial statements as listed in the table of contents. These financial statements are the responsibility of management of the State of Louisiana. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain pension trust funds, enterprise funds, and component units of government included within the basic financial statements of the State of Louisiana, which represent the following percentages of their related opinion units:

<u>Opinion Unit</u>	<u>Percentage of Total Assets</u>	<u>Percentage of Net Assets or Fund Balance</u>	<u>Percentage of Revenues (Including Additions)</u>
General Fund	0.7%	1.8%	0.3%
Business-Type Activities	1.4%	1.1%	4.2%
Aggregate Discretely Presented Component Units	21.2%	1.6%	6.3%
Aggregate Remaining Funds	70.1%	70.5%	16.3%

LEGISLATIVE AUDITOR

December 31, 2008

Page Two

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

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the LSU Foundation and the Pennington Medical Foundation, both component units of the Louisiana State University System (major component unit); the University Facilities, Inc., the University of Louisiana Monroe Facilities, Inc., the McNeese State University Foundation, the NSU Facilities Corporation, and the Black and Gold Facilities, Inc., all component units of the University of Louisiana System (major component unit); and the Southern University System Foundation and the SUSLA Facilities, Inc., both component units of the Southern University System (major component unit), which were audited by other auditors, were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

Another auditor was engaged to audit the financial statements of the Louisiana Citizens Property Insurance Corporation (Corporation), a component unit of the State of Louisiana, for the year ended December 31, 2007. Although the other auditor expressed an unqualified opinion on the Corporation's financial position (Statement of Net Assets) at December 31, 2007, the scope of the other auditor's work was not sufficient to enable the auditor to express an opinion on the Corporation's changes in financial position (Statement of Revenues, Expenses, and Changes in Net Assets) and its cash flows for the year ended December 31, 2007. The Corporation's financial activities are included in the state's basic financial statements as a major discretely presented component unit and represents 7 percent, 31 percent, 5 percent, 3 percent, and (29) percent of the assets, liabilities, revenues, expenses, and beginning net assets, respectively, of the state's aggregate discretely presented component units.

In our opinion, based on our audit and the reports of the other auditors, except for the effects of such adjustments, if any, as might have been determined to be necessary had the Louisiana Citizens Property Insurance Corporation's changes in financial position been audited, the financial statements referred to previously present fairly, in all material respects, the financial position of the aggregate discretely presented component units of the State of Louisiana, as of June 30, 2008, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

LEGISLATIVE AUDITOR

December 31, 2008

Page Three

In addition, in our opinion, based on our audit and the reports of the other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the State of Louisiana, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Following these two hurricanes, the Louisiana Department of Insurance (DOI) made improper adjustments to the 2006 residential rate filing (excluding wind and hail-only coverages) which were submitted by the Louisiana Citizens Property Insurance Corporation (Corporation) to the Louisiana Insurance Rating Commission in November 2006. These adjustments resulted in lower rates for many of the Corporation's policyholders, but those rates are not in compliance with applicable laws. Those lower rates caused the Corporation, created by statute as the insurer of last resort, to be more competitive with private insurance companies. The lower rates paid by the Corporation's policyholders increased the risk that higher future assessments may be levied against all privately insured residents of the state. In addition, the lower rates increased the risk that the Corporation will have insufficient funds to cover the capital losses of its insureds who live in high risk areas of the state. As a result, the insured homeowners of Louisiana and the state's government are more exposed in the event of ordinary losses and are potentially exposed in the event of a catastrophic occurrence, such as a Katrina-like storm. The effects of this exposure on the State of Louisiana and the impact of potential litigation related to DOI's noncompliance with the state's rate setting laws cannot be determined at this time.

As disclosed in note 11 to the financial statements, the State of Louisiana implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*; Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*; and Statement No. 50, *Pension Disclosures, an amendment of GASB Statements No. 25 and No. 27*, for the year ended June 30, 2008.

LEGISLATIVE AUDITOR

December 31, 2008

Page Four

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

Management's Discussion and Analysis and the *Required Supplementary Information Other Than Management's Discussion and Analysis* presented on pages 13 through 24 and 103 through 105, respectively, are not required parts of the basic financial statements, but are supplementary information required by GASB. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Louisiana's basic financial statements. The accompanying Introductory Section (pages 1 through 7), the Budgetary Comparison Schedule - Budget to Actual - Bond Security and Redemption Fund (page 107), the Combining and Individual Fund Statements and Schedule - Nonmajor Funds (pages 110 through 175), and the Statistical Section (pages 177 through 203) listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The Budgetary Comparison Schedule - Budget to Actual - Bond Security and Redemption Fund and the Combining and Individual Fund Statements and Schedule - Nonmajor Funds have been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, based on our audit and the reports of the other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section and the Statistical Section listed in the table of contents have not been subjected to the procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,



Steve J. Theriot, CPA
Legislative Auditor

BC:THC:DGP:dl

CAFR2008

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, 2008. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the transmittal letter presented on pages 1 - 5 and the financial statements of the State, which begin on page 25.

FINANCIAL HIGHLIGHTS

- **Government-wide:**

Net Assets – The assets of the State exceeded its liabilities at the close of the fiscal year by \$21.2 billion, a 5% increase from the prior fiscal year. This amount includes \$7 billion, which is restricted and not available to pay the general obligations of the State.

Changes in Net Assets – Net assets of governmental activities increased by \$952 million (5%), while net assets of the business-type activities increased by \$129 million (5%).

- **Fund Level:**

As the State completed the year, its governmental funds (as presented in the balance sheet on page 27) reported a total fund balance of \$11.5 billion (a 3% decrease from the prior year balance). Unreserved/undesignated fund balance constitutes 58% of this total, which is available for spending in the coming year. The remainder of this fund balance is reserved to indicate it is not available for spending because it has already been committed.

- **Long-term Debt:**

The State's long-term obligations for governmental activities increased by \$68 million (1%). The increase in debt is due to the implementation of GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. These costs are primarily comprised of future medical benefits and life insurance costs of state employees and retirees who participate in the state-sponsored medical plans. The impact of these costs for the current year is \$602 million; \$597 million for governmental activities and \$5 million for business-type activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

State of Louisiana

The Statement of Net Assets (page 25) presents the current and long-term portions of the assets and liabilities of the State separately and is the basic government-wide statement of position at fiscal year end. Using the format of assets minus liabilities equal net assets, this statement reports the governmental activities separately from its business-type activities. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the State is improving or deteriorating.

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

Both government-wide statements report three types of activities:

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

Business-type Activities – These activities normally are intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services. The business-type activities operated by the State include the Unemployment Trust Fund, among others.

Component units – Component units are legally separate organizations for which the elected officials of the government are financially accountable or have significant influence in governing board appointments. Among the component units included are public colleges and universities, the Louisiana Stadium and Exposition District, and the Southeast Louisiana Flood Protection Authority-East and West. For a list of some of the component units included in the government-wide statements, see Note 1 of the notes to the basic financial statements.

Fund Financial Statements

The fund financial statements begin on page 27 and provide more detailed information than the government-wide statements by providing information about the most significant funds of the State. A fund is a grouping of related accounts used to maintain control over resources, which are segregated for specific activities or objectives. The State of Louisiana uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. For governmental activities, fund financial statements indicate how these services were financed in the short-term as opposed to the government-wide statements, which present a long-term view of the State finances. The three categories into which the funds of the State can be classified are governmental funds, proprietary funds, and fiduciary funds.

Governmental funds account for most of the functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on short-term inflows and outflows of expendable resources and the balances of these resources available at fiscal year end. Such information may be useful in evaluating the current financing requirements of the State. Governmental funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash.

GASB Statement 34 has shifted the focus of governmental fund financial statements from fund types to major funds. Louisiana accounts for its activities in 260 active funds; of this total, 225 are governmental funds, 20 are proprietary funds, and 15 are fiduciary in nature. Information is presented separately on the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance for the funds determined to be major funds; the remaining governmental funds are presented in a single column on these statements. Combining statements for these funds are presented on pages 102 - 144 of this report.

Proprietary funds encompass enterprise funds and internal service funds. When the State charges customers for the services it provides, whether to outside customers (enterprise funds) or to other state agencies (internal service funds), the services are generally reported in the proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds apply the accrual

State of Louisiana

basis of accounting utilized by private sector businesses. Internal service funds are used to accumulate and allocate costs internally among the various functions of the State. Because the internal service funds mainly benefit governmental rather than business-type functions, they are included in the governmental activities in the government-wide financial statements.

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41-102 of this report.

Required Supplementary Information (RSI)

In addition to the basic financial statements and accompanying notes, this report also presents budgetary comparison schedules for the General Fund, which can be found on page 103 of this report.

THE STATE AS A WHOLE

Government-wide Financial Analysis

The State's overall financial position and results of operations for the past two years for the primary government are summarized in the following statements based on the information included in the government-wide financial statements:

Statement of Net Assets						
(in thousands)						
	Governmental		Business-type		Total	
	Activities		Activities		Primary	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 16,926,137	\$ 16,614,090	\$ 2,674,337	\$ 2,643,505	\$ 19,600,474	\$ 19,257,595
Capital assets	<u>15,169,607</u>	<u>13,763,230</u>	<u>185,782</u>	<u>81,142</u>	<u>15,355,389</u>	<u>13,844,372</u>
Total assets	32,095,744	30,377,320	2,860,119	2,724,647	34,955,863	33,101,967
Other liabilities	4,063,016	3,365,426	80,022	70,470	4,143,038	3,435,896
Long-term debt outstanding	<u>9,355,209</u>	<u>9,286,700</u>	<u>246,781</u>	<u>249,760</u>	<u>9,601,990</u>	<u>9,536,460</u>
Total liabilities	13,418,225	12,652,126	326,803	320,230	13,745,028	12,972,356
Invested in capital assets, net of related debt	12,780,381	11,841,240	19,755	22,290	12,800,136	11,863,530
Restricted	5,214,389	5,504,064	1,572,760	1,476,729	6,787,149	6,980,793
Unrestricted	<u>682,749</u>	<u>379,890</u>	<u>940,801</u>	<u>905,398</u>	<u>1,623,550</u>	<u>1,285,288</u>
Total net assets	<u>\$ 18,677,519</u>	<u>\$ 17,725,194</u>	<u>\$ 2,533,316</u>	<u>\$ 2,404,417</u>	<u>\$ 21,210,835</u>	<u>\$ 20,129,611</u>

State of Louisiana

Net Assets:

As noted earlier, the overall financial position for the State improved from the previous year as reflected in the increase in net assets to \$21.2 billion (5%). Net assets for governmental activities increased by approximately 952 million (5%), while net assets for business-type activities increased by \$129 million (5%). The largest portion of the net assets of the State, \$12.8 billion (60%), reflects investment in capital assets (e.g., land, roads, buildings, machinery, and equipment) net of related debt. These net assets are used to provide services to residents of the State, and consequently are not available for future spending. Capital assets increased by \$1.5 billion (11%), due mainly to infrastructure improvements under the Louisiana Transportation Infrastructure Model for Economic Development (TIMED) Program discussed in more detail in the capital asset section of the MD&A.

In contrast, current and other assets (e.g., cash, investments, receivables, and inventory) totaled \$19.6 billion (56% of total assets) at fiscal year end, and the State uses these resources in part to repay debt associated with capital assets. The current and other assets of the State at June 30, 2008 represent an increase of 2% from the prior fiscal year. Cash has increased by \$607 million (7%), partially due to an increase in cash in the Louisiana Mega-Project Development Fund of \$311 million. This fund was created in fiscal year 2007 to provide for economic development mega-projects for the State, and increased funding was provided during fiscal year 2008 to further enhance the goal of creation or retention of jobs within the State. The Coastal Protection and Restoration Fund received additional funding of \$300 million from prior year nonrecurring revenues, to further the development and implementation of programs designed to offset the loss of Louisiana coastal wetlands exacerbated by Hurricanes Katrina and Rita in 2005. In addition, cash increased in the Capital Outlay Escrow Fund by \$232 million in part because of the issuance of Louisiana Public Facilities Authority refunding bonds during fiscal year 2008.

Restricted net assets represent those assets not available for spending as a result of legislative or constitutional requirements, donor agreements, or grant requirements. Restricted net assets decreased by \$290 million (5%) from the previous fiscal year for governmental activities, reflecting the decrease in the restricted for capital projects component of net assets of \$390 million. This decrease is the consequence of \$500 million in general obligation bonds being sold in fiscal year 2007 for capital projects, while no general obligation bonds were sold during fiscal year 2008.

Restricted net assets increased by \$96 million (7%) for business-type activities, primarily caused by an increase in the Unemployment Trust Fund restricted for unemployment compensation over last year. Balances continue to move upward from fiscal year 2006, reflecting an increase in the tax rates on employers to build up the unemployment trust fund after depletion caused by the large increase in unemployment claims following Hurricanes Katrina and Rita. Another factor in the increase of restricted net assets for business-type activities is the increase of \$45 million in restricted for capital projects for the Louisiana Transportation Authority. This increase reflects current year additions to the capitalized construction-in-progress of the ongoing Louisiana Highway 1 infrastructure project.

For fiscal year 2008, unrestricted net assets increased by \$303 million (80%) from 2007 for governmental activities. This increase reflects that capital grants and contributions revenue has increased by \$1.4 billion resulting from the large influx of federal Community Development Block Grant (CDBG) funds for additional incentives and grants available through the Road Home program. These additional monies are being provided to eligible Road Home applicants as an incentive to elevate their homes to meet current flood guidance.

Unrestricted net assets increased by \$35 million (4%) for business-type activities, reflecting an increase of \$24 million for the Municipal Facilities Revolving Loan Fund cash. This fund provides loans and other financial assistance to municipalities for the construction of waste water treatment facilities. The increase is the result of the loan portfolio stabilizing with repayments exceeding loan disbursements. Many of the loans are approaching maturity, resulting in higher principal payments. Unrestricted net assets also increased \$13 million for the Drinking Water Revolving Loan Fund because of higher loan activity involving community water systems. These loans are made available in an effort to improve drinking water quality by assisting water systems in providing drinking water that meets established standards and achieves the goals of the federal Safe Drinking Water Act Amendments of 1996.

Changes in Net Assets:

See the following page.

Changes in Net Assets

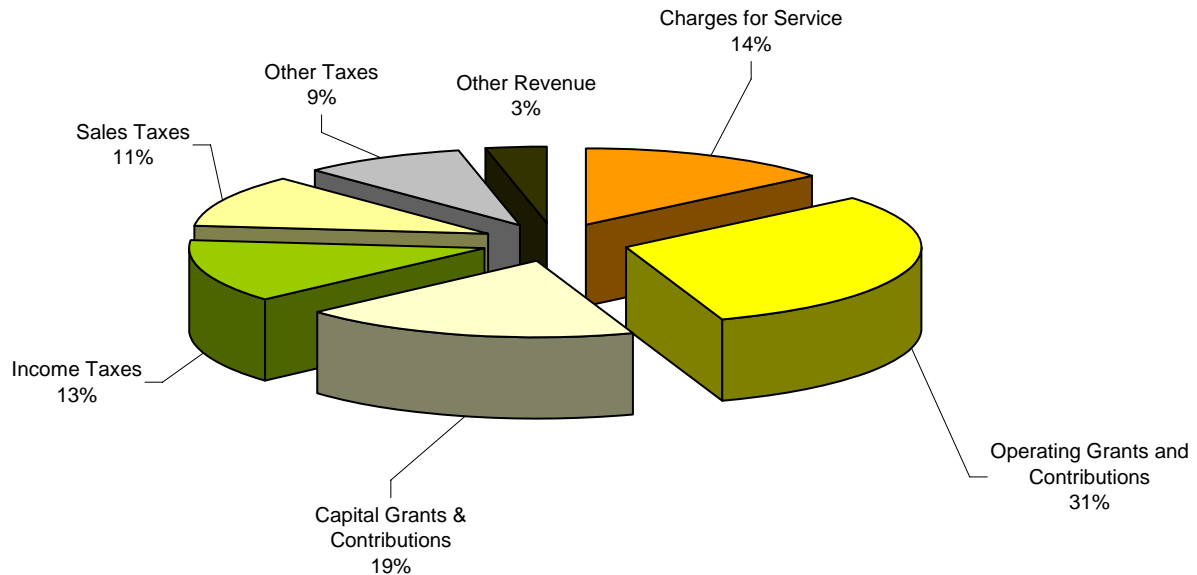
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 4,016,402	\$ 3,803,997	\$ 705,775	\$ 697,309	\$ 4,722,177	\$ 4,501,306
Operating grants and contributions	8,848,637	8,962,433	2,695	3,800	8,851,332	8,966,233
Capital grants & contributions	5,405,015	3,964,479	41,003	19,355	5,446,018	3,983,834
General revenues:						
Income taxes	3,869,834	4,140,496	--	--	3,869,834	4,140,496
Sales and use taxes	3,147,604	3,059,073	--	--	3,147,604	3,059,073
Other taxes	2,602,454	2,458,578	--	--	2,602,454	2,458,578
Other	944,931	812,694	12,784	9,568	957,715	822,262
Total revenues	<u>28,834,877</u>	<u>27,201,750</u>	<u>762,257</u>	<u>730,032</u>	<u>29,597,134</u>	<u>27,931,782</u>
Expenses:						
Governmental activities						
General government	8,693,766	7,492,929	--	--	8,693,766	7,492,929
Culture, recreation & tourism	148,178	100,246	--	--	148,178	100,246
Transportation and development	1,052,169	889,606	--	--	1,052,169	889,606
Public safety	331,086	337,962	--	--	331,086	337,962
Health and welfare	8,615,435	7,626,096	--	--	8,615,435	7,626,096
Corrections	649,858	540,284	--	--	649,858	540,284
Youth Services	165,840	121,335	--	--	165,840	121,335
Conservation and environment	439,009	331,891	--	--	439,009	331,891
Education	6,871,321	6,085,878	--	--	6,871,321	6,085,878
Other	43,217	40,008	--	--	43,217	40,008
Intergovernmental	540,505	182,741	--	--	540,505	182,741
Interest on long-term debt	297,201	296,223	--	--	297,201	296,223
Business-type activities:						
Unemployment Trust Fund	--	--	189,095	185,308	189,095	185,308
Other	--	--	333,801	307,483	333,801	307,483
Total expenses	<u>27,847,585</u>	<u>24,045,199</u>	<u>522,896</u>	<u>492,791</u>	<u>28,370,481</u>	<u>24,537,990</u>
Net increase before transfers	987,292	3,156,551	239,361	237,241	1,226,653	3,393,792
Transfers	132,219	(270,126)	(132,219)	270,126	--	--
Net increase	<u>1,119,511</u>	<u>2,886,425</u>	<u>107,142</u>	<u>507,367</u>	<u>1,226,653</u>	<u>3,393,792</u>
Net Assets—Beginning, as restated	<u>17,558,008</u>	<u>14,838,769</u>	<u>2,426,174</u>	<u>1,897,050</u>	<u>19,984,182</u>	<u>16,735,819</u>
Net Assets—Ending	<u>\$ 18,677,519</u>	<u>\$ 17,725,194</u>	<u>\$ 2,533,316</u>	<u>\$ 2,404,417</u>	<u>\$ 21,210,835</u>	<u>\$ 20,129,611</u>

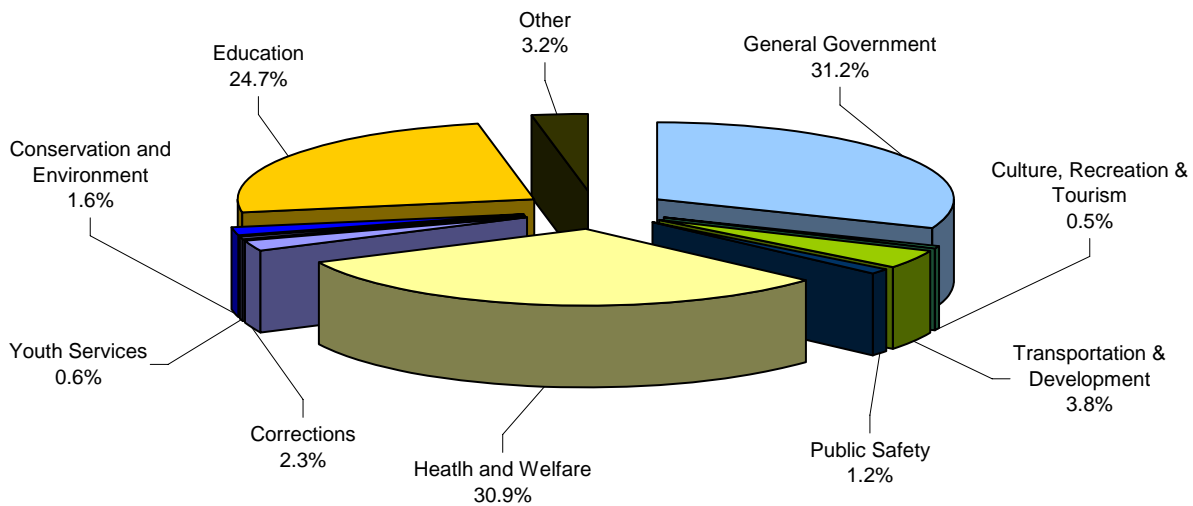
State of Louisiana

Governmental Activities - Net assets increased by \$952 million from prior year, with a \$1.6 billion increase in total revenue and a \$3.8 billion increase in total expenses. Approximately 31% of the total revenue came from operating grants and contributions, 33% from taxes, and 14% from charges for services (see chart below). Sales tax collections have increased by \$89 million from the prior year. The largest expenses were for general government (31%) and health and welfare (31%) as depicted in the second chart below. In 2008, governmental activities expenses exceeded program revenues, requiring the use of approximately \$9.6 billion in general revenues to support governmental programs.

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

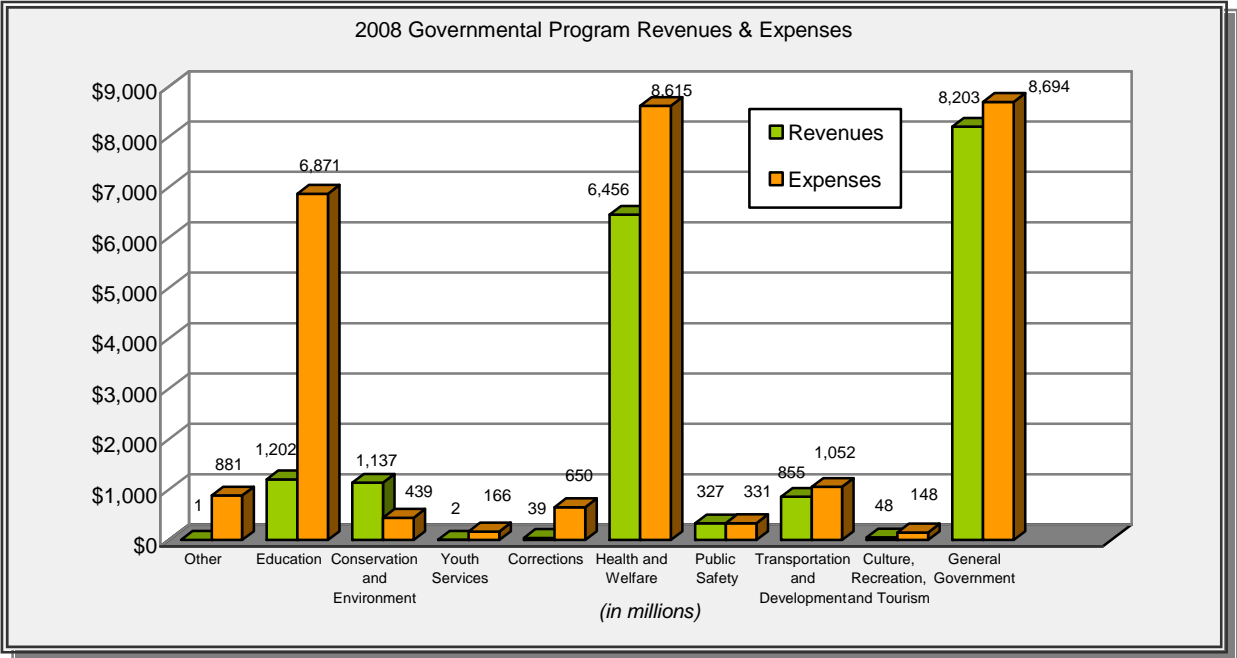


The following chart depicts the governmental activities' expenses for the fiscal year:



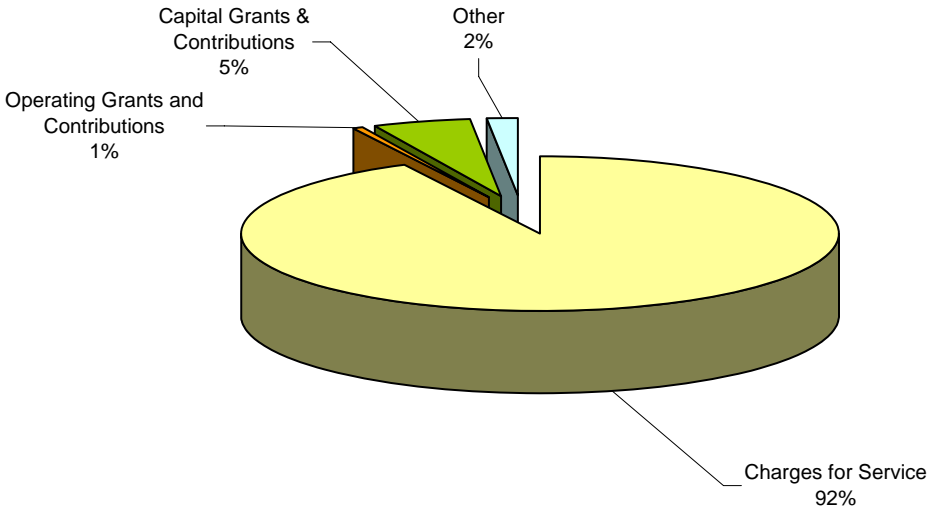
State of Louisiana

The following chart depicts the governmental activities' program revenues and expenses for the 2008 fiscal year:



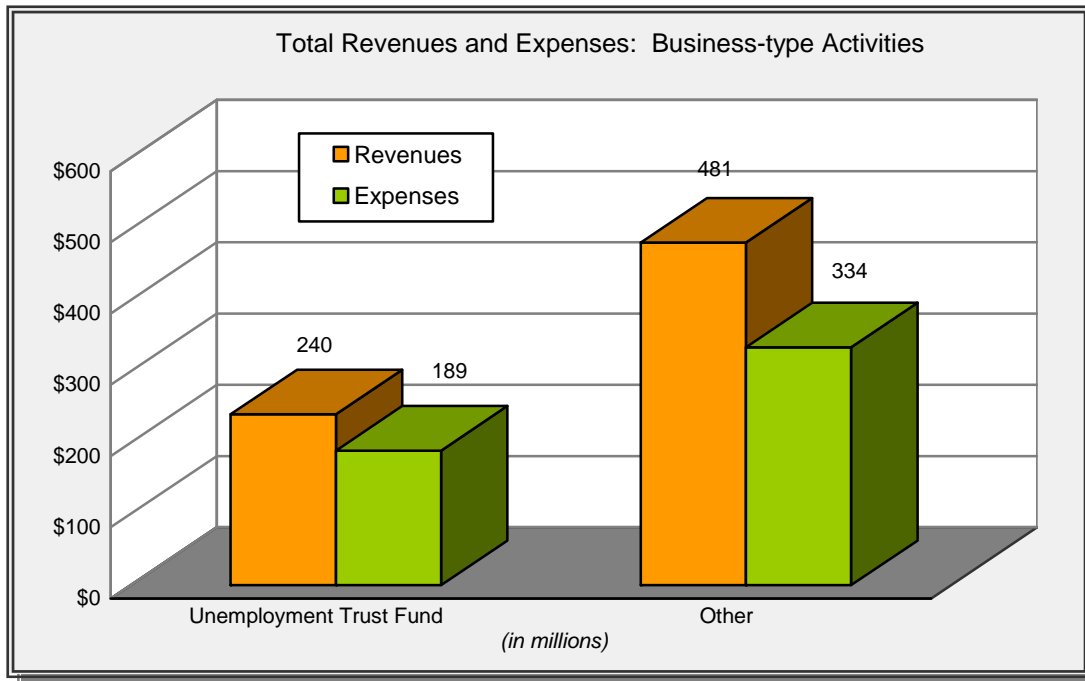
Business-Type Activities – Net assets increased by \$129 million (5%) from the prior year balance. Charges for Services of \$706 million accounted for much of the total revenue (92%), while Capital Grants and Contributions provided \$41 million (5%) of the total revenues. The largest component of business-type activity expenses was for Other Funds (64%), including the Boards and Commissions and Prison Enterprises. For fiscal year 2008, business-type activity revenues exceeded expenses by \$239 million (a .01% increase from last year).

The following chart depicts business-type activities' revenues for the 2008 fiscal year:



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The following chart depicts the business-type activities' revenues and expenses for fiscal year 2008:



In conclusion, the State government's financial position slightly improved over last year, with an increase in the net assets of governmental activities of \$952 million resulting mainly from increases in capital grants and contributions revenue and income taxes, and a \$129 million increase in the net assets of business-type activities. Information presented below provides further insight into the reasons behind these changes.

FINANCIAL ANALYSIS OF THE FUNDS OF THE STATE

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

Governmental Funds

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

The overall financial position of the General Fund decreased by \$148 million and the unreserved/undesignated fund balance decreased by \$364 million (31%) to a balance of \$794 million. However, general fund revenue for Fiscal Year 2008 increased by 7% over the prior fiscal year. Not only was the recovery and rebuilding effort steadily fueling sustained economic activity throughout the year, oil prices remained higher than expected. With the increase in insurance premiums following the storms, the insurance premium tax collections were higher than prior year. Oil prices that averaged almost \$90 per barrel for the fiscal year led to increases in royalties, severance taxes, and mineral bonuses well above those reached during the previous year. The influx of revenue that stayed in the treasury longer than expected due to expenditure limit constraints and capital construction projects that took longer to complete drove general fund interest to a 50% increase over the prior year. General sales taxes increased modestly but sustained the elevated level of collections that began with post-Katrina activity. Provider fees increased as Medicaid services were expanded in additional waiver slots, program redesign, and other improvements.

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The following table ranks the revenue sources with the largest percentage growth and a \$10 million or higher increase over the prior year during fiscal year 2008:

Revenue Source	Growth in Million \$	Growth in %
Royalties	249.8	48.3%
Severance Tax	175.3	19.3%
General Fund Interest and Earnings	63.6	50.8%
Insurance Premium Tax	36.7	12.9%
General Sales Tax	26.6	0.9%
Mineral Bonuses	13.6	29.2%
Provider Fees	11.2	11.1%

Corporate and individual income taxes, while still strong in fiscal year 2008, declined from the previous year's level. Corporate revenue declined in response to a weakening economy and continued phase-in of various tax credits in place to improve the corporate environment. Personal income slowed as the first phase-in allowing 52.5% of excess itemized deductions was included in state income tax liabilities. Additionally, taxes collected during fiscal year 2007 included delayed payments due to the hurricanes that occurred during fiscal year 2006 which inflated the year to which fiscal year 2008 is compared. Motor vehicle sales continued a downward trend following the massive replacements after the 2005 storms and as fuel prices soared. Various agency receipts declined but only approached average collections after an abnormally high year in fiscal year 2007.

The following table ranks the revenue sources with the largest annual percentage declines and a \$10 million or more decrease during fiscal year 2008:

Revenue Source	Growth in Million \$	Growth in %
Corporate Taxes	-112.7	-10.7%
Individual Income	-88.4	-2.7%
Motor Vehicle Sales	-17.6	-4.9%
Various Agency Receipts	-14.7	-25.0%

General Fund expenditures have increased by \$3.4 billion (15%). The major portion of this increase can be attributed to additional expenditures of the Road Home program for incentives and grants provided to eligible homeowners to elevate their homes.

The Bond Security and Redemption Fund revenues increased by \$223 million (2%) in fiscal year 2008, mainly because of an increase in royalties from oil and gas extraction and interest earnings. The Louisiana Education Quality Trust Fund reported interest earnings of \$22.3 million (an 8% increase) and market losses of \$27.4 million.

Proprietary Funds

The only major enterprise fund of the State is the Unemployment Trust Fund. This fund accounts for 60% of the net assets of the enterprise funds. Combined net assets for the enterprise funds increased by \$129 million compared to the prior fiscal year's restated ending balance. In addition to this major fund, enterprise funds also include the Louisiana Lottery Corporation, the Municipal Facilities Revolving Loan Fund, the Drinking Water Revolving Loan Fund, and 8 other non-major enterprise funds.

The Unemployment Trust Fund accounts for the Unemployment Insurance Program in the State. Revenues decreased by over \$13 million (5%). The decrease is mainly due to the cessation of the Temporary Extended Unemployment Compensation Program, with a corresponding reduction in federal revenues. Expenses for the Unemployment Trust

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Fund increased by approximately \$4 million (2%), due to additional unemployed workers who received benefits during the year. Maximum weekly unemployment benefits were also increased.

GENERAL FUND BUDGETARY HIGHLIGHTS

Supplemental appropriations are usually passed before the end of the fiscal year based on revisions to estimated revenues by the Revenue Estimating Conference and the needs of various departments and programs. These supplemental appropriations are included in the final budget, but are not in the original budget, which is mainly the reason why final budgeted revenues and expenses exceed original budgeted revenues and expenses. Transfers in from other funds make up the difference between revenues and expenditures. Final budgeted revenues were approximately \$4 billion greater than originally budgeted, due mainly from \$3.7 billion in additional Federal funding for the Road Home Program. Final budgeted expenditures were approximately \$5.3 billion greater than originally budgeted, mostly due to \$4.8 billion in unexpended/underdrawn federal funds for the Community Development Block Grant program, through which the Road Home program is funded. In addition, final budgeted revenues and expenditures in excess of original amounts include \$332 million for the State's Recovery School District, which has authority over the lowest-performing public schools statewide. Twenty-two schools were open in fiscal year 2007 and 33 schools opened in fiscal year 2008, serving over 12,500 students.

Actual revenues were \$6.6 billion less than the final budgeted revenues and actual expenditures were \$7.7 billion less than final budgeted expenditures. Increases in budgeted levels of Community Development Block Grant funding to provide for obligations of the Road Home Program occurred during the fiscal year, and actual amounts were not received or expended by fiscal year end. Also, actual payments for cash assistance and child care subsidies provided through the Department of Social Services were below budgeted amounts, resulting from a decrease in the number of eligible claimants after the hurricanes in 2005. Amounts budgeted for these programs for fiscal year 2008 remained at pre-Katrina levels because of uncertainty in the number of eligible claimants.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

(net of depreciation, in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
	Land	\$ 2,103,347	\$ 2,039,899	\$ 5,666	\$ 4,957	\$ 2,109,013
Buildings and Improvements	1,178,742	1,166,398	13,974	12,913	1,192,716	1,179,311
Equipment	276,533	190,568	6,675	6,323	283,208	196,891
Infrastructure	11,132,495	10,127,262	--	--	11,132,495	10,127,262
Construction-in-Progress	478,490	239,103	159,467	56,949	637,957	296,052
Total	\$ 15,169,607	\$ 13,763,230	\$ 185,782	\$ 81,142	\$ 15,355,389	\$ 13,844,372

Capital Assets

Investment in capital assets for governmental and business-type activities of the State as of June 30, 2008, totaled approximately \$15.2 billion and \$185.8 million (net of accumulated depreciation) respectively. Approximately 83% of the governmental capital assets are depreciable. Investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, roads, highways, and bridges. The increase in investment in governmental capital assets for the current fiscal year is \$1.4 Billion (10.22%). The majority of the increase in land and infrastructure can be attributed to the TIMED Program. This \$4.9 billion improvement program involves specific transportation projects

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that include widening over 500 miles of state highways from two to four lanes to make Louisiana more attractive for companies moving goods from, into, and through the State; widening and/or new construction on three major bridges to expand shipping options; and improvements to the Port of New Orleans and Louis Armstrong International Airport to promote increased trade with Central and South American markets. An additional benefit of the TIMED Program is the improvement of vital north-south evacuation routes for southeast and southwest Louisiana.

Construction-in-progress for governmental activities increased by \$239.4 million over last year, largely due to the addition of capital outlay for Military Affairs for the replacement of Military/National Guard facilities damaged by Hurricanes Katrina and Rita. Construction-in-progress additions included the Capitol Complex Visitor Center Parking Garage, Grand Isle Marine Lab, renovation and expansion of the Louisiana School for Math, Science, and the Arts Annex building, and a number of other general government projects.

The investment in capital assets for business-type activities increased by \$104.6 million over fiscal year 2007 because of ongoing construction-in-progress by the Louisiana Transportation Authority for improvement of Louisiana Highway 1 to enhance road accessibility to the Gulf of Mexico, one of the nation's major offshore oil and gas fields. The Louisiana Transportation Authority was created for the purpose of developing, improving, and maintaining an efficient intermodal transportation system in the State to promote the State's economic growth and ability to compete in regional, national, and global markets.

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

Outstanding Debt						
General Obligation and Revenue Bonds						
(in thousands)						
	Governmental		Business-type		Total	
	Activities		Activities		Primary	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General obligation bonds	\$ 2,622,435	\$ 2,778,140	\$ --	\$ --	\$ 2,622,435	\$ 2,778,140
Revenue bonds and notes	3,282,105	3,342,805	163,669	163,728	3,445,774	3,506,533
Total	<u>\$ 5,904,540</u>	<u>\$ 6,120,945</u>	<u>\$ 163,669</u>	<u>\$ 163,728</u>	<u>\$ 6,068,209</u>	<u>\$ 6,284,673</u>

Debt Administration

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

During the year, there were no new general obligation bonds issued. Louisiana Correctional Facilities Corporation issued \$23.2 million in revenue bonds to purchase the facility formerly known as the Swanson Correctional Center for Youth. Louisiana Public Facilities Authority also issued \$62.9 million in refunding bonds. The proceeds of the bonds were loaned to the Louisiana Department of Public Safety and Corrections for the purpose of defeasing and advance refunding the Series 1999 and 2001 bonds. The defeasance and advance refunding of the refunded bonds is being undertaken for the purpose of lowering the total overall cost of debt service to the department.

Debt authorization and limitations are discussed in Note 8. Bond ratings for general obligation debt increased from "A" to "A+" as rated by Standard and Poor's and Fitch and increased from "A2" to "A1" as rated by Moody's. Refer to Note 8, Long-Term Obligations, for more details on long-term debt.

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ECONOMIC FACTORS

(The Louisiana Economic Outlook: 2009 and 2010, by Loren C. Scott, James A. Richardson, M. Dek Terrell, and Mary Jo Neathery, published in October 2008; Louisiana Department of Economic Development's website, www.led.louisiana.gov; "Louisiana Economic Development Head, Moret Talks About State Future.", 17 November 2008 <<http://www.BayouBuzz.com>>).

Louisiana is repositioning itself to be the next great American State for business investments and economic opportunity. It is transforming the public policy and improving business development to enhance the attractiveness of Louisiana as a place in which to invest. In an effort to increase economic competitiveness, Governor Bobby Jindal has adopted new governmental ethics laws that catapulted Louisiana to the top of the list of preferred locations for investment and growth. He eliminated unorthodox taxes such as: the sales tax on manufacturing machinery and equipment, the franchise tax on corporate debt, and the sales tax on natural gas and business utilities. Governor Jindal also eliminated the Stelly Tax, which was imposed in 2002 and increased income tax rates from 4 percent to 6 percent for income between \$25,000 and \$50,000, reverting it back to pre-Stelly Tax rates.

The State has been struck by several hurricanes within the past three years, the most recent being Hurricane Gustav on September 1, 2008. Gustav created major power outages that resulted in a decrease in the State's production of output and plummeted revenue generation. In just one day Louisiana lost over \$500 million of output which continued until power was restored to Louisiana's major businesses. This was a drastic loss for the State but not as extensive as losses that were incurred from previous hurricanes.

At the national level, unprecedented events have occurred that have caused a tremendous credit freeze and a need for a \$700 billion plan by the government to price and purchase bad assets at lending institutions. Certainly the State is not immune to this economic situation. In December 2008, the Revenue Estimating Conference met and adopted a \$341 million revenue shortfall for the 2009 fiscal year and a revised revenue estimate that creates a projected \$2 billion shortfall for Fiscal Year 2010. The shortfall is largely due to the decline in oil prices, which is trading near \$40 a barrel.

In spite of the slump in oil prices, Louisiana's economy is outperforming that of the nation. It has at least a five-year backlog of industrial construction projects, the real-estate markets are holding up well, the banking sector remains healthy and continues to make loans, and the unemployment rate is well below that of the nation. Louisiana has a significant number of high potential prospects and recent business development successes despite the nation's slowdown. The State will be home to the first nuclear module manufacturing facility in the United States through an agreement between the Shaw Group, Inc. and Westinghouse. According to an economic impact analysis performed by Louisiana State University, the Shaw/Westinghouse agreement will result in \$17.8 billion in new sales, \$4.5 billion in new earnings, and 9,205 Louisiana jobs, including indirect jobs, over 15 years. This is one of the largest projects ever announced in Louisiana.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

State of Louisiana

STATEMENT OF NET ASSETS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL PRIMARY GOVERNMENT	
ASSETS				
CASH AND CASH EQUIVALENTS	\$ 7,836,470	\$ 1,716,598	\$ 9,553,068	\$ 1,502,566
INVESTMENTS	4,220,382	182,350	4,402,732	2,105,563
RECEIVABLES (NET)	2,190,513	63,569	2,254,082	621,760
AMOUNTS DUE FROM PRIMARY GOVERNMENT	--	--	--	129,775
AMOUNTS DUE FROM COMPONENT UNITS	14,532	--	14,532	--
DUE FROM FEDERAL GOVERNMENT	2,214,636	141	2,214,777	41,726
INTERNAL BALANCES	10,084	(10,084)	--	--
INVENTORIES	67,443	6,278	73,721	54,423
PREPAYMENTS	148,332	500	148,832	28,203
NOTES RECEIVABLE	--	703,012	703,012	206,093
OTHER ASSETS	223,745	11,973	235,718	116,833
CAPITAL ASSETS (NOTE 5)				
LAND	2,103,347	5,666	2,109,013	445,289
BUILDINGS AND IMPROVEMENTS (NET OF DEPRECIATION)	1,178,742	13,974	1,192,716	2,674,923
MACHINERY AND EQUIPMENT (NET OF DEPRECIATION)	276,533	6,675	283,208	512,244
INFRASTRUCTURE (NET OF DEPRECIATION)	11,132,495	--	11,132,495	358,218
CONSTRUCTION IN PROGRESS	478,490	159,467	637,957	356,497
TOTAL ASSETS	32,095,744	2,860,119	34,955,863	9,154,113
LIABILITIES				
ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES	3,329,235	28,473	3,357,708	1,046,169
ACCRUED INTEREST ON BONDS	44,349	--	44,349	--
AMOUNTS DUE TO PRIMARY GOVERNMENT	--	--	--	14,532
AMOUNTS DUE TO COMPONENT UNITS	129,775	--	129,775	--
DUE TO FEDERAL GOVERNMENT	214,423	9	214,432	33
DUE TO LOCAL GOVERNMENTS	54,988	--	54,988	--
UNEARNED REVENUE	213,216	3,866	217,082	309,892
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	78	78	--
OTHER LIABILITIES	77,030	47,596	124,626	10,325
CURRENT PORTION OF LONG-TERM LIABILITIES (NOTE 8):				
COMPENSATED ABSENCES	12,253	807	13,060	18,838
CAPITAL LEASE OBLIGATIONS	5,097	145	5,242	7,080
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	23,402
NOTES PAYABLE	445	183	628	17,697
BONDS PAYABLE	488,155	--	488,155	43,771
ESTIMATED LIABILITY FOR CLAIMS	268,825	--	268,825	114
UNAMORTIZED BOND PREMIUM	12,035	--	12,035	--
OTHER LONG-TERM LIABILITIES	4,244	--	4,244	22,459
NONCURRENT PORTION OF LONG-TERM LIABILITIES (NOTE 8):				
COMPENSATED ABSENCES	203,038	1,595	204,633	188,600
CAPITAL LEASE OBLIGATIONS	7,590	114	7,704	65,628
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	19,823
NOTES PAYABLE	641	2,026	2,667	77,617
BONDS PAYABLE	5,416,385	163,669	5,580,054	2,786,668
OPEB PAYABLE	596,583	4,944	601,527	351,957
ESTIMATED LIABILITY FOR CLAIMS	2,124,378	50	2,124,428	28,379
UNAMORTIZED BOND PREMIUM	175,156	--	175,156	--
OTHER LONG-TERM LIABILITIES	40,384	73,248	113,632	28,656
TOTAL LIABILITIES	13,418,225	326,803	13,745,028	5,061,640
NET ASSETS				
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	12,780,381	19,755	12,800,136	2,747,713
RESTRICTED FOR:				
CAPITAL PROJECTS	2,291,340	45,039	2,336,379	1,482
DEBT SERVICE	132,787	--	132,787	49,339
UNEMPLOYMENT COMPENSATION	--	1,424,748	1,424,748	--
OTHER PURPOSES	412,459	102,973	515,432	142,669
PERMANENT FUNDS AND ENDOWMENTS:				
NONEXPENDABLE	983,277	--	983,277	624,223
EXPENDABLE	1,394,526	--	1,394,526	861,556
UNRESTRICTED	682,749	940,801	1,623,550	(334,509)
TOTAL NET ASSETS	\$ 18,677,519	\$ 2,533,316	\$ 21,210,835	\$ 4,092,473

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

State of Louisiana

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS							COMPONENT UNITS
	EXPENSES	PROGRAM REVENUES			PRIMARY GOVERNMENT			
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	
PRIMARY GOVERNMENT:								
GOVERNMENTAL ACTIVITIES:								
GENERAL GOVERNMENT	\$ 8,693,766	\$ 2,063,639	\$ 1,365,762	\$ 4,773,433	\$ (490,932)		\$ (490,932)	
CULTURE, RECREATION, AND TOURISM	148,178	33,232	14,511	--	(100,435)		(100,435)	
TRANSPORTATION AND DEVELOPMENT	1,052,169	222,756	10,506	621,785	(197,122)		(197,122)	
PUBLIC SAFETY	331,086	306,615	20,482	--	(3,989)		(3,989)	
HEALTH AND WELFARE	8,615,435	278,254	6,178,148	--	(2,159,033)		(2,159,033)	
CORRECTIONS	649,858	32,553	2,641	3,580	(611,084)		(611,084)	
YOUTH SERVICES	165,840	584	423	607	(164,226)		(164,226)	
CONSERVATION AND ENVIRONMENT	439,009	1,046,365	85,503	5,610	698,469		698,469	
EDUCATION	6,871,321	31,158	1,170,661	--	(5,669,502)		(5,669,502)	
OTHER	43,217	--	--	--	(43,217)		(43,217)	
INTERGOVERNMENTAL	540,505	1,246	--	--	(539,259)		(539,259)	
INTEREST ON LONG-TERM DEBT	297,201	--	--	--	(297,201)		(297,201)	
TOTAL GOVERNMENTAL ACTIVITIES	27,847,585	4,016,402	8,848,637	5,405,015	(9,577,531)		(9,577,531)	
BUSINESS-TYPE ACTIVITIES:								
UNEMPLOYMENT TRUST FUND	189,095	237,406	2,695	--	\$ 51,006		51,006	
NONMAJOR ENTERPRISE FUNDS	333,801	468,369	--	41,003		175,571	175,571	
TOTAL BUSINESS-TYPE ACTIVITIES	522,896	705,775	2,695	41,003		226,577	226,577	
TOTAL PRIMARY GOVERNMENT	\$ 28,370,481	\$ 4,722,177	\$ 8,851,332	\$ 5,446,018	(9,577,531)	226,577	(9,350,954)	
COMPONENT UNITS:								
STATE UNIVERSITIES:								
LOUISIANA STATE UNIVERSITY SYSTEM	\$ 3,362,900	\$ 1,809,142	\$ 498,855	\$ 76,404			\$ (978,499)	
UNIVERSITY OF LOUISIANA SYSTEM	1,134,832	350,546	209,320	35,933			(539,033)	
SOUTHERN UNIVERSITY SYSTEM	264,570	49,033	76,526	5,740			(133,271)	
LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM	439,004	60,798	121,872	22,597			(233,737)	
BOARD OF REGENTS	130,998	7,788	966	--			(122,244)	
AUTHORITIES:								
LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION (UNAUDITED)	170,477	161,814	--	--			(8,663)	
LOUISIANA STADIUM AND EXPOSITION DISTRICT	118,120	34,293	--	10,563			(73,264)	
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST AND WEST	47,128	5,992	191	18,718			(22,227)	
OTHER COMPONENT UNITS	415,177	66,979	166,188	159,044			(22,966)	
TOTAL COMPONENT UNITS	\$ 6,083,206	\$ 2,546,385	\$ 1,073,918	\$ 328,999			(2,133,904)	
GENERAL REVENUES:								
INCOME TAXES					3,869,834		3,869,834	
SALES TAXES					3,147,604		3,147,604	
FRANCHISE TAXES					233,789		233,789	
GASOLINE TAXES, restricted for transportation					604,683		604,683	
TOBACCO TAXES					96,314		96,314	
MISCELLANEOUS TAXES					1,667,668		1,667,668	
TOBACCO SETTLEMENT, restricted for education, health and welfare					64,294		64,294	
GAMING					742,518		742,518	
UNRESTRICTED INVESTMENT EARNINGS					(3,601)		(3,601)	
MISCELLANEOUS					310		310	1,838,195
OTHER					141,410	12,784	154,194	628,183
EXTRAORDINARY ITEM - Loss on impairment of capital assets					--	--	--	(10,764)
TRANSFERS					132,219	(132,219)	--	--
TOTAL GENERAL REVENUES AND TRANSFERS					10,697,042	(119,435)	10,577,607	2,455,614
CHANGE IN NET ASSETS					1,119,511	107,142	1,226,653	321,710
NET ASSETS - BEGINNING AS RESTATED					17,558,008	2,426,174	19,984,182	3,770,763
NET ASSETS - ENDING					\$ 18,677,519	\$ 2,533,316	\$ 21,210,835	\$ 4,092,473

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

**GOVERNMENTAL FUND
FINANCIAL STATEMENTS**

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Major Funds

GENERAL FUND

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

BOND SECURITY AND REDEMPTION FUND

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

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

LOUISIANA EDUCATION QUALITY TRUST FUND

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

State of Louisiana

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	GENERAL FUND	BOND SECURITY AND REDEMPTION FUND	LOUISIANA EDUCATION QUALITY TRUST FUND	NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
CASH AND CASH EQUIVALENTS	\$ 1,320,104	\$ 378,054	\$ --	\$ 6,130,232	\$ 7,828,390
INVESTMENTS	30,201	--	981,047	3,107,470	4,118,718
RECEIVABLES (NET)	247,674	1,627,659	--	47,883	1,923,216
DUE FROM OTHER FUNDS	1,175,170	109,555	1,159	429,925	1,715,809
AMOUNTS DUE FROM COMPONENT UNITS	4,802	8,870	--	860	14,532
DUE FROM FEDERAL GOVERNMENT	1,490,315	--	--	106,791	1,597,106
INVENTORIES	65,204	--	--	--	65,204
PREPAYMENTS	147,813	--	--	--	147,813
OTHER ASSETS	340	--	--	3,540	3,880
TOTAL ASSETS	\$ 4,481,623	\$ 2,124,138	\$ 982,206	\$ 9,826,701	\$ 17,414,668
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ 1,868,090	\$ 332	\$ --	\$ 294,193	\$ 2,162,615
OTHER PAYABLES	96,616	261,483	--	--	358,099
DUE TO OTHER FUNDS	140,797	1,140,010	14,642	409,772	1,705,221
AMOUNTS DUE TO COMPONENT UNITS	73,491	--	--	56,284	129,775
DUE TO FEDERAL GOVERNMENT	214,423	--	--	--	214,423
DUE TO LOCAL GOVERNMENTS	--	--	--	54,988	54,988
DEFERRED REVENUES	188,455	722,313	--	--	910,768
ESTIMATED LIABILITY FOR CLAIMS	268,825	--	--	--	268,825
OTHER LIABILITIES	--	--	--	77,030	77,030
TOTAL LIABILITIES	2,850,697	2,124,138	14,642	892,267	5,881,744
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	132,787	132,787
INVENTORIES	65,204	--	--	--	65,204
ENCUMBRANCES	129,767	--	--	85,745	215,512
CONTINUING PROJECTS	--	--	--	370,539	370,539
CONSTRUCTION	--	--	--	2,291,340	2,291,340
TRUST PRINCIPAL	--	--	967,564	15,713	983,277
OTHER SPECIFIC PURPOSES	595,699	--	--	85,118	680,817
UNRESERVED / DESIGNATED, REPORTED IN:					
GENERAL FUND	46,689	--	--	--	46,689
SPECIAL REVENUE FUNDS	--	--	--	29,111	29,111
DEBT SERVICE FUNDS	--	--	--	8,645	8,645
CAPITAL PROJECTS FUNDS	--	--	--	849	849
PERMANENT FUNDS	--	--	--	5,371	5,371
UNRESERVED / UNDESIGNATED, REPORTED IN:					
GENERAL FUND	793,567	--	--	--	793,567
SPECIAL REVENUE FUNDS	--	--	--	4,604,941	4,604,941
PERMANENT FUNDS	--	--	--	1,304,275	1,304,275
TOTAL FUND BALANCES	1,630,926	--	967,564	8,934,434	11,532,924
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,481,623	\$ 2,124,138	\$ 982,206	\$ 9,826,701	\$ 17,414,668

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

State of Louisiana

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

(Expressed in Thousands)

Total Fund Balances - Governmental Funds \$ 11,532,924

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

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

	\$		
Land		2,103,046	
Buildings and Improvements		1,717,622	
Machinery and Equipment		820,044	
Infrastructure		20,283,995	
Construction in Progress		478,490	
Accumulated Depreciation		<u>(10,236,877)</u>	15,166,320

Net assets of the Internal Service Funds are reported separately in the proprietary funds, but are consolidated for the government-wide statements. 52,841

Commodities inventory is not reported in the funds. Ending inventory must be reported on the government-wide statements. 1,170

Bonds issued by the State have associated costs that are paid from current available financial resources in the funds. These costs are deferred on the Statement of Net Assets. 104,147

The net pension obligation (NPO) represents the outstanding balance of the cumulative variance between the annual required contribution (ARC) and the amount actually contributed by employers. The negative NPO for certain pension trusts results from a cumulative outstanding balance of contributions overpayments. A negative NPO is a negative liability and reduces the total unfunded accrued liability of the plan which is not reported in the funds. 54,607

The other postemployment benefits (OPEB) annual required contributions of certain governmental funds have been under-funded, creating a year-end liability, which is not reported in the funds. (593,911)

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

Compensated Absences		(214,543)	
Capital Lease Obligations		(12,687)	
Bonds Payable		(5,904,540)	
Estimated Liabilities for Claims		(2,124,378)	
Unamortized Bond Premium		(187,191)	
Accrued Interest Payable		<u>(44,349)</u>	(8,487,688)

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

Accounts Receivable		255,377	
Due From Federal Government		617,530	
Deferred Revenues		722,313	
Other Assets		57,485	
Prepayments		<u>473</u>	1,653,178

Some payables do not meet the criteria for reporting under the modified accrual basis of accounting and are not reported in the fund level statements. (806,069)

Net Assets of Governmental Activities \$ 18,677,519

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, 2008

(EXPRESSED IN THOUSANDS)

	GENERAL FUND	BOND SECURITY AND REDEMPTION FUND	LOUISIANA EDUCATION QUALITY TRUST FUND	NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
INTERGOVERNMENTAL REVENUES	\$ 13,241,880	\$ 10,674	\$ --	\$ 939,805	\$ 14,192,359
TAXES	--	9,428,072	--	147,122	9,575,194
GAMING	--	746,993	--	--	746,993
TOBACCO SETTLEMENT	--	64,250	--	96,376	160,626
USE OF MONEY AND PROPERTY	118,450	1,305,876	(27,369)	119,806	1,516,763
LICENSES, PERMITS, AND FEES	--	563,152	--	66,074	629,226
SALES OF COMMODITIES AND SERVICES	--	1,067,478	--	--	1,067,478
OTHER	53,747	468,049	--	20,857	542,653
	<u>13,414,077</u>	<u>13,654,544</u>	<u>(27,369)</u>	<u>1,390,040</u>	<u>28,431,292</u>
TOTAL REVENUES					
EXPENDITURES					
CURRENT:					
GENERAL GOVERNMENT	8,172,304	--	--	--	8,172,304
CULTURE, RECREATION, AND TOURISM	129,615	--	--	--	129,615
TRANSPORTATION AND DEVELOPMENT	433,359	--	--	--	433,359
PUBLIC SAFETY	290,245	--	--	--	290,245
HEALTH AND WELFARE	8,330,132	--	--	--	8,330,132
CORRECTIONS	606,876	--	--	--	606,876
YOUTH SERVICES	155,475	--	--	--	155,475
CONSERVATION AND ENVIRONMENT	324,512	--	--	--	324,512
EDUCATION	6,587,432	--	--	--	6,587,432
OTHER	20,495	913	--	275,295	296,703
INTERGOVERNMENTAL	540,504	--	--	134,135	674,639
CAPITAL OUTLAY	--	--	--	2,254,867	2,254,867
DEBT SERVICE:					
PRINCIPAL RETIREMENT	28,800	155,705	--	48,955	233,460
INTEREST AND FISCAL CHARGES	18,772	126,165	--	152,606	297,543
	<u>25,638,521</u>	<u>282,783</u>	<u>--</u>	<u>2,865,858</u>	<u>28,787,162</u>
TOTAL EXPENDITURES					
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(12,224,444)</u>	<u>13,371,761</u>	<u>(27,369)</u>	<u>(1,475,818)</u>	<u>(355,870)</u>
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN	14,284,050	135,191	22,251	6,019,328	20,460,820
TRANSFERS OUT	(2,039,066)	(13,506,952)	--	(4,782,583)	(20,328,601)
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	(71,593)	(71,593)
LONG-TERM DEBT ISSUED	--	--	--	74,129	74,129
OTHER	11,081	--	--	--	11,081
	<u>12,256,065</u>	<u>(13,371,761)</u>	<u>22,251</u>	<u>1,239,281</u>	<u>145,836</u>
TOTAL OTHER FINANCING SOURCES (USES)					
NET CHANGE IN FUND BALANCES	31,621	--	(5,118)	(236,537)	(210,034)
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	1,608,410	--	972,682	9,170,971	11,752,063
DECREASE IN RESERVES FOR INVENTORIES	(9,105)	--	--	--	(9,105)
FUND BALANCES AT END OF YEAR	<u>\$ 1,630,926</u>	<u>\$ --</u>	<u>\$ 967,564</u>	<u>\$ 8,934,434</u>	<u>\$ 11,532,924</u>

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

State of Louisiana

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

(Expressed in Thousands)

Net Change in Fund Balances - Total Governmental Funds \$ (210,034)

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

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

Land	\$ 63,448	
Buildings and Improvements	12,528	
Machinery and Equipment	87,741	
Infrastructure	1,005,233	
Construction in Progress	<u>239,387</u>	1,408,337

Revenues and expenses in the statement of activities that do not provide current financial resources are not reported as revenues and expenditures in the funds. (29,858)

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

Bond Proceeds and Premiums Received	(74,129)	
Repayment of Bond Principal	233,780	
Payment to Refunded Bond Escrow Agent	<u>71,593</u>	231,244

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. 5,245

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

Compensated Absences	(23,244)	
Capital Lease Obligations	36,785	
Accrued Interest Payable	(44,557)	
Estimated Liabilities for Claims	338,771	
Unamortized Bond Premium	12,035	
OPEB Payable	(593,911)	
Deferred Charges - Issuance Costs and Discounts	<u>(1,717)</u>	(275,838)

Revenues and expenses relating to changes in inventory are not reported in the funds. Current year inventory activity must be reported on the government-wide statements. (9,585)

Change in Net Assets of Governmental Activities \$ 1,119,511

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

**PROPRIETARY FUND
FINANCIAL STATEMENTS**

PROPRIETARY FUND FINANCIAL STATEMENTS

Major Fund

UNEMPLOYMENT TRUST FUND

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

State of Louisiana

BALANCE SHEET

PROPRIETARY FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	UNEMPLOYMENT TRUST FUND	OTHER ENTERPRISE FUNDS	TOTAL	
ASSETS				
CURRENT ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 1,496,504	\$ 218,752	\$ 1,715,256	\$ 8,080
INVESTMENTS	--	35,454	35,454	68,534
RECEIVABLES (NET)	45,830	17,537	63,367	11,920
DUE FROM FEDERAL GOVERNMENT	117	24	141	--
INVENTORIES	--	6,278	6,278	1,069
PREPAYMENTS	--	500	500	46
NOTES RECEIVABLE	--	14,325	14,325	--
OTHER CURRENT ASSETS	--	114	114	841
TOTAL CURRENT ASSETS	1,542,451	292,984	1,835,435	90,490
NONCURRENT ASSETS:				
RESTRICTED ASSETS				
CASH	--	1,342	1,342	--
INVESTMENTS	--	146,472	146,472	33,130
RECEIVABLES	--	202	202	--
INVESTMENTS	--	424	424	--
NOTES RECEIVABLE	--	688,687	688,687	--
CAPITAL ASSETS (NOTE 5)				
LAND	--	5,666	5,666	301
BUILDINGS AND IMPROVEMENTS (NET OF DEPRECIATION)	--	13,974	13,974	--
MACHINERY AND EQUIPMENT (NET OF DEPRECIATION)	--	6,675	6,675	2,986
CONSTRUCTION IN PROGRESS	--	159,467	159,467	--
OTHER NONCURRENT ASSETS	--	11,859	11,859	2,595
TOTAL NONCURRENT ASSETS	--	1,034,768	1,034,768	39,012
TOTAL ASSETS	\$ 1,542,451	\$ 1,327,752	\$ 2,870,203	\$ 129,502
LIABILITIES				
CURRENT LIABILITIES:				
ACCOUNTS PAYABLE AND ACCRUALS	\$ 3,835	\$ 24,121	\$ 27,956	\$ 2,452
DUE TO OTHER FUNDS	--	10,084	10,084	504
DUE TO FEDERAL GOVERNMENT	9	--	9	--
DEFERRED REVENUES	--	3,689	3,689	24,761
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	78	78	--
OTHER CURRENT LIABILITIES	13,451	34,145	47,596	--
CURRENT PORTION OF LONG-TERM LIABILITIES:				
COMPENSATED ABSENCES PAYABLE	--	807	807	45
CAPITAL LEASE OBLIGATIONS	--	145	145	--
NOTES PAYABLE	--	183	183	445
OTHER LONG-TERM LIABILITIES	--	--	--	4,054
TOTAL CURRENT LIABILITIES	17,295	73,252	90,547	32,261
NONCURRENT LIABILITIES:				
NON-CURRENT PORTION OF LONG-TERM LIABILITIES:				
CONTRACTS PAYABLE	--	517	517	--
COMPENSATED ABSENCES PAYABLE	--	1,595	1,595	703
CAPITAL LEASE OBLIGATIONS	--	114	114	--
DEFERRED REVENUES	--	177	177	--
CLAIMS AND LITIGATION PAYABLE	--	50	50	--
NOTES PAYABLE	--	2,026	2,026	641
BONDS PAYABLE (NET OF UNAMORTIZED DISCOUNTS)	--	163,669	163,669	--
OPEB PAYABLE	--	4,944	4,944	2,672
OTHER LONG-TERM LIABILITIES	--	73,248	73,248	40,384
TOTAL NONCURRENT LIABILITIES	--	246,340	246,340	44,400
TOTAL LIABILITIES	17,295	319,592	336,887	76,661
NET ASSETS				
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	--	19,755	19,755	2,510
RESTRICTED FOR CAPITAL PROJECTS	--	45,039	45,039	--
RESTRICTED FOR DEBT SERVICE	--	--	--	38,811
RESTRICTED FOR UNEMPLOYMENT COMPENSATION	1,424,748	--	1,424,748	--
RESTRICTED FOR OTHER SPECIFIC PURPOSES	100,408	2,565	102,973	--
UNRESTRICTED	--	940,801	940,801	11,520
TOTAL NET ASSETS	1,525,156	1,008,160	2,533,316	52,841
TOTAL LIABILITIES AND NET ASSETS	\$ 1,542,451	\$ 1,327,752	\$ 2,870,203	\$ 129,502

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

State of Louisiana

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

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	UNEMPLOYMENT TRUST FUND	OTHER ENTERPRISE FUNDS	TOTAL	
OPERATING REVENUES:				
SALES OF COMMODITIES AND SERVICES	\$ --	\$ 420,212	\$ 420,212	\$ 65,484
INTERGOVERNMENTAL REVENUES	2,695	--	2,695	--
ASSESSMENTS	166,722	4,105	170,827	--
USE OF MONEY AND PROPERTY	70,684	17,882	88,566	23,686
LICENSES, PERMITS, AND FEES	--	25,460	25,460	--
OTHER	--	2,342	2,342	16
TOTAL OPERATING REVENUES	<u>240,101</u>	<u>470,001</u>	<u>710,102</u>	<u>89,186</u>
OPERATING EXPENSES:				
COST OF SALES AND SERVICES	--	256,705	256,705	51,123
ADMINISTRATIVE	--	63,294	63,294	37,798
DEPRECIATION	--	2,237	2,237	1,429
AMORTIZATION	--	6	6	110
UNEMPLOYMENT INSURANCE BENEFITS	189,095	--	189,095	--
TOTAL OPERATING EXPENSES	<u>189,095</u>	<u>322,242</u>	<u>511,337</u>	<u>90,460</u>
OPERATING INCOME (LOSS)	<u>51,006</u>	<u>147,759</u>	<u>198,765</u>	<u>(1,274)</u>
NONOPERATING REVENUES (EXPENSES):				
INTERGOVERNMENTAL EXPENSES	--	(1,118)	(1,118)	--
USE OF MONEY AND PROPERTY	--	7,617	7,617	19,607
GAIN ON DISPOSAL OF FIXED ASSETS	--	37	37	--
LOSS ON DISPOSAL OF FIXED ASSETS	--	(219)	(219)	(58)
INTEREST EXPENSE	--	(6,650)	(6,650)	(16,772)
OTHER REVENUES	--	3,498	3,498	8,721
OTHER EXPENSES	--	(3,572)	(3,572)	(4,979)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>--</u>	<u>(407)</u>	<u>(407)</u>	<u>6,519</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	51,006	147,352	198,358	5,245
CAPITAL CONTRIBUTIONS	--	41,003	41,003	--
TRANSFERS OUT	--	(132,219)	(132,219)	--
CHANGE IN NET ASSETS	51,006	56,136	107,142	5,245
TOTAL NET ASSETS - BEGINNING AS RESTATED	<u>1,474,150</u>	<u>952,024</u>	<u>2,426,174</u>	<u>47,596</u>
TOTAL NET ASSETS - ENDING	<u>\$ 1,525,156</u>	<u>\$ 1,008,160</u>	<u>\$ 2,533,316</u>	<u>\$ 52,841</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, 2008

(EXPRESSED IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	UNEMPLOYMENT TRUST FUND	OTHER ENTERPRISE FUNDS	TOTAL	
CASH FLOWS FROM OPERATING ACTIVITIES:				
CASH RECEIVED FROM CUSTOMERS	\$ 176,465	\$ 252,406	\$ 428,871	\$ 89,063
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	--	(70,290)	(70,290)	(74,344)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	--	(32,439)	(32,439)	(11,948)
CLAIMS PAID TO OUTSIDERS	(188,354)	(22,771)	(211,125)	--
OTHER OPERATING REVENUES	70,509	8,390	78,899	--
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>58,620</u>	<u>135,296</u>	<u>193,916</u>	<u>2,771</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
PROCEEDS FROM SALE OF BONDS	--	2,235	2,235	--
PRINCIPAL PAID ON BONDS	--	(2,250)	(2,250)	--
INTEREST PAID ON BOND MATURITIES	--	(9)	(9)	--
PRINCIPAL PAID ON NOTES PAYABLE	--	(22)	(22)	--
TRANSFERS IN	--	1,074	1,074	--
TRANSFERS OUT	--	(136,441)	(136,441)	--
OTHER	--	(2)	(2)	(27,980)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	<u>--</u>	<u>(135,415)</u>	<u>(135,415)</u>	<u>(27,980)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
PROCEEDS FROM SALE OF BONDS	--	--	--	23,852
PRINCIPAL PAID ON BONDS	--	--	--	(22,645)
INTEREST PAID ON BOND MATURITIES	--	--	--	(16,570)
PROCEEDS FROM ISSUANCE OF NOTES PAYABLE	--	517	517	--
PRINCIPAL PAID ON NOTES PAYABLE	--	(286)	(286)	(837)
INTEREST PAID ON NOTES PAYABLE	--	(6,762)	(6,762)	(57)
ACQUISITION/CONSTRUCTION OF CAPITAL ASSETS	--	(60,035)	(60,035)	(1,706)
PROCEEDS FROM SALE OF CAPITAL ASSETS	--	724	724	--
CAPITAL CONTRIBUTIONS	--	17,321	17,321	--
OTHER	--	124	124	45,577
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>--</u>	<u>(48,397)</u>	<u>(48,397)</u>	<u>27,614</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
PURCHASES OF INVESTMENT SECURITIES	--	(24,527)	(24,527)	(77,706)
PROCEEDS FROM SALE OF INVESTMENT SECURITIES	--	93,413	93,413	70,572
INTEREST AND DIVIDENDS EARNED ON INVESTMENT SECURITIES	--	7,796	7,796	5,133
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>--</u>	<u>76,682</u>	<u>76,682</u>	<u>(2,001)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	58,620	28,166	86,786	404
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR AS RESTATED	1,437,884	191,928	1,629,812	7,676
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,496,504</u>	<u>\$ 220,094</u>	<u>\$ 1,716,598</u>	<u>\$ 8,080</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
OPERATING INCOME (LOSS)	\$ 51,006	\$ 147,759	\$ 198,765	\$ (1,274)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
DEPRECIATION/AMORTIZATION	--	2,244	2,244	1,539
PROVISION FOR UNCOLLECTIBLE ACCOUNTS	--	23	23	--
OTHER	--	(1,274)	(1,274)	--
CHANGES IN ASSETS AND LIABILITIES:				
(INCREASE)DECREASE IN ACCOUNTS RECEIVABLE	7,058	(444)	6,614	(860)
(INCREASE)DECREASE IN DUE FROM OTHER FUNDS	(11)	5	(6)	--
(INCREASE)DECREASE IN PREPAYMENTS	--	303	303	(27)
(INCREASE)DECREASE IN INVENTORIES	--	(330)	(330)	36
(INCREASE)DECREASE IN OTHER ASSETS	--	(8,248)	(8,248)	(38)
INCREASE(DECREASE) IN ACCOUNTS PAYABLE AND ACCRUALS	558	2,410	2,968	891
INCREASE(DECREASE) IN COMPENSATED ABSENCES PAYABLE	--	173	173	23
INCREASE(DECREASE) IN DUE TO OTHER FUNDS	9	(25)	(16)	--
INCREASE(DECREASE) IN DEFERRED REVENUES	--	45	45	(223)
INCREASE(DECREASE) IN OPEB PAYABLE	--	4,945	4,945	2,672
INCREASE(DECREASE) IN OTHER LIABILITIES	--	(12,290)	(12,290)	32
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 58,620</u>	<u>\$ 135,296</u>	<u>\$ 193,916</u>	<u>\$ 2,771</u>

(Continued)

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

State of Louisiana

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

	2008
LOUISIANA STATE BOARD OF MEDICAL EXAMINERS INTEREST ON CERTIFICATES OF DEPOSITS RE-INVESTED	310
LOUISIANA STATE BOARD OF NURSING PURCHASES OF EQUIPMENT ON ACCOUNT	340
LOUISIANA LOTTERY CORPORATION NET INCREASE IN FAIR VALUE OF INVESTMENTS	670
INTEREST ACCRUED ON DEPOSITS WITH MULTI-STATE LOTTERY ASSOCIATION	543
OFFICE OF TELECOMMUNICATIONS MANAGEMENT DISPOSAL OF FIXED ASSETS	2

(Concluded)

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

**FIDUCIARY FUND
FINANCIAL STATEMENTS**

FIDUCIARY FUND FINANCIAL STATEMENTS

FIDUCIARY FUNDS

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

- *Pension trust funds* account for resources held in trust for members and beneficiaries of the four employee pension plans.
- *Investment trust funds* account for the portion of the government's investment pools that belong to others. The Louisiana Asset Management Pool is the only investment trust fund of the State.
- *Private-purpose trust funds* report all other trust arrangements benefiting those outside the government. Currently, the Louisiana Education Tuition and Savings Fund is the only private-purpose trust fund Louisiana maintains.

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

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

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

State of Louisiana

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	PENSION TRUST FUNDS	INVESTMENT TRUST FUND *	PRIVATE PURPOSE TRUST FUND	AGENCY FUNDS
ASSETS				
CASH AND CASH EQUIVALENTS	\$ 141,894	\$ 6,169	\$ 11,638	\$ 405,152
RECEIVABLES:				
EMPLOYER CONTRIBUTIONS	149,872	--	--	--
MEMBER CONTRIBUTIONS	76,759	--	--	--
INVESTMENT PROCEEDS	298,591	--	--	--
INTEREST AND DIVIDENDS	86,551	717	689	--
OTHER	14,108	--	798	134,851
TOTAL RECEIVABLES	625,881	717	1,487	134,851
INVESTMENTS (AT FAIR VALUE):				
SHORT TERM INVESTMENTS	1,160,352	337,507	--	--
U. S. GOVERNMENT AND AGENCY OBLIGATIONS	1,743,376	244,816	72,487	--
BONDS - DOMESTIC	2,186,921	--	--	--
BONDS - INTERNATIONAL	1,265,986	--	--	--
MARKETABLE SECURITIES - DOMESTIC	7,989,460	--	--	--
MARKETABLE SECURITIES - INTERNATIONAL	5,675,369	--	--	--
ALTERNATIVE INVESTMENTS	5,407,757	--	--	--
COLLATERAL HELD UNDER SECURITIES LENDING PROGRAM	3,088,121	--	--	--
REPURCHASE AGREEMENTS	--	1,079,799	--	--
OTHER	54,437	--	101,725	193,929
TOTAL INVESTMENTS	28,571,779	1,662,122	174,212	193,929
OTHER ASSETS	--	68	--	623
PROPERTY, PLANT AND EQUIPMENT (NET)	23,076	41	--	--
TOTAL ASSETS	29,362,630	1,669,117	187,337	734,555
LIABILITIES				
ACCOUNTS PAYABLE	25,571	158	1,329	--
INVESTMENT COMMITMENTS PAYABLE	334,559	--	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	593,334
OBLIGATIONS UNDER SECURITIES LENDING PROGRAM	3,088,121	--	--	--
OPEB PAYABLE	5,158	--	--	--
REFUNDS PAYABLE AND OTHER	18,313	31	--	--
OTHER LIABILITIES	--	--	--	141,221
TOTAL LIABILITIES	3,471,722	189	1,329	734,555
NET ASSETS				
HELD IN TRUST FOR:				
EMPLOYEES' PENSION BENEFITS	25,890,908	--	--	--
INVESTMENT POOL PARTICIPANTS	--	1,668,928	--	--
INDIVIDUALS, PRIVATE ORGANIZATIONS, AND OTHER GOVERNMENTS	--	--	186,008	--
TOTAL NET ASSETS	\$ 25,890,908	\$ 1,668,928	\$ 186,008	\$ --

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

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

State of Louisiana

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	PENSION TRUST FUNDS	INVESTMENT TRUST FUND *	PRIVATE PURPOSE TRUST FUND
ADDITIONS			
CONTRIBUTIONS:			
EMPLOYER	\$ 1,290,273	\$ --	\$ --
MEMBERS	542,098	--	--
POOL PARTICIPANTS (DEPOSITS)	--	1,745,021	--
TOTAL CONTRIBUTIONS	<u>1,832,371</u>	<u>1,745,021</u>	<u>--</u>
INVESTMENT INCOME:			
NET INCREASE (DECREASE) IN FAIR VALUE OF INVESTMENTS	(1,993,593)	164	(10,280)
INTEREST AND DIVIDENDS	660,740	59,162	6,707
ALTERNATIVE INVESTMENT INCOME	167,977	--	--
LESS ALTERNATIVE INVESTMENT EXPENSES	(48,999)	--	--
GAIN ON SALE OF INVESTMENT	--	10	--
SECURITIES LENDING INCOME	68,060	--	--
LESS SECURITIES LENDING EXPENSES	(48,379)	--	--
OTHER INVESTMENT INCOME	723	22,464	--
LESS INVESTMENT EXPENSE OTHER THAN SECURITIES LENDING	(63,251)	--	--
NET INVESTMENT INCOME (LOSS)	<u>(1,256,722)</u>	<u>81,800</u>	<u>(3,573)</u>
OTHER INCOME	<u>83,424</u>	<u>--</u>	<u>47,560</u>
TOTAL ADDITIONS	<u>659,073</u>	<u>1,826,821</u>	<u>43,987</u>
DEDUCTIONS			
RETIREMENT BENEFITS	2,268,625	--	--
REFUNDS OF CONTRIBUTIONS	70,851	--	--
ADMINISTRATIVE EXPENSES	41,544	1,780	--
DEPRECIATION EXPENSE	1,923	--	--
DISTRIBUTIONS TO POOL PARTICIPANTS	--	1,390,622	--
OTHER	--	--	9,505
TOTAL DEDUCTIONS	<u>2,382,943</u>	<u>1,392,402</u>	<u>9,505</u>
CHANGE IN NET ASSETS HELD IN TRUST FOR:			
EMPLOYEES' PENSION BENEFITS	(1,723,870)	--	--
INVESTMENT POOL PARTICIPANTS	--	434,419	--
INDIVIDUALS, PRIVATE ORGANIZATIONS, AND OTHER GOVERNMENTS	--	--	34,482
NET ASSETS - BEGINNING OF YEAR	<u>27,614,778</u>	<u>1,234,509</u>	<u>151,526</u>
NET ASSETS - END OF YEAR	<u>\$ 25,890,908</u>	<u>\$ 1,668,928</u>	<u>\$ 186,008</u>

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

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 all transactions relating to public institutions of higher education which are reported in the following systems:

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

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

LOUISIANA STADIUM AND EXPOSITION DISTRICT

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

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST AND WEST

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

LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION

Recognizing the gravity of the impact left by Hurricanes Katrina and Rita, this nonprofit organization was created to provide insurance plans for residential and commercial property applicants who are in good faith entitled, but unable to procure insurance through the voluntary insurance marketplace.



State of Louisiana

COMBINING BALANCE SHEET

COMPONENT UNITS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	LOUISIANA STATE UNIVERSITY SYSTEM	UNIVERSITY OF LOUISIANA SYSTEM	SOUTHERN UNIVERSITY SYSTEM	LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM
ASSETS				
CURRENT ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 528,047	\$ 187,345	\$ 33,157	\$ 86,848
INVESTMENTS	370,111	79,110	939	--
RECEIVABLES (NET)	305,168	54,322	19,811	21,693
PLEDGES RECEIVABLE (NET)	14,325	782	168	--
AMOUNTS DUE FROM PRIMARY GOVERNMENT	42,699	--	1,268	3,389
DUE FROM FEDERAL GOVERNMENT	--	1,620	12,915	19,090
INVENTORIES	40,235	7,068	352	1,212
PREPAYMENTS	5,911	6,497	699	809
NOTES RECEIVABLE	5,943	4,060	153	--
OTHER CURRENT ASSETS	11,773	3,287	69	--
TOTAL CURRENT ASSETS	1,324,212	344,091	69,531	133,041
NONCURRENT ASSETS:				
RESTRICTED ASSETS:				
CASH	84,603	118,042	22,893	10,017
INVESTMENTS	576,266	250,615	39,265	3,841
RECEIVABLES (NET)	16	652	1,204	--
NOTES RECEIVABLE	26,196	25,478	--	24
OTHER	23,647	7	--	--
INVESTMENTS	111,235	--	--	--
NOTES RECEIVABLE	--	11	--	--
PLEDGES RECEIVABLE (NET)	34,537	3,670	--	--
CAPITAL ASSETS (NOTE 5)				
LAND	129,424	47,821	7,267	20,441
BUILDINGS AND IMPROVEMENTS (NET OF DEPRECIATION)	1,110,219	728,679	153,901	184,737
MACHINERY AND EQUIPMENT (NET OF DEPRECIATION)	332,253	67,852	12,528	28,166
INFRASTRUCTURE (NET OF DEPRECIATION)	43,409	1,857	6,035	--
CONSTRUCTION IN PROGRESS	182,376	98,621	8,831	11,169
OTHER NONCURRENT ASSETS	21,469	18,660	2,243	1,182
TOTAL NONCURRENT ASSETS	2,675,650	1,361,965	254,167	259,577
TOTAL ASSETS	\$ 3,999,862	\$ 1,706,056	\$ 323,698	\$ 392,618
LIABILITIES				
CURRENT LIABILITIES:				
ACCOUNTS PAYABLE AND ACCRUALS	\$ 447,557	\$ 47,405	\$ 12,694	\$ 26,497
AMOUNTS DUE TO PRIMARY GOVERNMENT	620	26	225	7,960
DUE TO FEDERAL GOVERNMENT	--	--	--	10
DEFERRED REVENUES	86,467	24,011	9,253	14,839
OTHER CURRENT LIABILITIES	--	--	--	--
CURRENT PORTION OF LONG-TERM LIABILITIES:				
CONTRACTS PAYABLE	--	135	--	--
COMPENSATED ABSENCES PAYABLE	10,736	3,206	687	1,474
CAPITAL LEASE OBLIGATIONS	3,001	481	--	1,863
ESTIMATED LIABILITY FOR CLAIMS	--	--	114	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	18,149	4,071	338	844
NOTES PAYABLE	8,910	636	1,230	--
BONDS PAYABLE	20,394	6,550	51	2,165
OTHER LONG-TERM LIABILITIES	4,585	4,619	2,885	70
TOTAL CURRENT LIABILITIES	600,419	91,140	27,477	55,722
NONCURRENT LIABILITIES:				
NONCURRENT PORTION OF LONG-TERM LIABILITIES:				
COMPENSATED ABSENCES PAYABLE	120,956	31,501	13,194	16,190
CAPITAL LEASE OBLIGATIONS	51,599	1,074	--	4,320
ESTIMATED LIABILITY FOR CLAIMS	--	--	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	15,235	4,588	--	--
NOTES PAYABLE	24,155	2,859	2,244	--
BONDS PAYABLE	598,930	451,025	73,140	131,649
OPEB PAYABLE	176,000	98,552	26,967	33,355
OTHER LONG-TERM LIABILITIES	19,045	2,632	2,079	--
TOTAL NONCURRENT LIABILITIES	1,005,920	592,231	117,624	185,514
TOTAL LIABILITIES	1,606,339	683,371	145,101	241,236
NET ASSETS:				
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	1,231,830	556,195	144,441	109,245
RESTRICTED FOR:				
CAPITAL PROJECTS	--	--	--	--
DEBT SERVICE	--	--	--	--
NONEXPENDABLE	419,517	189,130	11,513	4,063
EXPENDABLE	512,176	260,375	41,917	42,935
OTHER PURPOSES	--	--	--	--
UNRESTRICTED	230,000	16,985	(19,274)	(4,861)
TOTAL NET ASSETS	2,393,523	1,022,685	178,597	151,382
TOTAL LIABILITIES AND NET ASSETS	\$ 3,999,862	\$ 1,706,056	\$ 323,698	\$ 392,618

* As of December 31, 2007.

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

State of Louisiana

BOARD OF REGENTS	LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION *	LOUISIANA STADIUM AND EXPOSITION DISTRICT	SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY- EAST AND WEST	NONMAJOR COMPONENT UNITS	TOTAL COMPONENT UNITS
\$ 1,994	\$ 158,818	\$ 26,423	\$ 25,110	\$ 135,173	\$ 1,182,915
--	--	--	71,929	160,369	682,458
--	55,703	8,644	17,317	47,606	530,264
--	--	--	--	--	15,275
32,733	--	27,964	--	21,722	129,775
3,575	--	--	--	4,526	41,726
--	--	152	486	4,918	54,423
--	13,601	58	--	628	28,203
--	--	--	--	1,584	11,740
--	1	--	703	678	16,511
<u>38,302</u>	<u>228,123</u>	<u>63,241</u>	<u>115,545</u>	<u>377,204</u>	<u>2,693,290</u>
--	3,122	2,912	5,507	72,555	319,651
--	332,330	--	--	37,513	1,239,830
--	--	175	--	35,967	38,014
--	--	--	--	72,142	123,840
--	--	--	459	--	24,113
--	--	--	--	72,040	183,275
--	--	--	--	70,502	70,513
--	--	--	--	--	38,207
--	--	13,944	45,401	180,991	445,289
--	--	316,447	34,832	146,108	2,674,923
11,467	7,833	9,371	4,335	38,439	512,244
--	--	--	153,497	153,420	358,218
--	--	6,923	18,608	29,969	356,497
--	22,671	--	--	9,984	76,209
<u>11,467</u>	<u>365,956</u>	<u>349,772</u>	<u>262,639</u>	<u>919,630</u>	<u>6,460,823</u>
<u>\$ 49,769</u>	<u>\$ 594,079</u>	<u>\$ 413,013</u>	<u>\$ 378,184</u>	<u>\$ 1,296,834</u>	<u>\$ 9,154,113</u>
\$ 37,852	\$ 413,646	\$ 24,209	\$ 4,492	\$ 28,839	\$ 1,043,191
913	--	270	--	4,518	14,532
--	--	--	--	23	33
--	143,389	28,736	1,386	1,811	309,892
--	3,978	--	1	6,346	10,325
--	--	--	2,843	--	2,978
34	--	300	429	1,972	18,838
1,519	--	--	--	216	7,080
--	--	--	--	--	114
--	--	--	--	--	23,402
--	--	--	--	6,921	17,697
--	--	--	6,905	7,706	43,771
--	--	1,295	304	8,701	22,459
<u>40,318</u>	<u>561,013</u>	<u>54,810</u>	<u>16,360</u>	<u>67,053</u>	<u>1,514,312</u>
840	--	--	1,048	4,871	188,600
8,460	--	--	--	175	65,628
--	--	--	25,876	2,503	28,379
--	--	--	--	--	19,823
--	--	7,500	27,411	13,448	77,617
--	1,006,677	272,346	50,265	202,636	2,786,668
964	--	--	2,070	14,049	351,957
--	--	--	2,058	2,842	28,656
<u>10,264</u>	<u>1,006,677</u>	<u>279,846</u>	<u>108,728</u>	<u>240,524</u>	<u>3,547,328</u>
<u>50,582</u>	<u>1,567,690</u>	<u>334,656</u>	<u>125,088</u>	<u>307,577</u>	<u>5,061,640</u>
1,488	7,833	73,314	199,199	424,168	2,747,713
--	--	--	--	1,482	1,482
--	34,811	12,859	--	1,669	49,339
--	--	--	--	--	624,223
4,153	--	--	--	--	861,556
--	--	3,087	--	139,582	142,669
(6,454)	(1,016,255)	(10,903)	53,897	422,356	(334,509)
<u>(813)</u>	<u>(973,611)</u>	<u>78,357</u>	<u>253,096</u>	<u>989,257</u>	<u>4,092,473</u>
<u>\$ 49,769</u>	<u>\$ 594,079</u>	<u>\$ 413,013</u>	<u>\$ 378,184</u>	<u>\$ 1,296,834</u>	<u>\$ 9,154,113</u>

State of Louisiana

COMBINING STATEMENT OF ACTIVITIES

COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	PROGRAM REVENUES				NET EXPENSE
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
COMPONENT UNITS:					
LOUISIANA STATE UNIVERSITY SYSTEM	\$ 3,362,900	\$ 1,809,142	\$ 498,855	\$ 76,404	\$ (978,499)
UNIVERSITY OF LOUISIANA SYSTEM	1,134,832	350,546	209,320	35,933	(539,033)
SOUTHERN UNIVERSITY SYSTEM	264,570	49,033	76,526	5,740	(133,271)
LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM	439,004	60,798	121,872	22,597	(233,737)
BOARD OF REGENTS	130,998	7,788	966	--	(122,244)
LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION * (UNAUDITED)	170,477	161,814	--	--	(8,663)
LOUISIANA STADIUM AND EXPOSITION DISTRICT	118,120	34,293	--	10,563	(73,264)
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY- EAST AND WEST	47,128	5,992	191	18,718	(22,227)
NONMAJOR COMPONENT UNITS	415,177	66,979	166,188	159,044	(22,966)
TOTAL COMPONENT UNITS	\$ 6,083,206	\$ 2,546,385	\$ 1,073,918	\$ 328,999	\$ (2,133,904)

	GENERAL REVENUES		EXTRAORDINARY ITEM LOSS ON IMPAIRMENT OF CAPITAL ASSETS	CHANGE IN NET ASSETS	NET ASSETS BEGINNING OF YEAR AS RESTATED	NET ASSETS END OF YEAR
	PAYMENTS FROM PRIMARY GOVERNMENT	OTHER GENERAL REVENUES				
COMPONENT UNITS:						
LOUISIANA STATE UNIVERSITY SYSTEM	\$ 845,669	189,012	\$ --	\$ 56,182	\$ 2,337,341	\$ 2,393,523
UNIVERSITY OF LOUISIANA SYSTEM	442,116	35,642	--	(61,275)	1,083,960	1,022,685
SOUTHERN UNIVERSITY SYSTEM	97,563	14,517	--	(21,191)	199,788	178,597
LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM	201,424	11,203	--	(21,110)	172,492	151,382
BOARD OF REGENTS	100,029	20,005	--	(2,210)	1,397	(813)
LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION * (UNAUDITED)	--	142,426		133,763	(1,107,374)	(973,611)
LOUISIANA STADIUM AND EXPOSITION DISTRICT	7,383	38,399	--	(27,482)	105,839	78,357
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY- EAST AND WEST	4,920	44,853	(10,764)	16,782	236,314	253,096
NONMAJOR COMPONENT UNITS	139,091	132,126	--	248,251	741,006	989,257
TOTAL COMPONENT UNITS	\$ 1,838,195	\$ 628,183	\$ (10,764)	\$ 321,710	\$ 3,770,763	\$ 4,092,473

* As of December 31, 2007.

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

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

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

NOTES TO THE BASIC FINANCIAL STATEMENTS June 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The basic financial statements present the financial position and results of operations of the various funds of the State and the cash flows of the proprietary funds as of and for the year ended June 30, 2008.

A. REPORTING ENTITY

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

As required by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, a legally separate entity is considered to be a component unit of the State if at least one of the following criteria is met:

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

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

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

Blended Component Units

A component unit is considered blended and therefore would be included in the reporting entity's financial statements if the component unit's governing body is substantively the same as the governing body of the primary government, or if the component unit provides services exclusively, or almost exclusively, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it. The following blended component units provide services almost exclusively to the primary government: Louisiana Lottery Corporation, Tobacco Settlement Financing Corporation, Louisiana Correctional Facilities Corporation, Louisiana Office Building Corporation, Office Facilities Corporation, Louisiana Coastal Protection and Restoration Financing Corporation, Louisiana Recovery Authority, and the various retirement systems.

Louisiana Lottery Corporation, 555 Laurel Street, Baton Rouge, LA 70801-1813, a nonprofit corporation, conducts and administers the state lottery to ensure the integrity of the lottery and maintain the dignity of the State and the general welfare of its people. The board of directors consists of nine members appointed by the Governor.

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

Louisiana Correctional Facilities Corporation, P.O. Box 94095, Baton Rouge, LA 70804-9095, a nonprofit corporation, acquires and finances correctional facilities for lease to the State and is authorized to issue revenue bonds for its purposes. The board of directors consists of five members appointed by the Governor.

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

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

State of Louisiana

the Governor.

Louisiana Coastal Protection and Restoration Financing Corporation, 1051 North 3rd Street, Capitol Annex Bldg., Suite 138, Baton Rouge, LA 70802, carries out the financing, purchasing, owning, and managing of the offshore royalty revenues and offshore royalty revenue assets. The board of directors consists of fifteen members, seven appointed by the governor.

Louisiana Recovery Authority, 150 Third Street, Suite 200, Baton Rouge, LA 70801, is the planning and coordinating body created in the aftermath of hurricanes Katrina and Rita to plan for the recovery and rebuilding of Louisiana. The board of directors consists of thirty-three members, twenty-nine are appointed by the governor.

Louisiana School Employees' Retirement System, P.O. Box 44516, Baton Rouge, LA 70804-4516, was established in 1947 for the benefit of non-instructional personnel of the Louisiana public school system.

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

Louisiana State Police Retirement System, 3100 Brentwood Drive, Suite B, Baton Rouge, LA 70809-1752, was established in 1938 for the benefit of commissioned law enforcement officers as well as the secretary and deputy secretary of the Department of Public Safety.

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

Discretely Presented Component Units

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

Board of Regents, 1201 North Third Street, Suite 6-200, Baton Rouge, LA 70802, is the policy making board for the four higher education systems of the State.

Board of Supervisors of the Louisiana State University System, 3810 West Lakeshore Drive, Baton Rouge, LA 70808, is the managing and supervising board for the Louisiana State University System (LSU), which includes the following campuses:

- LSU and A&M College at Baton Rouge
- LSU Agricultural Center at Baton Rouge
- LSU at Alexandria
- LSU at Eunice
- LSU Health Sciences Center at New Orleans
- LSU Health Sciences Center at Shreveport
- LSU at Shreveport
- University of New Orleans at New Orleans
- Paul M. Hebert Law Center at Baton Rouge
- Pennington Biomedical Research Center at Baton Rouge

The Board of Supervisors of the LSU System also operates the following general medical facilities in the State:

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

Board of Supervisors of the University of Louisiana System, 1201 North Third Street, Suite 7-300, Baton Rouge, LA 70802, is the managing and supervising board for the following regional universities:

- Grambling State University at Grambling
- Louisiana Tech University at Ruston
- McNeese State University at Lake Charles
- Nicholls State University at Thibodaux
- University of Louisiana at Monroe
- Northwestern State University at Natchitoches
- Southeastern Louisiana University at Hammond
- University of Louisiana at Lafayette

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

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

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

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

Louisiana Stadium and Exposition District, Sugar Bowl Drive, New Orleans, LA 70112-1010, is responsible for financing and operating an enclosed covered stadium, as well as other related facilities and structures for holding sporting events, athletic contests, exhibitions, and other events of public interest.

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

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

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

- Amite River Basin Drainage and Water Conservation District, 3535 S. Sherwood Forest Blvd., Suite 135 Baton Rouge, LA 70816
- Atchafalaya Basin Levee District, P.O. Box 170, Port Allen, LA 70767
- Bayou D'Arbonne Lake Watershed District, P.O. Box 696, Farmerville, LA 71241. The district has a December 31 fiscal year end.
- Bossier Levee District, P.O. Box 8279, Bossier City, LA 71113
- Caddo Levee District, P.O. Box 78282, Shreveport, LA 71137-8282
- Fifth Louisiana Levee District, 102 Burnside Drive, Tallulah, LA 71282
- 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 1209, Natchitoches, LA 71458
- Nineteenth Louisiana Levee District, P.O. Box 267, Colfax, LA 71417

- North Lafourche Conservation, Levee and Drainage District, P.O. Box 230, Raceland, LA 70394. The district has a December 31 fiscal year end.
- Pontchartrain Levee District, P.O. Box 426, Litcher, LA 70071
- Red River, Atchafalaya, and Bayou Boeuf Levee District, P.O. Box 8235, Alexandria, LA 71306
- Red River Levee and Drainage District, P.O. Box 433, Coushatta, LA 71019
- South Lafourche Levee District, P.O. Box 426, Galliano, LA 70354
- Tensas Basin Levee District, P.O. Box 68, Rayville, LA 71269

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

Louisiana Motor Vehicle Commission, 3519 12th Street, Metairie, LA 70002-3427, regulates all areas of the new car industry, including motor vehicle sales finance companies in Louisiana.

Louisiana Public Facilities Authority, 2237 S. Acadian Thruway, Suite 650, Baton Rouge, LA 70808, is a public trust authorized to issue obligations and provide funds to finance projects and programs in the best interest of the citizens of Louisiana. The authority has a December 31 fiscal year end.

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

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

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

Relay Administration Board, P.O. Box 91154, Baton Rouge, LA 70821-91154, is charged with oversight of telephone relay services for the State, insuring equal access to telecommunications services for all hearing and speech impaired citizens. The board has a December 31 fiscal year end.

Road Home Corporation, P.O. Box 4549, Baton Rouge, LA 70821 was created for the acquisition, disposition, purchase, renovation, leasing, or expansion of housing stock to help Louisiana residents displaced by the

State of Louisiana

hurricanes get back into a home or apartment as quickly and fairly as possible.

Sabine River Authority of Louisiana, 15091 Texas Highway, Many, LA 71449-5718, is charged with the development of Toledo Bend resources within the State.

Ouachita Expressway Authority, P.O. Box 1195, West Monroe, LA 71294, provides a well-maintained limited access highway system and promotes economic growth.

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

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

Capital Area Human Services District, 7173 Florida Blvd., Suite 200B, 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.

Florida Parishes Human Services Authority, 11236 Hwy. 16 West, Amite, LA 70422, was established to direct the operation and management of mental health, developmental disabilities, and addictive disorders services for the residents of Livingston, St. Helena, St. Tammany, Tangipahoa, and Washington parishes.

Jefferson Parish Human Services Authority, 3300 W. Esplanade Avenue, Suite 213, Metairie, LA 70002, was established to provide administration, management, and operation of mental health, developmental disabilities, and addictive disorders services for the residents of Jefferson parish.

Metropolitan Human Services District, 400 Poydras Street, Suite 1800, New Orleans, LA 70130, was established to direct the operation and management of mental health, developmental disabilities, and addictive disorders services for the residents of Orleans, St. Bernard, and Plaquemines parishes.

Louisiana Economic Development Corporation, P.O. Box 94185, Baton Rouge, LA 70804-9185, was established to serve as the single review board and administrator of the Department of Economic Development's financial assistance programs, such as loan guarantees and venture capital for small- and medium-sized businesses.

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

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

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

Louisiana Citizens Property Insurance Corporation, 433 Metairie Road, Suite 400, Metairie, LA 70055, 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.

Louisiana Housing Finance Agency, 2415 Quail Drive, Baton Rouge, LA 70808, is authorized to undertake various programs to assist in financing housing needs of persons of low and moderate incomes and may issue bonds or other evidence of indebtedness to accomplish its purposes.

Southeast Louisiana Flood Protection Authority-East, 6512 Spanish Fort Blvd., New Orleans, LA 70124-4322 and Southeast Louisiana Flood Protection Authority-West, 7001 River Road, Marrero, LA 70072, were created to provide regional coordination of flood protection. These two authorities are reported together as the Southeast Louisiana Flood Protection Authority-East and West (SLFPA-East and West). Entities under SLFPA-East and West for fiscal year 2008 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. Portions of St. Charles and St. John the Baptist parishes are included within the territorial jurisdiction of the SLFPA-East for purposes of regional projects, but remain a part of Pontchartrain Levee District for flood protection purposes.

Related Organizations

Related organizations are those entities for which a primary government's accountability does not extend beyond appointing a voting majority of the board. The State is not financially accountable for the following related

organizations, and they are not reported in the accompanying basic financial statements.

- Algiers Park Commission
- Allen Parish Reservoir District
- Ascension-St. James Airport and Transportation Authority
- Associated Branch Pilots of the Port of Lake Charles
- Associated Branch Pilots of the Port of New Orleans
- Bayou Desiard Restoration Commission
- Bayou Lafourche Fresh Water District
- Castor Creek Reservoir District
- Crescent River Port Pilots' Association
- Ernest N. Morial New Orleans Exhibition Hall Authority
- Fourteenth and Sixteenth Wards Neighborhood Development District
- Grand Isle Independent Levee District
- Greater New Orleans Biosciences Economic Development District
- Greater Ouachita Port Commission
- Jackson Parish Dugdemona Watershed Reservoir Authority
- John K. Kelly Grand Bayou Reservoir District
- Louisiana Airport Authority
- Louisiana Disaster Recovery Foundation, Inc.
- Louisiana Research and Development Council
- New Orleans and Baton Rouge Steamship Pilots' Association
- Parish Hospital Service Districts
- River Parishes Transit Authority
- River Region Cancer Screening and Early Detection District
- St. Bernard Port Harbor and Terminal District
- St. Mary Levee District
- Seventh Ward Neighborhood Development District
- South Tangipahoa Parish Port Commission
- Southwest Acadiana Parishes Public Housing Rehabilitation District
- Terrebonne Levee and Conservation District
- Twelfth and Thirteenth Wards Neighborhood Development District
- West Ouachita Parish Reservoir Commission

Joint Ventures

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

The Sabine River Authority of Louisiana participates equally with the Sabine River Authority of Texas in the Sabine River Compact Administration (Compact), 15091 Texas Highway, Many, LA 71449-5718, and, through the Sabine River Authority, with the Sabine River Authority of Texas in the Toledo Bend Joint Operation (Joint Operation), Rt. 1, Box 270, Burkeville, TX 75932. Separate financial statements are prepared for the operations of both the Compact and the Joint Operation and may be obtained by contacting the entities at the addresses above. The Compact was created under authority granted by an act of the Congress of the United States to provide equitable apportionment of the waters of the Sabine River and its tributaries. A five-member board composed of two members appointed by the governors of each state and one non-voting, ex-officio member appointed by the President of the United States administers the Compact. The Joint Operation was established by joint resolution of the Sabine River Authorities of Texas and Louisiana for the construction and operation of the Toledo Bend Dam and Reservoir project administered by a board composed of three members appointed by the Texas Authority and three members appointed by the Louisiana Authority. Costs of the Compact not paid by the federal government are to be paid equally by the two states, which share equally in the costs of the Joint Operation. Each state owns an undivided one-half share of all lands acquired for the project, and each state owns and is entitled to 50% of the water produced and 50% of the power generated by the Joint Operation and may sell, use, or otherwise dispose of its share without consent and permission of the other Authority.

The Sabine River Authority of Louisiana's share of the joint ventures is reported as a discrete component unit in the accompanying basic financial statements. For fiscal year 2008, the Sabine River Authority of Louisiana reported an increase in net assets of \$2,960,904 from fiscal year 2007.

Jointly Governed Organizations

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

B. BASIS OF PRESENTATION

The financial report consists of Management's Discussion and Analysis (MD&A), basic financial statements, notes to the basic financial statements, and required supplementary information other than the MD&A. The MD&A provides an

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analytical overview of the financial activities of the State. The basic financial statements include the **government-wide financial statements**, **fund financial statements**, and **notes to the basic financial statements**.

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

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

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

- The governmental fund statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances, with one column for the General Fund, one for each of the other major funds, and one column combining all the nonmajor governmental funds. The statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in

which they become measurable and available to finance expenditures of the current period, generally considered 45 days after the end of the fiscal year, except federal grants, which generally are considered available 12 months after the end of the fiscal year. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest payments on general long-term liabilities, which are recognized when due.

- The proprietary fund statements include a balance sheet, a statement of revenues, expenses, and changes in fund net assets, and a statement of cash flows. Each statement has a column for the major enterprise fund, one that combines all the nonmajor enterprise funds, and one column that reports all internal service funds. The proprietary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting, in order to make a determination of net income, financial position, and cash flows. Internal service funds are included in governmental activities for government-wide reporting purposes, and the excess revenues or expenses from the funds are allocated to the appropriate functional activity.
- The fiduciary fund statements include a statement of fiduciary net assets and a statement of changes in fiduciary net assets, with one column for each of the four types of fiduciary funds. The statements are prepared using the economic resources measurement focus and the accrual basis of accounting, except for agency fund statements which use the accrual basis but do not have a measurement focus, as they report only assets and liabilities.

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

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

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

Governmental Funds

The major governmental funds of the State are the General Fund, the Bond Security and Redemption Fund, and the Louisiana Education Quality Trust Fund.

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

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

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

Proprietary Funds

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

- *Internal service funds* account for the provision of services, primarily to internal customers, on a cost

reimbursement basis. The activities accounted for in internal service funds include copy and mail services, aircraft services, regional laundry service, telecommunications, and financing and acquiring public facilities for lease to the State.

- *Enterprise funds* account for the activities for which fees are charged to external users for goods or services.

The major enterprise fund of the State is the Unemployment Trust Fund.

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

Fiduciary Funds

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

- *Pension trust funds* account for resources held in trust for members and beneficiaries of the four employee pension plans.
- *Investment trust funds* account for the portion of the government's investment pools that belong to others.
- *Private-purpose trust funds* report all other trust arrangements benefiting those outside the government.
- *Agency funds* contain resources held by the government in a temporary, purely custodial capacity for others (excluding agencies of the State) and do not involve measurement of results of operations. This method of reporting is consistent with GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, paragraph 111.

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

Cash and Investments

The State Treasurer pools those cash resources for which he is responsible and invests them accordingly. For purposes of the Statement of Cash Flows, the State considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

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

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

Receivables and Payables

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

Inventories and Prepaid Items

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

Derivatives

In accordance with their investment authority, certain blended component units invest in derivative financial instruments. These derivatives are held in part to maximize yields on investments and in part to hedge against changes in interest rates. Risks associated with derivative instruments include the potential for credit loss in the event

of nonperformance by other parties to the contracts, market risk as a result of possible future changes in market prices, and legal risk, the risk that a transaction will be prohibited by law, regulation, or contract.

Restricted Assets

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

Capital Assets

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

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

- Purchased computer software has a capitalization threshold of \$1,000,000 and is depreciated using the straight-line method over an estimated useful life of 3 years.
- Historical treasures and works of art are items held for public exhibition, educational purposes, or research in enhancement of public service instead of financial gain, and therefore are not capitalized or depreciated.
- Donated fixed assets are valued at their estimated fair market value at the time of donation.

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

Compensated Absences

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

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

An employee who is required to work overtime may, at the option of the appointing authority, be credited with compensatory leave for the hours required to work. Certain employees earn this leave at time and one-half, whereas others earn on an hour-for-hour basis. Generally, employees in positions at or below a certain pay level may

be paid upon separation or transfer, based on the employee's final regular rate of pay. Compensatory leave for all other employees is canceled upon separation or transfer from the department in which it was earned.

Long-Term Obligations

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

Fund Balances and Net Assets

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

D. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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E. BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

According to LRS 39:77, in no event shall any budget unit commit to an expenditure in excess of the unencumbered balance of the allotment to which the resulting expenditure would be charged, without prior approval of the Interim Emergency Board and two-thirds of the Legislature. The Revenue Estimating Conference has been established to provide an official estimate of anticipated state revenues for each fiscal year. Appropriations by the Legislature from the state General Fund and dedicated funds for any fiscal

year shall not exceed the official forecast in effect at the time the appropriations are made. The Governor may direct the Commissioner of Administration to reduce or disapprove warrants in order to prevent a cash deficit.

In accordance with LRS 39:82(A), agencies are allowed 45 days for closing out prior year activities. This statute limits the use of appropriation balances after the June 30 close to true liabilities, delineates those items eligible for roll forward treatment, and establishes a 45-day period to request such carry-forwards. After that time, all appropriations lapse except permanent capital outlay appropriations that remain active until the projects are complete. Additionally, upon approval by the Commissioner of Administration, any federal funds and any state funds appropriated during a fiscal year specifically for matching federal grants may be carried forward into the upcoming year's appropriation.

Governments are required to present the *original*, *final*, and *actual* budgetary basis of the General Fund and each individual major special revenue fund that has a legally adopted budget. For fiscal year 2008, there are no major special revenue funds. The accompanying Required Supplementary Information includes notes and a schedule making this comparison for the General Fund.

Each year, the Legislature enacts an appropriation bill to establish and re-establish ancillary funds to include the following enterprise and internal service funds: Administrative Services, Central Regional Laundry, Drinking Water Revolving Loan Fund, Donald J. Thibodeaux Training Complex, Jackson Regional Laundry, Louisiana Federal Property Assistance Agency, Louisiana Property Assistance Agency, Municipal Facilities Revolving Loan Fund, Office of Aircraft Services, Office of Telecommunications Management, Prison Enterprises, and Public Safety Services Cafeteria. Re-established funds are allowed to retain any fund equity resulting from prior year operations. These and all monies from self-generated revenues are available for expenditure in the amounts appropriated. The Commissioner of Administration may approve increases from self-generated revenues, not exceeding in aggregate 5% of appropriated self-generated revenues. Only with the approval of the Division of Administration and the Joint Legislative Committee on the Budget will any larger increase in self-generated revenue over the amount appropriated be available to agencies for expenditures.

NOTE 2: DEPOSITS AND INVESTMENTS

A. DEPOSITS

Included as deposits are bank accounts and short-term investments, especially certificates of deposit. In accordance with LRS 49:321, state depositing authorities shall require as security for deposit of state funds authorized bonds or other interest-bearing notes; authorized promissory notes, warrants, or certificates of indebtedness unmaturing or payable on demand; or notes representing loans to students guaranteed by the Louisiana Student Financial Assistance Commission. Fair value, excluding interest, of such securities held by the depositing authority shall be equal to 100% of the amount on deposit to the credit of the depositing authority except that portion appropriately insured. Designated depositories may be granted a period not to exceed five

days from the date of any deposit to post the necessary security.

The following chart presents bank deposit balances for the primary government and its component units as of June 30, 2008. Deposits are listed in terms of whether they are exposed to custodial credit risk, the risk that in the event of a bank failure, the State's deposits may not be returned. Deposits are exposed to custodial credit risk if they are either: a) uninsured and uncollateralized, b) uninsured and collateralized with securities held by the pledging financial institution, or c) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the State.

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

	Uninsured and Uncollateralized	Uninsured and Collateralized with Securities Held by Pledging Institution	Uninsured and Collateralized with Securities Held by Pledging Institution's Trust Dept. or Agent but not in State's Name	Total Bank Balances – All Deposits	Total Carrying Value – All Deposits
Primary Government:					
Cash	\$ 625	\$ 7,840	\$ 15,027	\$ 1,807,384	\$ 1,612,743
Certificates of Deposit	22	443	1,510	321,362	321,255
Other		2,346	480	99,475	99,486
Total Primary Government	\$ 647	\$ 10,629	\$ 17,017	\$ 2,228,221	\$ 2,033,484
Component Units:					
Cash	9,490	24,026	18,887	1,028,251	892,709
Certificates of Deposit	14	1,172	30,484	253,011	253,888
Other	694	67,785	3,765	205,314	215,311
Total Component Units	\$ 10,198	\$ 92,983	\$ 53,136	\$ 1,486,576	\$ 1,361,908
Total Bank Balances	\$ 10,845	\$ 103,612	\$ 70,153	\$ 3,714,797	\$ 3,395,392

B. INVESTMENTS

LRS 49:327 authorizes the State Treasurer to invest available monies in direct Treasury obligations, government agency obligations, corporate bonds, perfected repurchase agreements, and reverse repurchase agreements, time certificates of deposit in specified banks, savings accounts or shares of certain savings and loan associations and savings banks, or in share accounts and share certificate accounts of certain credit unions. Such securities shall not have maturity dates in excess of five years from the purchase date, except monies invested from special funds (those not considered general funds) which shall not exceed 10 years from the date of purchase. In each case, all funds must be fully insured or

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

Because of limited maturity dates, availability of securities, and yield, perfected repurchase agreements are entered

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

LRS 11:263 directs Louisiana's pension systems to invest in accordance with the prudent man rule. As used in this statute, the rule means that the systems ". . . act with the care, skill, prudence, and diligence under the circumstances prevailing that a prudent institutional investor acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims." Notwithstanding the prudent man rule, no governing authority of any system shall invest more than 55% of the total portfolio in equities.

Generally, investment of funds by colleges and universities are subject to the same provisions of LRS 49:327 that govern the State Treasurer and state agencies. However, investment of funds of state colleges and universities derived from private sources such as gifts, grants, and endowments are governed by the "Uniform Management of Institutional Funds Act," LRS 9:2337.1 - 2337.8. If a donor has not provided specific instructions, state law permits the colleges and universities to authorize expenditure of the net appreciation (realized and unrealized) of the investments of endowment funds. Any net appreciation that is spent is required to be spent for the purposes for which the endowment was established. For the fiscal year ended June 30, 2008, \$24,597,177 net appreciation of investments of endowment funds was available to be spent, of which \$24,606,269 was restricted for specific purposes. These amounts are reported in the financial statements of the colleges and universities as restricted expendable net assets.

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

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

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

Carrying Value of Deposits per Note	\$ 3,395,392	
Carrying Value of Investments per Note		44,991,206
		<u>\$ 48,386,598</u>
Cash per Financial Statements	\$ 11,299,494	
Investments per Financial Statements		35,690,905
Restricted Cash per Financial Statements		320,993
Restricted Investments per Financial Statements		1,419,432
Reconciling Items between Note and Financial Statements		<u>(344,226)</u>
		<u>\$ 48,386,598</u>

C. INVESTMENTS - CUSTODIAL CREDIT RISK

The following chart presents the investment position of the State at June 30, 2008, unless otherwise noted. The various types of investments are listed and presented by whether they are exposed to custodial credit risk by the State. Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the State will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty, or by the counterparty's trust department or agent but not in the name of the State.

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Schedule of Investments Carrying Amount (Expressed in Thousands)

	<u>Investments Exposed to Custodial Credit Risk</u>		<u>All Investments Reported Amount</u>	<u>All Investments Fair Value</u>
	<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>		
General Government:				
Negotiable Certificates of Deposit			\$2,645	\$2,645
Repurchase Agreements		\$17,940	1,682,375	1,682,375
U.S. Government Obligations:				
Not on Securities Loan		15,190	520,829	520,829
On Securities Loan			8,184,109	8,184,109
Common & Preferred Stock			98,655	98,655
Domestic & Foreign Bonds			1,822,535	1,822,535
Mortgages, Notes and Other			110,344	110,344
Mutual Funds			747,778	747,778
Miscellaneous			77,581	77,581
Real Estate			1,606	1,606
Alternative Investments			4,986	4,986
Fixed Assets			21	21
Total General Government		33,130	13,253,464	13,253,464
Retirement Systems and Other Trusts:				
Repurchase Agreements			1,079,799	1,079,799
U.S. Government Obligations:				
Not on Securities Loan			1,590,158	1,590,158
On Securities Loan			244,883	244,883
Common & Preferred Stock:				
Not on Securities Loan			11,240,976	11,240,976
On Securities Loan			2,188,059	2,188,059
Domestic & Foreign Bonds:				
Not on Securities Loan			2,511,048	2,511,048
On Securities Loan			541,925	541,925
Mortgages, Notes and Other			732,847	732,847
Miscellaneous Short Term			497,909	497,909
Mutual Funds			1,027,983	1,027,983
Mezzanine Financing Investments			321,269	321,269
Real Estate			1,342,272	1,342,272
Alternative Investments			3,907,651	3,907,651
Collateral Held Under Securities Lending Program			3,088,120	3,088,120
Total Retirement Systems and Other Trusts			30,314,899	30,314,899
Total Primary Government		33,130	43,568,363	43,568,363
Component Units:				
Negotiable Certificates of Deposit			10,171	10,171
Repurchase Agreements		49,867	139,530	139,530
U.S. Government Obligations		11,316	350,287	350,287
Common & Preferred Stock		6,961	45,275	45,275
Domestic & Foreign Bonds		3,974	43,472	43,472
Mortgages, Notes & Other		12	119,262	119,262
Real Estate			495	495

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Schedule of Investments Carrying Amount (Expressed in Thousands)

Investments Exposed to Custodial Credit Risk

	<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>	<u>All Investments Reported Amount</u>	<u>All Investments Fair Value</u>
Mutual Funds		1,710	390,527	390,527
External Investment Pool			75,636	75,636
Guaranteed Investment Contracts			2,200	2,200
Alternative Investments	13,531	1,888	102,696	102,696
Investments Held in Private Foundations			143,292	143,292
Total Component Units	13,531	75,728	1,422,843	1,422,843
TOTAL INVESTMENTS	\$13,531	\$108,858	\$44,991,206	\$44,991,206

D. INVESTMENTS - INTEREST RATE RISK

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

State Treasury

The State Treasury limits the interest rate risk of the General Fund by limiting maturities of its investments to five years or less. The interest rate risk of certain special funds within the State Treasury is limited by restricting maturities of their investments to ten years or less. The

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

As of June 30, 2008, the State Treasury had the following debt investments and maturities (amounts expressed in thousands).

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Government Obligations	\$4,384,802	\$1,339,062	\$2,941,411	\$22,750	\$81,579
U.S. Agency Obligations	4,193,860	2,037,286	1,317,547	310,242	528,785
Corporate Bonds	730,393	37,477	193,439	183,392	316,085
Municipal Bonds	1,078,317		120,347	565,371	392,599
Foreign Bonds	4,944		4,944		
Total	\$10,392,316	\$3,413,825	\$4,577,688	\$1,081,755	\$1,319,048

Retirement Systems and Other Trusts

At June 30, 2008, the Louisiana School Employees' Retirement System (LSERS) held \$416,496,000 in total debt investments, \$2,766,000 with maturities of less than 1 year, \$93,466,000 with maturities of 1 to 5 years, \$52,382,000 with maturities of 6 to 10 years, and \$267,882,000 with maturities of more than 10 years. The

Louisiana State Employees' Retirement System (LASERS) held \$2,235,703,000 in total debt investments, \$572,885,000 with maturities of less than 1 year, \$481,891,000 with maturities of 1 to 5 years, \$536,135,000 with maturities of 6 to 10 years, and \$644,792,000 with maturities of more than 10 years. The Teachers' Retirement System of Louisiana (TRSLA) held \$3,484,376,000 in total debt investments, \$684,648,000

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with maturities of less than 1 year, \$683,012,000 with maturities of 1 to 5 years, \$966,481,000 with maturities of 6 to 10 years, and \$1,150,235,000 with maturities of more than 10 years. The Louisiana State Police Retirement System (LSPRS) held \$39,403,000 in total debt investments, \$1,721,000 with maturities of less than 1 year, \$7,633,000 with maturities of 1 to 5 years, \$9,630,000 with maturities of 6 to 10 years, and \$20,419,000 with maturities of more than 10 years.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the LSERS investment policy allows no more than 3% of the plan's investment

portfolio to have stated maturities in excess of 30 years. The TRSLA and LSPRS investment policies expect its fixed income managers to approximate the portfolio's duration to established benchmarks for fixed income investments. Although LASERS has no formal interest rate risk policy, its investment policy indicates that it expects its fixed income managers to approximate the portfolio's duration to within two years of its respective benchmarks for fixed income investments.

The table below displays the state retirement systems' and other trusts' debt investments by type and maturities (amounts expressed in thousands) as of June 30, 2008.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Agency obligations	\$376,501		\$5,196	\$37,872	\$333,433
U.S. Government obligations	783,358	\$44	80,950	143,421	558,943
Mortgage backed securities**	811,269	3,871	7,506	6,245	793,647
Corporate bonds	1,726,681	29,009	523,382	948,456	225,834
Foreign bonds	795,999	40,236	396,948	253,579	105,236
Mutual funds*	123,853	123,853			
Other bonds	478,158	1,770	249,570	169,472	57,346
Other	1,082,133	1,064,359	2,470	5,582	9,722
Total	\$6,177,952	\$1,263,142	\$1,266,022	\$1,564,627	\$2,084,161

* assumed less than one year as no maturity date provided

** assumed more than ten years for \$30,331 as no maturity date was provided

E. INVESTMENTS - CREDIT RISK & CONCENTRATION OF CREDIT RISK

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

State Treasury

State statutes and investment policies limit the State Treasury investments to government securities with explicit guarantees by the U.S. government, agency securities with implicit U.S. government guarantees, and corporate securities with investment grade ratings by Moody's and S&P. The State Treasury has no limit on the amount it may invest in any one issuer. Of the State Treasury's total investments, 11.30% are issues of the Federal Home Loan Mortgage Corporation (Freddie Mac), 10.75% are issues of the Federal Home Loan Bank, and 10.35% are issues of the Federal National Mortgage Association (Fannie Mae).

The following table illustrates the State Treasury's investments exposure to credit risk as of June 30, 2008 (expressed in thousands):

Rating	Fair Value
AAA	\$ 2,942,625
AA	450,946
A	283,166
BBB	557,108
BB	12,421
Not Rated	3,843,495
Total	\$ 8,089,761

Retirement Systems and Other Trusts

The investment policies of the State's retirement systems and other trusts prescribe the level of credit risk to which their investments in debt securities are exposed. In addition, the Louisiana Asset Management Pool (LAMP, an investment trust fund) had investments in U.S. government agency obligations with a fair value of \$244,815,873, all of which were rated AAA by S&P and \$337,506,832 in commercial paper rated at either A-1 or A-1+.

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None of the State's retirement systems or other 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 table below details the total fair market value of investments in debt securities exposed to credit risk at June 30, 2008, for each of the State's retirement systems.

Rating	Fair Value (in thousands)			
	LSERS	LASERS	TRSLA	LSPRS
AAA	\$77,667	\$863,806	\$685,050	\$978
AA+	602			
AA	6,494	6,160		
AA-	4,348			2,853
A+	21,002			5,178
A	20,726	999		8,519
A-	11,017			2,481
A-1		141,765	71,836	
A-2		27,378	95,523	
A-3		14,213	45,290	
AA1		5,667	19,449	
AA2		90,177	17,904	
AA3		9,155	20,912	
BBB+	12,778			2,367
BBB	26,721			
BBB-	12,090			
BB+	4,039			
BB	4,738			
BB-	1,429			
B+	25			
B	3,190			
B-	80			
B1		86,643	195,188	
B2		64,719	117,738	
B3		93,798	204,352	
BA1		30,888	59,727	
BA2		27,846	76,100	
BA3		83,515	132,038	
BAA1		37,554	59,238	
BAA2		28,827	43,855	
BAA3		34,479	34,162	
CA		1,109		
CAA1		65,948	40,011	
CAA2		14,972	2,044	
CAA3		4,038	1,045	
CCC+	1,253			
C		166		
D	2			
NA			7,796	
P-1		47,846		
VMIG1-3			1,764	
Not Rated	220,017	454,037	1,553,354	
Total	\$428,218	\$2,235,705	\$3,484,376	\$22,376

F. FOREIGN CURRENCY RISK

State Treasury

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

deposits held by the State Treasury denominated in foreign currencies.

Retirement Systems and Other Trusts

Louisiana School Employees' Retirement System's (LSERS) investment policy targets 10% of its portfolio to be invested in foreign marketable securities. However, at June 30, 2008, the current position is 6% and totals \$111,309,973. The Louisiana State Employees' Retirement System (LASERS) held foreign marketable securities with a fair value of \$1,745,189,000 at June 30, 2008, the Teachers' Retirement System of Louisiana (TRSLA) held \$3,257,141,014, and the Louisiana State Police Retirement System (LSPRS), \$27,088,001. LSPRS' investment policy allows up to a target of 15.0% of their system's portfolio to be international equities. The following table illustrates the total exposure to foreign currency risk at June 30, 2008, of \$5,140,727,988 by currency denomination and investment type:

Currency	Fair Value (U.S. dollars) (in thousands)	
	Bonds	Stocks & Other
Australian dollar	\$49,168	\$205,088
Brazilian real	18,594	10,579
British pound sterling	131,639	605,673
Canadian dollar	13,577	119,821
Czech koruna	5,569	219
Danish krone		24,843
European euro	444,995	1,532,542
Hong Kong dollar		184,635
Hungarian forint	4,988	24
Iceland krona	9,070	
Indonesian rupiah	9,730	
International pooled funds		26,943
Israeli shekel		247
Japanese yen	210,347	824,940
Malaysian ringgit	30,232	1,216
Mexican new peso	41,865	10,225
New Turkish lira		1,788
New Zealand dollar	18,395	724
Norwegian krone	5,825	77,770
Pakistan rupee		281
Polish zloty	47,280	739
Singapore dollar	28,368	46,858
South African rand	16,407	9,255
South Korean won		21,162
Swedish krona	16,848	53,120
Swiss franc		276,880
Thailand baht		2,258
Total	\$1,102,897	\$4,037,830

G. SECURITIES LENDING

State Treasury

In accordance with its authority under LA R.S. 49:321.1 and 49:327(c), 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, the Bank of New York and Morgan Stanley. The State receives U.S. Government Sponsored Entity, or "agency", collateral in return for the securities that it reverses to Morgan Stanley under the terms of the reverse repurchase transaction on a fixed-spread basis.

Four separate funds were included in the securities lending agreement for the fiscal year ending June 30, 2008. At June 30, 2008, the collateral exceeded the value of the securities on loan by \$297,651,066 for the general fund, \$11,121,704 for the Louisiana Education Quality Trust Fund (LEQTF), \$12,777,738 for the Medicaid Trust Fund for the Elderly (the Medicaid Trust), and \$6,272,119 for the Millennium Trust Fund (the Millennium Trust).

At June 30, 2008, the value of securities on loan was \$7,700,599,618 for the Treasurer's pooled general fund investments; \$180,057,665 for LEQTF; \$205,335,317 for the Medicaid Trust Fund; and \$98,116,445 for the Millennium Trust 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. Each morning, the overnight repurchase transaction is "reversed" and Morgan Stanley receives the collateral against its return of investments to the State. 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.

As of June 30, 2008, the State had limited credit risk exposure because the market value of the U.S. Government and Government Sponsored Entity securities pledged as collateral to the State exceeded the value of securities the State had out on loan by \$327,822,628. The value of the securities on loan was \$8,184,109,045 and the total market value of the securities held as collateral was

\$8,511,931,673. The value of the collateral securities was 104.01% 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 and Other Trusts

The Teachers' Retirement System of Louisiana (TRSLA), the Louisiana State Police Retirement System (LSPRS), 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 its securities for cash collateral or other securities collateral. The LSPRS lends its securities for cash, cash collateral, or investment securities. The LASERS and LSERS lend their securities for cash, U.S. government securities, and irrevocable letters of credit. Collateral held under the programs, which may be reinvested by the systems under the terms of the agreement with the broker/dealer, is recorded as an asset with a corresponding liability; otherwise, the collateral is not recorded on the Statement of Net Assets. The TRSLA, LSPRS, and LSERS cannot pledge or sell securities unless the borrower defaults.

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

At June 30, 2008, neither LASERS, LSPRS, 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 all four retirement systems. The LSPRS, LASERS, and LSERS have indemnification agreements

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with their securities lending agents in case of borrower default. Securities on loan at June 30, 2008, totaled \$1,701,678,887 for LASERS, \$26,064,391 for LSPRS, \$1,063,675,677 for TRSLA, and \$206,913,521 for LSERS.

H. INVESTMENTS IN DERIVATIVES

As of June 30, 2008, LASERS, TRSLA, and LSERS held investments in various derivative financial instruments (derivatives) including interest-only strips, principal-only strips, collateralized mortgage obligations, options, forward contracts, and futures contracts. TRSLA invests in interest-only strips and principal-only strips which are mortgage-backed securities that involve the separation of the interest and principal components of a security. These derivatives are held in part to maximize yields and in part to hedge against changes in interest rates. Interest-only strips are based on cash flows from interest payments on mortgages, whereas principal-only strips are based on

cash flows from principal payments on mortgages. The return on these investments is related to changes in interest rates. TRSLA's investments in option contracts bear the risks of an unfavorable change in the price of the financial instruments underlying the option and counterparties failing to meet the terms of the option contract. LASERS and TRSLA invest in collateralized mortgage obligations (CMO's) which are collateralized by whole loan mortgages, mortgage pass-through securities, or stripped mortgage-backed securities. Additionally, LASERS and TRSLA invest in forward foreign exchange contracts which are entered into in order to hedge risks from exposure to foreign currency fluctuation. TRSLA and LSERS invest in futures contracts to maintain market exposure for excess cash or for security hedging. The risks associated with futures contracts are the potential for credit loss in the event of nonperformance by other parties to the contracts and market risk as a result of possible future changes in market prices.

NOTE 3: ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

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

A. RECEIVABLES

Receivable balances at June 30, 2008, are as follows (expressed in thousands):

	Governmental Funds			
	General Fund	Bond Security and Redemption Fund	Nonmajor Funds	Total Governmental Funds
Applicants and Clients	\$ 218,844			\$ 218,844
Corporate/Individual Tax		505,815		505,815
Excise Tax		60,926		60,926
Gaming		20,270		20,270
Licenses, Permits, and Fees		13,953		13,953
Mineral Resources		125,179	13,915	139,094
Motor Fuel Tax		94,160	954	95,114
Public Assistance		12,667		12,667
Sales of Commodities and Services		43,265		43,265
Sales Tax		406,051	2,135	408,186
Severance Tax		141,080		141,080
Tobacco Products Tax		13,195		13,195
Unclaimed Property	26,082			26,082
Other Tax		124,897		124,897
Other	2,748	88,696	30,879	122,323
Total Receivables	247,674	1,650,154	47,883	1,945,711
Allowance for Uncollectibles	--	(22,495)	--	(22,495)
Receivables, Net	\$ 247,674	\$ 1,627,659	\$ 47,883	\$ 1,923,216
Amounts Not Expected to be Collected Within One Year	\$ --	\$ 585,817	\$ --	\$ 585,817

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	Proprietary Funds			Governmental Activities -	
	Business-Type Activities - Enterprise Funds				
	Unemployment Trust Fund	Nonmajor Enterprise Funds	Total Enterprise Funds		Internal Service Funds
	Fund	Funds	Funds		Funds
Employer Contributions	\$ 114,799	\$	\$ 114,799	\$	
Gaming		11,265	11,265		
Other		6,272	6,272	11,920	
Total Receivables	114,799	17,537	132,336	11,920	
Allowance for Uncollectibles	(68,969)	--	(68,969)	--	
Receivables, Net	<u>\$ 45,830</u>	<u>\$ 17,537</u>	<u>\$ 63,367</u>	<u>\$ 11,920</u>	
Amounts Not Expected to be Collected Within One Year	<u>\$ --</u>	<u>\$ 202</u>	<u>\$ 202</u>	<u>\$ --</u>	

B. ACCOUNTS PAYABLE AND ACCRUALS

Accounts Payable and Accruals at June 30, 2008, are as follows (expressed in thousands):

	Governmental Funds			
	General Fund	Bond Security and Redemption Fund	Nonmajor Funds	Total Governmental Funds
	Fund	Fund	Funds	Funds
Aid to Local Government	\$ 13,349	\$	\$	\$ 13,349
Community Development	164,966			164,966
Disadvantaged Student Support	228,634			228,634
Economic Development	15,974			15,974
Emergency Preparedness and Disaster Recovery	331,740			331,740
Engineering and Operations	27,605			27,605
General Administration	31,769			31,769
Highway Operation and Maintenance			266,768	266,768
Inmate Housing	15,964			15,964
Job Training and Placement Programs	14,028			14,028
Medicaid	423,011			423,011
Personal and Mental Health	77,586			77,586
Public Assistance	70,186			70,186
Public Safety and Law Enforcement	23,482			23,482
Recovery School District	94,323			94,323
School and Community Educational Support	97,397			97,397
School, Student, and Educator Performance	95,053			95,053
Other State Programs	143,023	332	27,425	170,780
Total Accounts Payable and Accruals	<u>\$ 1,868,090</u>	<u>\$ 332</u>	<u>\$ 294,193</u>	<u>\$ 2,162,615</u>

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	Proprietary Funds			Governmental Activities
	Business-Type Activities - Enterprise Funds			
	Unemployment Trust Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
Gaming	\$	\$ 2,704	\$ 2,704	\$
Other		21,417	25,252	2,452
Total Accounts Payable and Accruals	\$	\$ 24,121	\$ 27,956	\$ 2,452

NOTE 4: INTERFUND ACCOUNTS AND TRANSFERS

A. RECEIVABLES AND PAYABLES

A summary of interfund receivables and payables at June 30, 2008, is shown below (expressed in thousands):

	Primary Government	
	Due From	Due To
GOVERNMENTAL FUNDS:		
General Fund	\$ 1,175,170	\$ 140,797
Bond Security and Redemption Fund	109,555	1,140,010
Louisiana Education Quality Trust Fund	1,159	14,642
Nonmajor Funds	429,925	409,772
Total Governmental Funds	<u>1,715,809</u>	<u>1,705,221</u>
PROPRIETARY FUNDS:		
Nonmajor Funds	--	10,084
Internal Service Funds	--	504
Total Proprietary Funds	<u>--</u>	<u>10,588</u>
GRAND TOTALS	\$ <u>1,715,809</u>	\$ <u>1,715,809</u>

B. TRANSFERS IN AND OUT

A summary of transfers in and out at June 30, 2008, is shown below (expressed in thousands):

	Primary Government	
	Transfers In	Transfers Out
GOVERNMENTAL FUNDS:		
General Fund	\$ 14,284,050	\$ 2,039,066
Bond Security and Redemption Fund	135,191	13,506,952
Louisiana Education Quality Trust Fund	22,251	--
Nonmajor Funds	6,019,328	4,782,583
Total Governmental Funds	<u>20,460,820</u>	<u>20,328,601</u>
PROPRIETARY FUNDS:		
Nonmajor Funds	--	132,219
Total Proprietary Funds	<u>--</u>	<u>132,219</u>
GRAND TOTALS	\$ <u>20,460,820</u>	\$ <u>20,460,820</u>

C. DETAILS OF INTERFUND BALANCES AND TRANSFERS

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

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

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

- Budget Stabilization Fund – This fund was created in 1998 to restructure and rename the Revenue Stabilization/Mineral Trust Fund (Rainy Day Fund). Its funding is derived from several sources including twenty-five percent of non-recurring revenues, money available for appropriation from the state General Fund and dedicated funds in excess of certain expenditure limits, and mineral revenues in excess of cap. Money in the fund shall not be available for appropriation except under specific conditions as enumerated in the enabling legislation. For fiscal year 2008, transfers in totaled \$87 million.
- Capital Outlay Escrow Fund – This fund was established in 1974 to provide for the capital outlay expenditures of the State as appropriated in the annual capital outlay appropriations act. The fund accounts for a large volume of on-going and new construction, routine maintenance and repairs, as well as repairs and renovations related to the damage caused by Hurricanes Katrina and Rita. The fund reported transfers out of \$42 million and transfers in of \$2.2 billion.
- Coastal Protection and Restoration Fund – This fund was created in 1989 to provide a dedicated, recurring source of revenues for the development and implementation of a program to protect and restore the coastal area of Louisiana. During fiscal year 2008, transfers out amounted to \$109 million and transfers in were \$368 million.
- Louisiana Medical Assistance Trust Fund – This fund was established in 1992 to assist in the operation and maintenance of the Medicaid program in the State. In fiscal year 2008, transfers out amounted to \$502 million and transfers in were \$149 million.
- Louisiana Mega-Project Development Fund – This fund was created in 2007 to be used for the funding of all or a portion of economic development mega-projects which may be necessary in order to successfully secure the creation or retention of jobs by a business entity. In fiscal year 2008, the fund had transfers out of \$1.5 million and transfers in of \$311 million.
- Patients' Compensation Fund – This fund, established in 1988, is used to assist medical malpractice claimants. In fiscal year 2008, the fund had transfers out of \$123 million and transfers in of \$182 million.
- Support Education in Louisiana First Fund – This fund was created in 2001 to provide salary increases for public school certificated personnel and classroom teachers, and post secondary education faculty. In fiscal year 2008, the fund reported transfers out of \$126 million and transfers in of \$176 million.
- Transportation Infrastructure Model for Economic Development (TIMED) – This fund was established in 1989 to be used exclusively for specific road and bridge projects with portions designated for the Port of New Orleans and the New Orleans International Airport. During fiscal year 2008, this fund had transfers out of \$584 million and transfers in totaled \$70 million.
- Transportation Trust Fund – This fund, established in 1989, was created to receive the excess revenues on gasoline, motor fuels, and special fuels taxes. Purposes of the fund include highway construction and maintenance, statewide flood control, and ports and airports priority programs, among others. During fiscal year 2008, transfers out amounted to \$1.2 billion and transfers in were \$571 million.
- Video Draw Poker Device Fund – This fund was created in 1991 to receive an allocation of the revenues collected by the Gaming Division of the Office of State Police for fees, fines, penalties, and all other monies collected. During fiscal year 2008, this fund had transfers out of \$209 million and transfers in totaling \$208 million.

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NOTE 5: CAPITAL ASSETS

A. PRIMARY GOVERNMENT (in thousands)

	<u>Capital Assets</u> <u>July 1, 2007 *</u>	<u>Additions</u>	<u>Deletions</u>	<u>Capital Assets</u> <u>June 30, 2008</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,039,899	\$ 63,500	\$ 52	\$ 2,103,347
Construction in progress	<u>*245,286</u>	<u>287,045</u>	<u>53,841</u>	<u>478,490</u>
Total capital assets not being depreciated	<u>2,285,185</u>	<u>350,545</u>	<u>53,893</u>	<u>2,581,837</u>
Other capital assets historical cost:				
Buildings and improvements	*1,671,263	55,275	8,804	1,717,734
Machinery and equipment	*709,099	197,346	72,807	833,638
Infrastructure	<u>18,818,026</u>	<u>1,465,969</u>	<u>--</u>	<u>20,283,995</u>
Total other capital assets historical cost	<u>21,198,388</u>	<u>1,718,590</u>	<u>81,611</u>	<u>22,835,367</u>
Less accumulated depreciation:				
Buildings and improvements	*504,689	40,587	6,284	538,992
Machinery and equipment	*525,612	104,152	72,659	557,105
Infrastructure	<u>8,690,764</u>	<u>460,736</u>	<u>--</u>	<u>9,151,500</u>
Total accumulated depreciation	<u>9,721,065</u>	<u>605,475</u>	<u>78,943</u>	<u>10,247,597</u>
Other capital assets, net of depreciation	<u>11,477,323</u>	<u>1,113,115</u>	<u>2,668</u>	<u>12,587,770</u>
Governmental activities capital assets, net	<u>\$ 13,762,508</u>	<u>\$ 1,463,660</u>	<u>\$ 56,561</u>	<u>\$ 15,169,607</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 4,957	\$ 709	\$ --	\$ 5,666
Construction in progress	<u>*75,909</u>	<u>83,962</u>	<u>404</u>	<u>159,467</u>
Total capital assets not being depreciated	<u>80,866</u>	<u>84,671</u>	<u>404</u>	<u>165,133</u>
Other capital assets historical cost:				
Buildings and improvements	27,374	1,678	1	29,051
Machinery and equipment	<u>24,171</u>	<u>3,552</u>	<u>3,402</u>	<u>24,321</u>
Total other capital assets historical cost	<u>51,545</u>	<u>5,230</u>	<u>3,403</u>	<u>53,372</u>
Less accumulated depreciation:				
Buildings and improvements	14,461	643	27	15,077
Machinery and equipment	<u>17,848</u>	<u>1,661</u>	<u>1,863</u>	<u>17,646</u>
Total accumulated depreciation	<u>32,309</u>	<u>2,304</u>	<u>1,890</u>	<u>32,723</u>
Other capital assets, net of depreciation	<u>19,236</u>	<u>2,926</u>	<u>1,513</u>	<u>20,649</u>
Business-type activities capital assets, net	<u>\$ 100,102</u>	<u>\$ 87,597</u>	<u>\$ 1,917</u>	<u>\$ 185,782</u>

* Restated Beginning Balances

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$	71,732
Culture, recreation, and tourism		3,465
Transportation and development		476,821
Public safety		16,546
Health and welfare		9,336
Corrections		10,752
Youth Services		1,453
Conservation		7,033
Education		<u>8,337</u>
Total governmental activities depreciation expense	\$	<u><u>605,475</u></u>

B. COMPONENT UNITS (in thousands)

	<u>Capital Assets</u>			<u>Capital Assets</u>
	<u>July 1, 2007 *</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2008</u>
Capital assets not being depreciated:				
Land	\$ *331,660	\$ 176,040	\$ 62,411	\$ 445,289
Construction in progress	<u>*379,394</u>	<u>309,997</u>	<u>332,894</u>	<u>356,497</u>
Total capital assets not being depreciated	<u>711,054</u>	<u>486,037</u>	<u>395,305</u>	<u>801,786</u>
Other capital assets historical cost:				
Buildings and improvements	*4,208,312	452,633	41,725	4,619,220
Machinery and equipment	*1,655,527	207,821	105,409	1,757,939
Infrastructure	<u>*585,350</u>	<u>32,524</u>	<u>12,110</u>	<u>605,764</u>
Total other capital assets historical cost	<u>6,449,189</u>	<u>692,978</u>	<u>159,244</u>	<u>6,982,923</u>
Less accumulated depreciation:				
Buildings and improvements	*1,828,969	125,009	9,681	1,944,297
Machinery and equipment	*1,193,538	125,761	73,604	1,245,695
Infrastructure	<u>*235,648</u>	<u>12,770</u>	<u>872</u>	<u>247,546</u>
Total accumulated depreciation	<u>3,258,155</u>	<u>263,540</u>	<u>84,157</u>	<u>3,437,538</u>
Other capital assets, net of depreciation	<u>3,191,034</u>	<u>429,438</u>	<u>75,087</u>	<u>3,545,385</u>
Component units capital assets, net	\$ <u><u>3,902,088</u></u>	\$ <u><u>915,475</u></u>	\$ <u><u>470,392</u></u>	\$ <u><u>4,347,171</u></u>

* Restated Beginning Balances

C. IMPAIRMENT OF CAPITAL ASSETS

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

The State's college systems have assets impaired as a result of damage received from Hurricanes Katrina and Rita that remain idle at the end of fiscal year 2008. The carrying value of these idle impaired assets is as follows:

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	<u>Buildings</u>
University of Louisiana System	\$ 53,532
Southern University System	6,858,147
Louisiana Community & Technical College System	<u>5,342,256</u>
	\$ <u>12,253,935</u>

Insurance recoveries of \$36,138,482 received during fiscal year 2008 by the Office of Risk Management (ORM) for property damage from Hurricane Katrina are reported as Governmental Activity Program Revenues –

Charges for Services in the government-wide Statement of Activities. Insurance recoveries of \$802,746 for discrete entities were paid during the year by ORM as property and automobile claims for damage from Hurricanes Katrina and Rita.

Other entities reporting insignificant impairment losses not related to Hurricanes Katrina and Rita include the University of Louisiana System for a building that was damaged by fire and a storm along with a vehicle that was totaled.

NOTE 6: EMPLOYEE BENEFITS – PENSIONS

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEMS

Background

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

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

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

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

The unfunded accrued liability as of June 30, 1988, determined under the projected unit credit funding method "...shall be amortized over a forty year period, commencing

with the fiscal year 1989-1990 with the series of forty annual payments forming an increasing annuity, increasing initially at 4% per annum for the first five years, with the percent of increase reduced one-half of one percent over each successive five year period, so that the payments are increasing at the rate of one-half of one percent over the last five-year period."

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

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

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

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

Plan Description

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

Those employees considered eligible for membership in LASERS include all employees of the State (except those

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specifically excluded by statute) and are eligible immediately upon employment. Members are vested after 10 years of service.

A member is eligible to retire after at least 10 years of service at age 60, 25 years at age 55, or after 30 years at any age. Effective January 1, 1996, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The system does provide for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches retirement age, benefits are payable at 2.5% of the average of the highest three consecutive years of compensation, multiplied by the number of years of creditable service. Once an employee has accumulated 10 years of service, disability benefits apply based on the regular benefit formula without age restrictions. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Act 740 of the 2008 Regular Session changes the eligibility requirement of enforcement personnel of the Alcohol and Tobacco Control Office of the Department of Revenue to 25 years of service at any age, or 10 years of service at age 60. Final average compensation will be based on the member's average earned compensation for the highest 60 consecutive months of employment. Act 835 of the 2006 Regular Session increases the maximum retirement allowance for peace officers employed by the Department of Public Safety and Corrections, Office of State Police, other than state troopers to 3.33% for each year of qualifying service. Act 353 of the 2007 Regular Session, effective June 30, 2007, increases the maximum retirement allowance for personnel employed by the Department of Revenue, Office of Alcohol and Tobacco Control to 3.33% for each year of qualifying service. All other benefit provisions remain the same as those for regular members.

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

In 1990, the Legislature created the DROP with Act 14. When members enter DROP, they continue to work at their regular job and draw their regular salary for a period of up to three years. While in DROP, the retiree's retirement benefits are paid into a special account. The election is irrevocable once participation begins. Interest is credited after participation ends, at which time the member must choose a distribution option for benefits that have accumulated in the DROP account. The DROP program was designed to have no actuarial effect on LASERS' unfunded liability. Currently, there are 2,643 members in the program.

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

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

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

contained two plans that were acquired by TRSLA: Plan A for members who are employed by the school system and are not covered by the Social Security system, and Plan B for members who are employed by the school system and are covered by Social Security. Plan A members are eligible to receive benefits based on a 3% benefit formula after 5 years of service at age 60, 25 years at age 55, or after 30 years service at any age. A 2% benefit formula accrues to Plan B members after 5 years service at age 60 and after 30 years service at age 55. These benefits are calculated on a percentage of the member's average salary for the thirty-six highest successive months.

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

The Optional Retirement Plan (ORP), in LRS 11:921-931, provides a defined contribution program for academic employees in higher education. Eligible members have the option of making an irrevocable election to participate in the ORP rather than the TRSLA and purchase annuity contracts for benefits payable at retirement. Monthly contributions based on percentages of salary are made by the employee and the employer to companies selected as providers of the plan. ORP provides for portability of assets and full and immediate vesting of all contributions submitted to the participating companies on behalf of the employees. In accordance with LRS 11:927(B), the system retains 9.6664% of the 16.6% ORP employer contributions to be applied to the unfunded accrued liability of the system. Thus, the amount transferred to the carrier is the employer's portion of the normal cost contribution, which has been determined by the Public Retirement Systems' Actuarial Committee to be 6.9336%. The number of employers participating in the ORP program is currently 106. Current membership in the program is 22,668. The ORP is not an obligation of the State or TRSLA, and is therefore not included in the CAFR.

Members of TRSLA also have the option of participating in a three-year DROP program. Although Act 1055 of 2001 changes the vesting requirements, members must still have 10 years of service credit to participate in DROP. Current membership in the program is 3,760. The election is irrevocable once participation begins.

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

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

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

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

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

A member is eligible to retire after at least 10 years of service at age 60, 25 years at age 55, or after 30 years at any age. The system does provide for deferred benefits for vested members who terminate before being eligible for retirement. Benefits become payable once the member reaches retirement age. The maximum retirement benefit

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is an amount equal to 3.33% of the average compensation for the 3 highest consecutive years of membership service, multiplied by the number of years of service limited to 100% of final average compensation, plus a supplementary allowance of \$2 per month for each year of service. For members who join the system on or after July 1, 2006, the average compensation used to calculate benefits consist of the 5 highest consecutive years' average salary. Once an employee has accumulated 5 years of service, disability benefits apply based on the normal benefit formula without age restrictions. A member who joins the system on or after July 1, 2006, must have at least 10 years of service to qualify for disability benefits. Other benefits have resulted from legislative changes and include cost-of-living benefits.

Effective July 1, 1992, members of the LSERS may elect to participate in the DROP and defer receipt of benefits. The election may be made one time only and is limited to three years. Monthly retirement benefits are paid into the plan and credited to a subaccount for that individual. Interest credited and payments from the DROP account are made in accordance with LRS 11:1152(F)(3). Upon termination of participation in both the plan and employment, a participant may receive either a lump sum payment from the account or systematic disbursements. All employers are eligible to participate in DROP. The number of employers currently having plan members participating in the DROP program is 72. As of June 30, 2008, there were 583 members participating in the program.

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

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

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

Those employees considered eligible for membership in LSPRS include commissioned law enforcement officers of the Office of State Police and the Superintendent of State Police, and are eligible immediately upon employment.

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

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

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

any other manner approved by the Board. Current membership in the program is 27.

A summary of government employers participating in the plans at June 30, 2008, is as follows:

		<u>Number of Employers</u>
<u>LASERS</u>	State Agencies	223
	Other Public Employers	<u>139</u>
	Total	<u>362</u>
<u>TRSLA</u>	School Boards	69
	Colleges and Universities	28
	State Agencies	55
	Charter Schools	24
	Other	<u>15</u>
	Total	<u>191</u>
<u>LSERS</u>	School Boards	77
	Other Agencies	<u>50</u>
	Total	<u>127</u>
<u>LSPRS</u>		<u>1</u>

Summary of Significant Accounting Policies

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

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

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

LASERS has no investments in any single organization

(other than those issued or guaranteed by the U.S. Government) that represents more than 5% of the plan net assets nor does LASERS hold more than 5% of any corporation's stock available for benefits.

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

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

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

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

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

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

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

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

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Investments that do not have an established market are reported at estimated fair value as determined by the Retirement System's investment consultant.

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

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

Contributions

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

LASERS. The vast majority of employees of the State who are members before July 1, 2006, contribute 7.5% of their salaries. Act 75 of the 2005 Regular Session increases the member contribution rate from 7.5% to 8.0% for new members hired after June 30, 2006. Act 835 of the 2006 Regular Session increases the contribution rate of peace officers employed by the Department of Public Safety and Corrections, Office of State Police, other than state troopers to 9.0%. Act 353 of the 2007 Regular Session increases the contribution rate of personnel employed by the Department of Revenue, Office of Alcohol and Tobacco Control, to 9%. Other exceptions include: judges, court officers, the governor, lieutenant governor, and legislators, who contribute 11.5% of their respective salaries; the Clerk of the House of Representatives and the Secretary of the Senate who contribute 9.5% of their salaries; correctional officers, security personnel, and probation officers who contribute 9.0%; wildlife agents who contribute 9.5%; and Bridge Police employees for the Crescent City Connection who contribute 8.5% of their salaries. The employers of each group listed contributed 20.4% of the employees' salaries toward future benefits for fiscal year 2008.

RS 11:429 allows any LASERS member with at least one year of service credit in the system to purchase up to five years of additional service credit in one-year increments. The purchased service credit is to be used solely for the calculation of retirement benefits, and may not be used for the attainment of additional years of retirement eligibility.

TRSLA. Contributions required of TRSLA members and their employers are based on the plan in which the employee participates. During the year ended June 30, 2008, members of the system's Regular Plan contributed 8.0% of their earned compensation, with the employer contributing 16.6%. Members of the TRSLA Plan A contributed 9.1% of their salary and the employer contributed 16.6%. Members of TRSLA Plan B contributed 5.0% of their compensation and the employer made a 16.6% contribution. The sources of employer contributions are appropriated state funds and tax proceeds collected in the parishes and remitted by the respective parishes' sheriff's office.

Act 7 of the Second Extraordinary Session of 2008 provided additional appropriations for LASERS and TRSLA. The act specifies that these appropriations are to be used to re-amortize the remaining outstanding balance of the Initial Unfunded Actuarial Liability (IUAL) when the amortization will produce a fixed payment that is less than the remaining increasing payments. The amounts appropriated for LASERS and TRSLA are \$20,000,000 and \$40,000,000, respectively.

LSERS. Member contributions are established by statute and are currently 7.5% of earned compensation. Employer contributions, provided by the Board of Trustees, were decreased to 18.1% for fiscal year 2008.

Act 1331 of the 1999 Regular Session provides for the establishment of an Employer Credit Account consisting of the accumulated excess employer contributions which exceeded the actuarially required employer rate.

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

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

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

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
<u>LSERS</u>		
6/30/06	\$ 50,768,224	85.6%
6/30/07	\$ 46,711,648	108.1%
6/30/08	\$ 50,003,327	103.5%
<u>TRSLA</u>		
6/30/06	\$ 555,342,400	103.1%
6/30/07	\$ 578,895,501	106.5%
6/30/08	\$ 637,097,695	116.2%

The ARC differs significantly from actual contributions made. This difference is in part due to a state statute that requires the contribution rate be calculated and set two years prior to the year effective and in part due to each Plan's requirement to contribute the actuarially required amount or the contribution percentage required by the Louisiana Constitution, whichever is greater.

Excess contributions collected over the amount set by the Legislature are added to the Employer Credit Account. The Employer Credit Account is used to fund future years actuarially required employer contributions. At June 30, 2008, the balance in the account for LSERS remains at \$0 while the balance for TRSLA is \$38,671,113.

LASERS, also subject to the minimum contribution requirement, currently has a balance of \$0 in the Employer Credit Account.

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

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

	<u>LASERS</u>	<u>LSPRS</u>
Annual required contribution	\$ 456,741,202	\$ 16,208,885
Interest on net pension obligation	4,215,428	(1,501,142)
Adjustment to annual required contribution	(20,062,108)	4,391,922
Annual pension cost	440,894,522	19,099,665
Contributions made	(526,963,256)	(18,908,564)
Increase (Decrease) in net pension obligation	(86,068,734)	191,101
Net pension obligation beginning of year	51,096,083	(20,015,231)
Net pension obligation end of year	\$ (34,972,651)	\$ (19,824,130)

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

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
<u>LASERS</u>			
6/30/06	\$ 415,185,175	94.9 %	\$ 52,629,148
6/30/07	\$ 420,366,617	100.4 %	\$ 51,096,083
6/30/08	\$ 440,894,522	119.5 %	\$ (34,972,653)
<u>LSPRS</u>			
6/30/06	\$ 37,621,412	99.6 %	\$ 3,287,896
6/30/07	\$ 18,615,913	225.2 %	\$ (20,015,231)
6/30/08	\$ 19,099,665	99.0 %	\$ (19,824,130)

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Actuarial Methods and Assumptions

The following table provides information concerning actuarial methods and assumptions as of the June 30, 2008, actuarial valuation date.

	<u>LASERS</u>	<u>TRSLA</u>	<u>LSERS</u>	<u>LSPRS</u>
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Entry Age	Entry Age
Amortization Method	Level Dollar*	Level Dollar*	Level Dollar	Level Dollar
Remaining Amortization Period (Open or Closed Period)	21-30 years* Closed	21-30 years* Closed	21 years Closed	21 years Closed
Asset Valuation Method	All assets valued at 4-year weighted market average	All assets valued at 4-year weighted market average	All assets valued at 4-year weighted market average	All assets valued at 4-year weighted market average
Actuarial Assumptions:				
Investment Rate of Return [#]	8.25%	8.25%	7.5%	7.5%
Projected Salary Increases	4.25 – 14%**	3.2 – 9.0%	4.0 – 6.0%	4.0 – 15.5%
Cost of Living Adjustment	None	3.0%	3.0% ^{###}	None
[#] Includes inflation at:	3%	3.2%	3%	3.25%

* Effective July 1, 2004, RS 11:102 mandated the following amortization periods and methods of unfunded accrued liabilities for changes, gains, and losses:

<u>System</u>	<u>Occurring</u>	<u>Amortization Method</u>	<u>Remaining Period</u>
LASERS	Before 1999	Level Dollar	Through 2029
	1999 - 2003	Annuity increasing at 4.5% annually	30 years from change
	2004 and later	Level Dollar	30 years from change
TRSLA	Before 2001	Level Dollar	Through 2029
	2001 - 2003	Annuity increasing at 4.5% annually	30 years from change
	2004 and later	Level Dollar	30 years from change
LSERS	Before 2001	Level Dollar	Through 2029
	2001 - 2003	Annuity increasing at 4.5% annually	30 years from change
	2004 and later	Level Dollar	30 years from change

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

###A one time COLA was given to retirees 60 years or older, with a minimum lump sum \$300.00. This was not a permanent COLA.

Changes to Actuarial Methods and Assumptions from prior year:

<u>LSERS</u>	<u>2007</u>	<u>2008</u>
Projected Salary Increases	4.0 – 8.0%	4.0 – 6.0%
Cost of Living Adjustment	NONE	3%
Inflation Rate	3.25%	3%
<u>LSPRS</u>		
Projected Salary increases	4.0 – 15.0%	4.0 – 15.5%

Funding Status and Progress

Because the purpose of each system is to provide specific benefits to groups of employees at various times in the future, actuarial valuations and assumptions are made regularly. The most recent actuarial valuation for the four statewide retirement systems is as of June 30, 2008. The Schedule of Funding Progress for the six* most recent actuarial valuations are as follows:

Schedule of Funding Progress (Expressed in Thousands)

<u>LASERS</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Actuarial Valuation Date	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Actuarial Value of Assets	\$9,167,170	\$8,345,495	\$7,430,784	\$6,673,500	\$6,097,815	\$6,487,538
Actuarial Accrued Liability	\$13,562,214	\$12,421,907	\$11,548,680	\$10,847,062	\$10,237,574	\$9,796,306
Unfunded AAL	\$4,395,044	\$4,076,411	\$4,117,896	\$4,173,562	\$4,139,759	\$3,308,768
Funded Ratio	67.6%	67.2%	64.3%	61.5%	59.6%	66.2%
Annual Covered Payroll	\$2,436,956	\$2,175,367	\$1,979,705	\$2,100,043	\$2,017,726	\$1,924,680
UAAL as a Percentage of Covered Payroll	180.3%	187.4%	208.0%	198.7%	205.2%	171.9%
Unfunded Funding Actuarial Liability	\$4,473,115	\$4,129,688	\$4,164,544	\$4,202,817	\$4,165,943	\$3,333,456
<u>TRSLA</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Actuarial Valuation Date	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Actuarial Value of Assets	\$15,507,834	\$14,812,298	\$13,088,358	\$12,082,682	\$11,409,404	\$11,826,926
Actuarial Accrued Liability	\$22,090,516	\$20,772,330	\$19,390,781	\$18,699,765	\$18,067,486	\$17,196,812
Unfunded AAL	\$6,582,683	\$5,960,032	\$6,302,423	\$6,617,083	\$6,658,082	\$5,369,886
Funded Ratio	70.2%	71.3%	67.5%	64.6%	63.1%	68.8%
Annual Covered Payroll	\$3,675,014	\$3,224,566	\$2,892,959	\$3,132,169	\$3,017,087	\$2,977,885
UAAL as a Percentage of Covered Payroll	179.1%	184.8%	217.9%	211.3%	220.7%	180.3%
Unfunded Funding Actuarial Liability	\$6,967,625	\$6,250,578	\$6,554,990	\$6,812,643	\$6,836,080	\$5,508,362
<u>LSERS</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Actuarial Valuation Date	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Actuarial Value of Assets	\$1,578,991	\$1,558,328	\$1,480,748	\$1,423,207	\$1,381,154	\$1,369,601
Actuarial Accrued Liability	\$2,060,242	\$1,947,603	\$1,872,594	\$1,889,445	\$1,820,958	\$1,730,796
Unfunded AAL	\$481,251	\$389,275	\$391,846	\$466,238	\$439,804	\$361,195
Funded Ratio	76.6%	80.0%	79.1%	75.3%	75.8%	79.1%
Annual Covered Payroll	\$289,259	\$259,045	\$239,321	\$259,232	\$259,698	\$268,656
UAAL as a Percentage of Covered Payroll	166.2%	150.3%	163.7%	179.9%	169.4%	134.4%
Unfunded Funding Actuarial Liability	\$481,251	\$389,275	\$391,846	\$466,238	\$439,804	\$361,195
<u>LSPRS</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Actuarial Valuation Date	6/30/08	6/30/07	6/30/06	6/30/05	6/30/04	6/30/03
Actuarial Value of Assets	\$438,075	\$428,880	\$379,704	\$322,482	\$288,865	\$271,062
Actuarial Accrued Liability	\$637,832	\$587,527	\$546,238	\$516,427	\$477,085	\$447,694
Unfunded AAL	\$199,757	\$158,646	\$166,534	\$193,945	\$188,220	\$176,631
Funded Ratio	68.7%	73.0%	69.5%	62.4%	60.6%	60.6%
Annual Covered Payroll	\$56,728	\$49,763	\$49,256	\$49,290	\$47,923	\$44,148
UAAL as a Percentage of Covered Payroll	352.1%	318.8%	338.1%	393.5%	392.8%	400.1%
Unfunded Funding Actuarial Liability	\$199,757	\$158,646	\$166,534	\$238,206	\$228,976	\$215,709

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

Unfunded Actuarial Accrued Liability (UAAL) differs from the Unfunded Funding Actuarial Liability (UFAL) for funding purposes. UFAL for funding purposes excludes Initial Unfunded Actuarial Liability (IUAL) Amortization Fund Assets and the Employer Credit Account, when applicable.

Act 588 of the 2004 Regular Legislative Session reset the Employee Experience Account balance to zero and thereafter limited the account balance to no more than the reserve for two COLAs. At June 30, 2008, the Employee Experience Account had balances for LASERS and TRSLA of \$140,698,470 and \$344,683,573 respectively. The Experience account can only be used to fund retiree cost-of-living adjustments.

NOTE: A Schedule of Funding Progress is Required Supplementary Information for each of the individual retirement systems. This RSI can be found on the following pages of the individual reports: LASERS – 41, TRSLA – 62, LSERS – 29, LSPRS – 21.

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Readers needing to see pension information not included in this report such as Required Supplementary Information may request a copy of the separately issued financial reports by writing to each retirement system individually at the addresses listed in Note 1.

B. LOUISIANA LOTTERY CORPORATION RETIREMENT PLANS

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

1. Basic Retirement

The Basic Retirement Plan was established effective September 1, 1993, with all employees eligible except those who elect coverage under a state retirement plan and those who are either independent contractors or leased employees. Eligible employees may participate in the Plan immediately upon employment. Employer contributions for fiscal year 2008 were 5% of the participant's compensation. Employee contributions were 6.2% of their compensation. Participants are fully vested immediately. Plan assets do not revert for the benefit of the employer. Benefit distributions commence as of the date designated by the participant (annuity starting date) after termination of employment, but not later than April 1st of the year following the calendar year in which the participant attains age seventy and one half. The participant must make a qualified election to receive the distribution in the form of a single-sum payment or in the form of a qualified joint and survivor annuity or single life annuity contract. Employee and employer contributions for fiscal year 2008 were \$261,304 and \$324,501, respectively.

2. Supplemental Retirement

Substantially all full-time employees are eligible to participate in the Supplemental Retirement Plan. The Louisiana Lottery Corporation contributed 4.5% of each participant's compensation for fiscal year 2008. Generally, participants are not permitted to contribute to the Plan; however, participants may contribute proceeds from a qualified rollover distribution as allowed by IRS Section 402. Effective July 1, 1991, all eligible employees employed by the Corporation on or before that date participate in the Plan. Thereafter, an eligible employee participates in the Plan as of the entry date that coincides with or immediately follows the date on which the eligible employee completes 90 consecutive calendar days of employment with the Corporation. Each plan year, the board of directors of the Corporation may determine the amount of a discretionary contribution not to exceed 2% of each participant's compensation for any plan year. Plan participants are fully vested and amounts are nonforfeitable upon the participant's death, disability, or attainment of the normal retirement date or upon the completion of three years of service. Any forfeiture of nonvested amounts is reallocated to the accounts of all the remaining participants. Plan assets do not revert for the benefit of the employer. The distribution of a participant's vested and nonforfeitable portion of his or her account is made in the form of a single-sum payment after the participant terminates employment with the employer, attains the normal retirement age (65 years of age), or dies. Employer contributions for fiscal year 2008 were \$313,178.

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

Background

The State of Louisiana compensates its employees in a variety of ways in exchange for their services. In addition to a salary, many employees are provided benefits over their years of service that will not be received until their employment with the State ends. The most common type of these postemployment benefits is a pension. Other postemployment benefits (OPEB) provided are healthcare and life insurance benefits. For fiscal year 2008, costs of providing the State's portion of retiree medical and life insurance benefit premiums were recognized as an expense when the benefit premiums were due and thus were financed on a pay-as-you-go basis.

A. OFFICE OF GROUP BENEFITS (OGB) PLAN

Plan Description

Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for the fiscal year ending June 30, 2007, addresses the OPEB reporting requirements for the State's OPEB plan, Office of Group Benefits (OGB). Through self-insured and self-funded OGB programs, premiums are collected and benefits are paid as they come due in accordance with an agreement between the employers and plan members, and their beneficiaries. OGB is the administrator for the agent multiple-employer defined benefit OPEB plan; it provides healthcare coverage and life insurance to eligible participants who are employees of the State, some school systems, and certain non-state employers. A summary of

employers and members participating in the plan at June 30, 2008, is as follows:

	<u>Number of Employers</u>		<u>Plan Membership</u>
States	1	Retirees and	
School systems	43	beneficiaries	46,474
Non-state agencies	89	Active plan members	<u>84,796</u>
State agencies	<u>247</u>	Total	<u><u>131,270</u></u>
Total	<u><u>380</u></u>		

Benefit provisions are established or may be amended under the authority of LRS 42:802. All benefits and premium structures are reviewed by the OGB Policy and Planning Board. A written report from this Board is forwarded to the House Appropriations Committee and Senate Finance Committee for oversight. OGB does not issue a stand alone financial report on the Plan; however, the financial information is included in the State's Comprehensive Annual Financial Report (CAFR). A copy of the CAFR can be obtained on the website at www.doa.la.gov/osrap-2.htm.

Summary of Significant Accounting Policies

OGB's financial statements are prepared on the full-accrual basis of accounting using the economic resources measurement focus. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The financial statements of OGB include the financial transactions of only the state agencies and are reported in the General Fund. There were no long-term contracts for contributions to the plan, legally required reserves, or designations of net assets for the plan at the reporting date. The financial statements of the non-state agencies and school systems collectively are

reported in the agency fund, Non-State Entities OPEB Fund. These agency fund statements are prepared on the accrual basis but do not have a measurement focus, as they report only assets and liabilities.

Funding Policy

Substantially all employees become eligible for postretirement benefits if they reach normal retirement age while working for the State and are a member of OGB. Life insurance for the individual employee is financed by equal contributions from the State and the employee; insurance for eligible dependents and voluntary optional life products are funded totally through employees' contributions. To be eligible for retiree health insurance coverage, the coverage must be in effect prior to the retirement date. For those beginning participation or rejoining on or after January 1, 2002, the state subsidy of the premium is based on the number of years of participation in a Group Benefits Health Plan. This also applies to dependents who begin coverage after July 1, 2002. LRS 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. OGB offers three standard healthcare plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Exclusive Provider Organization (EPO) plan and the Health Maintenance Organization (HMO) plan. Retired employees who have Medicare Part A and Part B coverage also have access to two OGB Medicare Advantage plans which includes one HMO plan and one private fee-for-service (FFS) plan. Administrative costs of the OGB plan are financed through the premiums collected for all classes of active and retired plan members. Contribution amounts vary depending on which healthcare provider is selected from the plan, years of participation, and if the member has Medicare coverage. Following is a summary of plan provisions.

Summary of Plan Provisions

Health Insurance Monthly Premiums

Employees hired before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee cost). Total annual per capita medical contribution rates for 2007-2008 are shown in the table below.

Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate upon retirement based on the following schedule:

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

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Total Premium Rates are as follows:

	<u>PPO</u>	<u>EPO</u>	<u>HMO</u>	<u>Medicare Advantage Plans</u>	
				<u>Humana FFS</u>	<u>Humana HMO</u>
<u>Active</u>					
Single	523.00	543.96	502.12	N/A	N/A
With Spouse	1,110.88	1,155.32	1,066.44	N/A	N/A
With Children	637.88	663.40	612.36	N/A	N/A
Family	1,171.56	1,218.44	1,124.72	N/A	N/A
<u>Retired No Medicare & Re-employed Retiree</u>					
Single	973.00	1,011.88	934.08	N/A	N/A
With Spouse	1,718.12	1,786.84	1,649.36	N/A	N/A
With Children	1,083.80	1,127.12	1,040.48	N/A	N/A
Family	1,709.84	1,778.24	1,641.44	N/A	N/A
<u>Retired with 1 Medicare</u>					
Single	316.40	329.04	303.72	176.00	138.00
With Spouse	1,169.04	1,215.80	1,122.24	N/A	N/A
With Children	547.64	569.56	525.76	N/A	N/A
Family	1,557.68	1,619.96	1,495.32	N/A	N/A
<u>Retired with 2 Medicare</u>					
With Spouse	568.72	591.44	545.96	352.00	276.00
Family	704.16	732.32	676.00	N/A	N/A

All members who retire on or after July 1, 1997, must have Medicare Parts A and B in order to qualify for the reduced premium rates.

Life Insurance Premiums

- Retiree pays 50 cents for each \$1,000 of life insurance.
- Retiree pays 88 cents for each \$1,000 of spouse life insurance.

Annual OPEB Cost and Net OPEB Obligation

The Annual Required Contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. Effective July 1, 2007, the State implemented GASB 45 prospectively which requires reporting on an accrual basis the liability associated with other postemployment benefits and the OPEB liability at transition was zero. The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation at the end of the year were as follows (dollar amounts in thousands):

Net OPEB obligation - end of year	\$	<u>601,527</u>	\$	<u>312,311</u>
Percentage of Annual OPEB Cost Contributed		18.46%		17.64%

Since this fiscal year is the first fiscal year for which GASB 45 is applicable for the State, no information for prior years is presented.

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$7,892,905,000 for the primary government and \$4,179,108,000 for component units, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$1,463,356,000 for the primary government and \$1,264,524,000 for the component units, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 539.37% for the primary government and 330.49% for the component units. As of June 30, 2008, the State did not have an OPEB trust. A trust was established with an effective date of July 1, 2008, but was not funded at all, had no assets, and hence had a funded ratio of zero.

	<u>Primary Government</u>	<u>Component Units</u>
Annual Required Contribution	\$ 737,730	\$ 379,186
Annual OPEB cost (expense)	737,730	379,186
Contributions made	(136,203)	(66,875)
Increase in net OPEB obligation	601,527	312,311
Net OPEB obligation - beginning of year	0	0

Actuarial valuations of the State's plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information following the notes to the financial statements presents information that shows whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

In the July 1, 2007, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses), which is based on the expected long-term investment returns on the employer's own investments, and on initial annual healthcare cost trend rates of 9.5% and 10.6% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The unfunded actuarial accrued liability is being amortized using the level percentage of projected payroll amortization method on an open basis. The remaining amortization period at June 30, 2008, was thirty years.

B. DEFINITY HEALTH PLAN

The Louisiana State University (LSU) System (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 healthcare coverage plans. One offering is OGB, which has already been discussed in this note, and the other is Definity Health Plan (Definity).

Plan Description

The System offers eligible plan members the opportunity to participate in comprehensive healthcare coverage under its plan, Definity. It gives participants a unique, consumer-

driven healthcare approach to pay routine health expenses, and provides coverage for major healthcare expenses. Employees in a limited number of other state entities besides the LSU System also participate, but that participation is not material and, as such, the plan is identified as a single-employer defined benefit healthcare plan that is not administered as a trust or equivalent arrangement. Claim and pharmaceutical administrators administer the plan; they are selected through a formal Request for Proposals process followed by negotiations between the System and qualified vendors. Definity originally began as a pilot program in OGB. Definity does not issue a stand alone financial report, but the financial information on the Plan is included in the System's audited Financial Report which can be obtained on the System's website at www.fas.lsu.edu/acctservices/far_b/supp_2008.html. A summary of members participating in the plan at June 30, 2007, is as follows:

Retirees and beneficiaries	984
Active plan members	9,638
Total	10,622

Summary of Significant Accounting Policies

The System's financial statements are prepared on the full-accrual basis of accounting using the economic resources measurement focus. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. There were no long-term contracts for contributions to the plan, legally required reserves, or designations of net assets for the plan at the reporting date.

Funding Policy

Administrative costs of the Definity plan are financed through the premiums collected for all classes of active and retired plan members. The plan rates are actuarially determined and must be approved by OGB under LRS 42:851.B; they are in effect for one year and members have the opportunity to change providers during the open enrollment period which usually occurs in April. Employees become eligible for postemployment benefits if they reach normal retirement age while working for the State. Definity offers plan members a choice of selecting Option 1 or Option 2. Contribution amounts vary depending on which option is selected from the plan. Following is a summary of plan provisions.

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Summary of Plan Provisions

Health Insurance Monthly Premiums

Employees hired before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee cost). Total annual per capita medical contribution rates for 2007-2008 are shown in the table below.

Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate upon retirement based on the following schedule:

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

Total Premium Rates are as follows:

	<u>Option 1</u>	<u>Option 2</u>
<u>Active</u>		
Single	512.60	443.22
With Spouse	914.55	790.75
With Children	628.95	562.00
Family	1093.36	956.54
<u>Retired No Medicare & Re-employed Retiree</u>		
Single	973.00	889.33
With Spouse	1718.12	1570.36
With Children	1083.80	986.25
Family	1709.84	1558.52
<u>Retired with 1 Medicare</u>		
Single	298.23	257.85
With Spouse	1029.97	890.57
With Children	566.51	509.85
Family	1461.40	1277.65
<u>Retired with 2 Medicare</u>		
With Spouse	520.43	450.00
Family	706.69	617.84

Annual OPEB Cost and Net OPEB Obligation

The Annual Required Contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. Effective July 1, 2007, the State implemented GASB 45 prospectively which requires reporting on an accrual basis the liability associated with other postemployment benefits and the OPEB liability at transition was zero. The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation at the end of the year were as follows (dollar amounts in thousands):

	Definity <u>Health Plan</u>
Annual Required Contribution	\$ 49,787
Annual OPEB cost (expense)	49,787
Contributions made	(10,141)
Increase in net OPEB obligation	39,646
Net OPEB obligation - beginning of year	0
Net OPEB obligation - end of year	\$ 39,646
Percentage of Annual OPEB Cost Contributed	20.37%

Since this is the first fiscal year for which GASB 45 is applicable for Definity, no information for prior years is presented.

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the actuarial accrued liability was \$470,940,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$552,044,000, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 85.31%. As of June 30, 2008, the plan had no assets, and hence had a funded ratio of zero.

Actuarial valuations of the Definity plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarial determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information following the notes to the financial statements presents information that shows whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

In the July 1, 2007, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 5% investment rate of return (net of administrative expenses), which is based on the expected long-term investment returns on the employer's own investments, and on an initial healthcare inflation rate of 11%, and an ultimate rate of 6%. The unfunded actuarial accrued liability is being amortized using the level percentage of projected payroll amortization method on an open basis. The remaining amortization period at June 30, 2008, was thirty years. Projected salary increases were 4% per annum.

NOTE 7: LEASES

A. LEASE AGREEMENTS

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

B. OPERATING LEASES

Operating lease payments are recorded as expenditures or expenses of the applicable fund when the related liability is incurred and totaled \$70,600,262 (component units totaled \$25,205,524) for the fiscal year ended June 30, 2008. Commitments of the primary government under operating lease agreements for equipment, land, and buildings provide for future annual rental payments as follows (expressed in thousands):

Fiscal Year	Office Space	Equipment	Land	Other	Total
2009	\$ 46,712	\$ 2,692	\$ 162	\$ 5,294	\$ 54,860
2010	37,211	1,149	127	5,101	43,588
2011	28,508	1,118	91	5,101	34,818
2012	19,758	783	72	4,950	25,563
2013	11,769	781	53	4,671	17,274
2014-2018	13,623	2,287	228	9,278	25,416
2019-2023	19,763	2,309	133	10,154	32,359
Total	<u>\$ 177,344</u>	<u>\$ 11,119</u>	<u>\$ 866</u>	<u>\$ 44,549</u>	<u>\$ 233,878</u>

Operating leases for component units are as follows (expressed in thousands):

Office space - \$64,090; Equipment - \$2,767; Land - \$3,012; and Other - \$10,619 for a total of \$80,488.

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C. CAPITAL LEASES AND INSTALLMENT PURCHASE AGREEMENTS

Capital lease obligations are payable from resources of the governmental and proprietary funds. The following is a schedule of future minimum payments remaining under contracts in existence at June 30, 2008 (expressed in thousands):

Fiscal Year	Governmental Activities	Business-Type Activities	Component Units
2009	\$ 5,097	\$ 144	\$ 10,492
2010	3,682	47	8,411
2011	2,233	28	7,632
2012	1,263	28	6,802
2013	949	23	6,724
2014-2018	519		32,140
2019-2023			23,009
2024-2028			5,896
2029-2033			610
Subtotal	<u>13,743</u>	<u>270</u>	<u>101,716</u>
Less interest and executory costs	<u>1,056</u>	<u>11</u>	<u>29,008</u>
Present value of minimum lease payments	<u>\$ 12,687</u>	<u>\$ 259</u>	<u>\$ 72,708</u>

The gross amount of the leased assets at June 30, 2008, (expressed in thousands) for governmental activities is \$4,492 for office space and \$18,230 for equipment; business-type activities is \$363 for equipment; and component units is \$6,371 for office space and \$98,270 for equipment.

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

	Governmental Activities	Business-Type Activities	Component Units
Buildings	\$ 2,647	\$	\$
Office Space			7,773
Equipment	11,045	270	93,943
Land	51		
Total Capital Leases	<u>\$ 13,743</u>	<u>\$ 270</u>	<u>\$ 101,716</u>

D. LESSOR LEASES

Various property and facilities are leased to outside parties as leases from port authorities, levee districts, universities, and various other entities. The current amount of lease revenues for the primary government for the fiscal year ending June 30, 2008, is \$1,575,873 (component units \$5,386,574).

The value of the property carried on the financial reports for the entities included below (expressed in thousands) is \$7,576 for land; \$165,884 for buildings; and \$796 for equipment; accumulated depreciation on the buildings and other totaled \$86,795.

OPERATING LEASES

The following is a schedule by years of minimum future rentals on operating leases as of June 30, 2008 (expressed in thousands):

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Fiscal Year	Governmental Activities	Business-Type Activities	Component Units
2009	\$ 1,630	\$ 226	\$ 8,298
2010	210	224	6,405
2011	175	191	4,431
2012	27	127	4,198
2013	2	42	3,414
2014-2018	11	7	14,139
2019-2023	11		6,573
2024-2028	11		3,965
2029-2033			7,630
2034-2038			1,263
Total	<u>\$ 2,077</u>	<u>\$ 817</u>	<u>\$ 60,316</u>

The contingent rental revenue received from the lessor operating leases above as of June 30, 2008, (expressed in thousands) is \$1,649 for office rentals, \$163 for equipment rentals, \$777 for land rentals, and \$52 for other totaling \$2,641.

NOTE 8: LONG-TERM OBLIGATIONS

A. DEBT AUTHORIZATION AND LIMITATIONS

The Louisiana Constitution of 1974 provides that the State shall have no power, directly or indirectly, through any board, agency, commission, or otherwise, to incur debt or issue bonds except by law enacted by two-thirds of the elected members of each house of the Legislature. LRS 39:1365(25) limits the legislative authorization of general obligation bonds and other general obligations secured by the full faith and credit of the State by prohibiting total authorized bonds from exceeding an amount equal to two times the average annual revenues of the Bond Security and Redemption Fund for the last three fiscal years prior to such authorization. The bond authorization limitation is \$26,233,962,000. The total general obligation bonds authorized are \$2,233,980,000 at June 30, 2008, or 8.52% 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 \$1,311,698,000. At June 30, 2008, the highest current or future annual general obligation debt service requirement is \$265,766,000, which represents 20.26% of the debt issuance limitation.

LRS 39:1367, enacted pursuant to a constitutional amendment, provides that the State Bond Commission establish annually a limit on the net state tax-supported debt issued subject to certain percentages established in the statutes and based on General Fund and dedicated funds revenues forecast by the Revenue Estimating Conference. The maximum amount of net state tax-supported debt allowed by statute for fiscal year 2007-2008 is 6.00% of estimated General Fund and dedicated funds revenues established by the Revenue Estimating Conference which was \$628,200,000. During the fiscal year 2007-2008, the total net state tax-supported debt paid was \$425,828,000 or 4.07% of the estimated General Fund and dedicated funds to revenues established by the Revenue Estimating Conference.

B. AUTHORIZED BUT UNISSUED DEBT

The Omnibus Bond Authorization Act of 2008 provides for the repeal of all acts except any act authorizing issuance of refunding bonds, and Act 41 of the 2006 First Extraordinary Session which provides for the issuance of general obligation bond authorizations which are no longer found feasible or desirable; to reauthorize general obligation bonds for projects deemed to be essential, and to authorize new projects. As a result, there were no authorized but unissued bonds outstanding at June 30, 2008.

C. PURPOSE AND RETIREMENT OF GENERAL OBLIGATION BONDS

General obligation bonds are authorized and issued primarily to provide funds for constructing and improving state-owned facilities including ports, university facilities,

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

In order to facilitate the funding of capital improvements by certain governmental units and political subdivisions of the State, the Omnibus Bond Authorization Act of 2008

authorized the issuance of general obligation bonds contingent upon executing a reimbursement contract with the State Bond Commission pertaining to the reimbursement payments and reimbursement reserve account payments for such projects. A reimbursement contract is a contract between the State, as bond issuer, and an entity, through which the entity receives a portion of bond money for its project. The entity repays or reimburses the State at the same interest rate and the same maturity dates as the bond issue. Entities utilize reimbursement contracts to attempt to obtain a better interest rate.

Reimbursement contracts include colleges and universities in the amount of \$1,020,000 and miscellaneous contracts in the amount of \$604,215. Applicable interest to maturity is \$172,502 and \$113,221, respectively. In the accompanying financial statements, reimbursement contracts are shown as accounts receivable and the debt shown is not reduced for these items.

D. LONG-TERM OBLIGATIONS OUTSTANDING AT JUNE 30, 2008

Long-term obligations outstanding at June 30, 2008, principal only, are as follows (expressed in thousands):

Long-Term Obligations	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Interest Rates
GOVERNMENTAL ACTIVITIES:						
General obligation bonds payable						
	\$ 2,778,140	\$ --	\$ 155,705	\$ 2,622,435	\$ 363,680	2.50 – 7.75%
Other bonds payable by agency:						
Crescent City Connection	12,640	--	1,900	10,740	1,960	2.00 – 3.65%
Health Education Authority of Louisiana	8,125	--	320	7,805	340	5.70 – 8.30%
Louisiana Correctional Facilities Corporation	14,815	23,210	5,335	32,690	11,050	3.00 – 5.00%
Office Facilities Corporation	311,935	--	17,310	294,625	18,055	Various
Public Safety LPFA	76,250	62,895	72,985	66,160	2,870	5.00 – 5.88%
Tobacco Settlement Financing	1,035,220	--	43,540	991,680	84,515	5.50 – 6.36%
Transportation Infrastructure Model for Economic Development	1,883,820	--	5,415	1,878,405	5,685	3.00 – 5.38%
Total other bonds payable by agency	3,342,805	86,105	146,805	3,282,105	124,475	
Total bonded debt	6,120,945	86,105	302,510	5,904,540	488,155	

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Long-Term Obligations	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Interest Rates
Other liabilities:						
Compensated absences	192,026	100,609	77,344	215,291	12,253	
Capital lease obligations	49,472	8,848	45,633	12,687	5,097	
Claims and litigation payable	2,684,647	1,157,997	1,449,441	2,393,203	268,825	
Unamortized bond premium*	194,448	5,141	12,398	187,191	12,035	
Notes payable	1,897	27	838	1,086	445	
OPEB payable	--	596,583	--	596,583	--	
Other long-term obligations	44,321	1,031	724	44,628	4,244	
Total other liabilities	<u>3,166,811</u>	<u>1,870,236</u>	<u>1,586,378</u>	<u>3,450,669</u>	<u>302,899</u>	
Total long-term obligations						
Governmental Activities	\$ <u>9,287,756</u>	\$ <u>1,956,341</u>	\$ <u>1,888,888</u>	\$ <u>9,355,209</u>	\$ <u>791,054</u>	

*restated

BUSINESS-TYPE ACTIVITIES:

Bonds payable:

Revenue bonds	\$ <u>163,728</u>	\$ <u>--</u>	\$ <u>59</u>	\$ <u>163,669</u>	\$ <u>--</u>	3.50 – 4.38%
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Other liabilities:

Compensated absences	2,213	308	119	2,402	807	
Capital lease obligations	270	130	141	259	145	
Notes payable	2,266	110	167	2,209	183	
Claims and litigation payable	50	--	--	50	--	
Contracts payable	--	517	--	517	--	
OPEB payable	--	4,991	47	4,944	--	
Other long-term liabilities	81,233	9,769	17,754	73,248	--	
Total other liabilities	<u>86,032</u>	<u>15,825</u>	<u>18,228</u>	<u>83,629</u>	<u>1,135</u>	

Total long-term obligations

Business-Type Activities	\$ <u>249,760</u>	\$ <u>15,825</u>	\$ <u>18,287</u>	\$ <u>247,298</u>	\$ <u>1,135</u>	
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COMPONENT UNITS:

Bonds payable:

Revenue bonds*	\$ <u>2,596,680</u>	\$ <u>339,425</u>	\$ <u>105,666</u>	\$ <u>2,830,439</u>	\$ <u>43,771</u>	Variable
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Other liabilities:

Compensated absences	192,999	45,061	30,622	207,438	18,838	
Capital lease obligations	79,785	1,573	8,650	72,708	7,080	
Amounts held in custody for others	35,582	137,524	129,881	43,225	23,402	
Contracts payable	--	2,978	--	2,978	2,978	
Notes payable	106,459	23,739	34,884	95,314	17,697	
Claims and litigation payable	27,682	1,358	547	28,493	114	
OPEB payable	--	362,806	10,849	351,957	--	
Other long-term liabilities	34,781	18,031	1,697	51,115	22,459	
Total other liabilities	<u>477,288</u>	<u>593,070</u>	<u>217,130</u>	<u>853,228</u>	<u>92,568</u>	

Total long-term obligations

Component Units	\$ <u>3,073,968</u>	\$ <u>932,495</u>	\$ <u>322,796</u>	\$ <u>3,683,667</u>	\$ <u>136,339</u>	
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*restated

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E. DEBT SERVICE REQUIREMENTS AT JUNE 30, 2008

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

Year:	Governmental Activities								
	General Obligation Bonds			Other Bonded Debt			Totals		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 363,680	\$ 117,734	\$ 481,414	\$ 124,475	\$ 122,447	\$ 246,922	\$ 488,155	\$ 240,181	\$ 728,336
2010	171,685	109,287	280,972	95,925	163,218	259,143	267,610	272,505	540,115
2011	180,255	100,298	280,553	100,870	158,312	259,182	281,125	258,610	539,735
2012	170,295	91,524	261,819	109,635	153,033	262,668	279,930	244,557	524,487
2013	158,775	82,401	241,176	118,010	147,240	265,250	276,785	229,641	506,426
2014-18	732,005	293,502	1,025,507	725,625	627,841	1,353,466	1,457,630	921,343	2,378,973
2019-23	606,040	130,542	736,582	374,105	442,229	816,334	980,145	572,771	1,552,916
2024-28	239,700	17,395	257,095	259,585	374,992	634,577	499,285	392,387	891,672
2029-33	--	--	--	382,210	299,557	681,767	382,210	299,557	681,767
2034-38	--	--	--	555,165	188,060	743,225	555,165	188,060	743,225
2039-43	--	--	--	436,500	42,319	478,819	436,500	42,319	478,819
Total	\$ 2,622,435	\$ 942,683	\$ 3,565,118	\$ 3,282,105	\$ 2,719,248	\$ 6,001,353	\$ 5,904,540	\$ 3,661,931	\$ 9,566,471

Year:	Business-Type Activities			Component Units		
	Revenue Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ --	6,624	\$ 6,624	\$ 43,771	\$ 119,107	\$ 162,878
2010	66,000	4,193	70,193	88,426	126,137	214,563
2011	--	3,382	3,382	111,286	121,975	233,261
2012	--	3,382	3,382	96,371	117,308	213,679
2013	1,511	3,382	4,893	100,396	112,760	213,156
2014-18	6,305	16,540	22,845	544,848	493,581	1,038,429
2019-23	19,580	13,883	33,463	558,752	367,391	926,143
2024-28	35,435	7,732	43,167	685,104	228,187	913,291
2029-33	34,838	2,747	37,585	356,273	109,936	466,209
2034-38	--	--	--	227,097	29,639	256,736
2039-43	--	--	--	18,115	824	18,939
Total	\$ 163,669	\$ 61,865	\$ 225,534	\$ 2,830,439	\$ 1,826,845	\$ 4,657,284

Year:	Governmental Activities			Business-Type Activities			Component Units		
	Notes Payable			Notes Payable			Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 445	\$ 33	\$ 478	\$ 183	\$ 122	\$ 305	\$ 17,697	\$ 1,957	\$ 19,654
2010	291	20	311	171	113	284	16,804	1,356	18,160
2011	286	8	294	126	105	231	6,686	1,109	7,795
2012	64	1	65	128	98	226	11,993	2,046	14,039
2013	--	--	--	135	90	225	4,722	1,830	6,552
2014-18	--	--	--	809	318	1,127	18,557	6,448	25,005
2019-23	--	--	--	657	65	722	11,419	3,140	14,559
2024-28	--	--	--	--	--	--	6,540	657	7,197
2029-33	--	--	--	--	--	--	366	37	403
2034-38	--	--	--	--	--	--	385	19	404
2039-43	--	--	--	--	--	--	145	1,999	2,144
Total	\$ 1,086	\$ 62	\$ 1,148	\$ 2,209	\$ 911	\$ 3,120	\$ 95,314	\$ 20,598	\$ 115,912

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F. DEFEASED BONDS

The following table enumerates the principal balances of previously outstanding bonds considered defeased at June 30, 2008 (expressed in thousands). The defeased bonds are not included in the accompanying financial statements.

<u>Bond Series</u>	<u>Date Defeased</u>	<u>Maturity Date</u>	<u>Amount Defeased</u>	<u>Outstanding at June 30, 2008</u>
Primary Government:				
1990	2/93	Various	\$ 89,855	\$ --
1992-A	5/98	Various	135,255	--
1994-A	5/98	Various	108,245	85,395
1997-A	1/05	Various	142,925	131,825
1998-B	1/05	Various	130,540	130,540
2000-A	1/05	Various	190,930	190,930
2002-A	1/05	Various	92,970	92,970
2003-A	1/05	Various	39,915	39,915
2004-A	1/05	Various	45,240	45,240
Component Units:				
Louisiana Stadium and Exposition District:				
1994-A	12/98	Various	\$ 48,475	\$ 48,360
1995-A	12/98	7/24	10,500	10,500
1995-B	12/98	7/25	12,140	12,070
1996-A	12/98	Various	63,095	62,315
Greater New Orleans Expressway Commission				
	11/92	Various	54,920	44,005

G. CONDUIT DEBT

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

Revenue bonds were issued by the Louisiana Public Facilities Authority (LPFA), a component unit, which constituted conduit debt outstanding at year-end totaling \$5,090,596,582. The authority and the State have no responsibility for the repayment of this debt, and it is not reflected in the accompanying financial statements.

H. OTHER GENERAL LONG-TERM OBLIGATIONS

The liability for compensated absences is described in detail in Note 1 Section C; the liability for capital leases is described in more detail in Note 7; the liability for claims and litigation is described in more detail in Notes 9 and 11.

I. PLEDGED REVENUES

Governmental Activities

Vehicular License Taxes

Mississippi River Bridge Authority issued its bridge revenue refunding bonds in 2002 for the Crescent City Connection Project in the amount of \$19,900,000 to refund all or a portion of the outstanding 1992 bonds and fund the costs of issuance. The bonds are payable from and secured by a pledge of Highway Fund No. 2 monies (comprised of the annual vehicular license taxes collected in six parishes), income earned from investment and any other monies accruing to the Authority. The Authority has obligated the Highway Fund No. 2 monies to cover the principal and interest requirements until the bonds are fully paid in 2012. The Authority earned \$5,656,000 of Highway Fund No. 2 revenue as of June 30, 2008, and paid principal and interest of \$1,900,000 and \$499,537, respectively, on the bonds. The outstanding bond principal and interest is \$10,740,000 and \$1,224,634.

Contract Parking Agreement – Tulane University

Health Education Authority of Louisiana (HEAL) is a body corporate created to operate a multi-institutional facility that included public and private institutions dedicated to health related services (the Medical Complex). HEAL issued taxable revenue bonds of \$9,350,000 in December 1998 to finance the acquisition, construction, and installation of an additional 516 parking spaces to an existing multilevel parking garage and build a skywalk to another facility. The garage was for Tulane Medical Center

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employees and students, visitors to the Medical Complex, and the public. The bonds are payable solely from the income and revenues derived by the Authority from the parking garage, including payments received from Tulane University pursuant to a contract parking agreement and lease agreement through 2031. The Authority has agreed to pay the principal and interest requirements as they become due and payable until the bonds are fully paid in 2031. The total principal and interest remaining on the bonds is \$7,805,000 and \$7,258,894, respectively. The principal and interest paid for the current year was \$320,000 and \$516,444.

Office of Motor Vehicle Handling Fees

Louisiana Public Facilities Authority (LPFA) issued revenue bonds to the Department of Public Safety and Corrections, an agency of the State, in 1999 and in 2001 to enable the department to acquire, construct, and equip a new Department of Public Safety Services complex and a new Joint Emergency Services Training Center complex. LPFA issued refunding bonds of \$62,895,000 in October 2007 to advance refund the 1999 and 2001 outstanding revenue bonds. The 2007 bonds are secured by an irrevocable pledge and dedication of the handling fees collected by the Office of Motor Vehicles; \$13,680,090 of handling fees were collected during fiscal year ended June 30, 2008. This revenue will remain pledged until the bonds and the loan agreement have been fully paid and discharged in 2022. The total principal and interest remaining on the bonds is \$62,895,000 and \$22,855,875, respectively. The interest paid for the current year was \$1,039,515, with no principal payment due.

Fire Insurance Premiums

LPFA issued revenue bonds of \$5,255,000 in 2002 for the Department of Public Safety and Corrections, an agency of the State, to provide funds to relocate, plan, acquire, construct, and equip the Department of Public Safety Fire Marshal's Headquarters. The Department agrees to make all bond-related payments due subject to annual appropriation by the Legislature from the Louisiana Fire Marshal Fund. In addition, the appropriated funds may be utilized first to satisfy payroll obligations prior to making the debt service payments. Failure by the Legislature to appropriate sufficient funds to satisfy the obligation of the Department under the funding agreement will not constitute an event of default, and the funding agreement will continue in full force and effect as if the appropriation had been made. The bonds are payable through 2014. Louisiana Fire Marshal Fund revenues are comprised of an annual tax levied on the gross annual premium receipts from any business that insures property in Louisiana against loss or damage by fire and any monies collected from the imposition of fees on sprinkler systems. In fiscal year ended June 30, 2008, the Legislature appropriated \$9,998,864 to the Department from the Fire Marshal Fund. Total principal and interest remaining on the bonds is \$3,265,000 and \$703,530, respectively. The principal and

interest paid for the current year was \$445,000 and \$217,963.

Tobacco Settlement Revenues

Tobacco Settlement Financing Corporation, a special purpose public corporate entity and an instrumentality independent of the State, issued \$1,202,770,000 of tobacco settlement asset-backed bonds in 2001. The revenue bonds were issued to finance the Corporation's purchase of the pledged tobacco settlement revenues (TSRs). The pledged TSRs consist of 60% of all amounts required to be paid to the State after the issuance of the Series 2001 Bonds. Participating cigarette manufacturers (PMs) entered into a Master Settlement Agreement (MSA) with 46 states and six other U.S. jurisdictions in 1998. The MSA requires the PMs to make certain initial, annual and strategic contribution payments to each entity included in the MSA. The Corporation's claim to pledged TSRs is on parity with the State's claim of the remaining 40% of all amounts payable to the State. The Bonds are secured by and payable from (i) the pledged TSRs and all investment earnings on the amounts on deposit in collection account, (ii) amounts held in a liquidity reserve account, and (iii) all amounts, if any, on deposit in other accounts established. The Corporation received pledged revenues of \$101,935,971 for fiscal year 2008. The bonds, payable through 2020, have total principal and interest outstanding of \$991,680,000 and \$382,062,269, respectively. The principal and interest paid for the current year was \$43,540,000 and \$60,469,549.

Gasoline and Motor Fuels Taxes and Special Fuels Taxes

Louisiana State Bond Commission on behalf of the State issued gasoline and fuels tax revenue bonds in 2002, 2005, and 2006 for the total amount of \$1,907,490,000. The bonds mature in 2032, 2035, and 2041, respectively. Bond proceeds are to be used for financing the construction of highway and bridge projects. The bonded debt is payable solely from and secured by a pledge of gasoline and fuel taxes, including investment income and securities on the gasoline and fuel taxes on deposit in the Transportation Trust Fund and all funds and accounts created under the bond resolutions. Revenues available in fiscal year 2007/2008 for funding debt service due were \$120,875,458. The total principal and interest remaining on the bonds is \$1,878,405,000 and \$2,182,135,294, respectively. Principal and interest paid for the current year was \$5,415,000 and \$92,137,154.

Business-Type Activities

Highway 1 Tolls

Louisiana Transportation Authority, a public corporation within the Department of Transportation and Development (DOTD), issued toll revenue bonds of \$163,669,000 in 2005 to finance a highway project in the lower portion of Lafourche Parish. The project will create elevated

highways that run parallel to Highway 1, with a bridge over Bayou Lafourche. The bonds are secured by a pledge of toll revenues on the southbound lane of the new highway from Leesville to Port Fourchon and are payable through 2031. The Authority has committed the toll revenues to cover the principal and interest requirements until the bonds are fully paid and discharged. Because construction is ongoing, toll revenues are not yet being collected. The total principal and interest remaining on the bonds is \$163,669,000 and \$61,864,571, respectively. The interest paid for the current year was \$6,623,675, with no principal payment due.

Component Units

Bridge Toll and Vehicular License Taxes

Greater New Orleans Expressway Commission issued improvement bonds in 1999 and refunding (the 1992 series bonds) and improvement bonds in 2003. The total bonds issued of \$69,605,000 were used to finance safety and capacity improvements to the North Toll Plaza parking area, and at westbound West Esplanade Avenue, and at Causeway Boulevard. The bonds are payable solely from a pledge of tolls and other revenues derived from the ownership or operation of the Expressway, as supplemented by funds dedicated from the collection of vehicular license taxes (Highway Fund No. 2). The Commission has committed the tolls and vehicular license taxes to cover the principal and interest requirements until the bonds are fully paid and discharged in 2034. In fiscal year ended October 31, 2007, the Commission recognized revenue of \$23,258,128 from tolls and Highway No. 2 vehicular taxes. Total principal and interest remaining on the bonds at October 31, 2007, is \$61,155,000 and \$44,000,178, respectively. The principal and interest paid for that fiscal year was \$1,835,000 and \$2,885,702.

Syrup Mill and Slot Machine Revenues

Louisiana Agricultural Finance Authority issued revenue bonds in 2004 in the amount of \$45,000,000 to acquire, construct and equip a syrup mill and other facilities related to the use of sugar cane in Lacassine, Louisiana. The bonds are secured by the pledge of net revenues from the operation of the mill and the avails of net slot machine proceeds as described in Louisiana Revised Statute 27:392(B)(4). The statute provides \$12 million annually to the Authority to fund or secure revenue bonds for agricultural, agronomic, horticultural, etc. and other economic development programs. The Authority is obligated to cover the principal and interest requirements each year until the bonds are fully paid and discharged in 2015. The total principal and interest remaining on the bonds is \$45,000,000 and \$12,058,392, respectively. Interest paid for the current year was \$2,412,000, with no principal payment becoming due.

Fertilizer, Feed, and Pesticide Fees

Louisiana Agricultural Finance Authority issued revenue bonds in 2006 in the amount of \$9,608,438 to refund series 1998 bonds and acquire, construct and install facilities for the Department of Agriculture pursuant to a lease agreement. The bonds are secured and payable solely from and by a pledge of income and revenues from the sale of fertilizers, commercial feed and pesticides and are payable through 2013. The Department has committed to pay amounts sufficient to cover the principal and interest on the bonds for the duration of the debt. Total revenue reported by the Fertilizer Fund, the Feed Fund, and the Pesticide Fund for the current fiscal year is \$7,420,145. The total principal and interest remaining on the bonds is \$9,608,438 and \$4,019,402. Interest paid for the current year was \$1,339,802, with no principal payment due.

Lease Agreement

Louisiana Agricultural Finance Authority issued revenue bonds of \$37,000,000 in 2007 to (i) renovate an office building, (ii) purchase new trucks, bulldozers, and other equipment for firefighting and other agricultural purposes, (iii) acquire, construct, and equip buildings and related facilities, and (iv) acquire emergency generators for the Department of Agriculture and Forestry. The bonds are secured solely from income and revenues, and receipts derived or to be derived from payments made or collections obtained in a lease agreement and are payable through 2027. The lease requires the Department to pay from legally available funds, subject to annual appropriation by the Louisiana Legislature, annually, all the amounts necessary to pay the annual debt service and administrative expenses. The total principal and interest remaining on the bonds is \$36,700,000 and \$16,300,875, respectively. The principal and interest paid for the current year was \$300,000 and \$932,513.

Hotel Occupancy Tax

Louisiana Stadium and Exposition District issued revenue bonds for \$294,325,000 in 2006 to refund all or a portion of prior debt, to pay operational expenses of the District, and to finance the cost of the new construction projects in or around New Orleans, such as the betterments at the Superdome, the baseball stadium, basketball facility, the football training facility, and the multipurpose facility. The bonds are secured by a pledge of all revenues of the District that are not previously dedicated for another use; however, the hotel occupancy tax revenues in the parishes of Orleans and Jefferson are expected to be the primary source of funding. The District has committed all revenues, especially the hotel occupancy tax, to cover principal and interest requirements until the bonds are fully paid and discharged in 2037. Total revenues for fiscal year ended June 30, 2008, are approximately \$80,000,000. Total principal and interest remaining on the bonds is \$294,325,000 and \$178,984,328, respectively. Interest paid for the current year was \$10,820,265, with no principal payment due.

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Commodities and Utilities

Sabine River Authority issued refunding bonds for \$5,765,000 and taxable revenue bonds for \$2,825,000 in 2003. The refunding bonds allowed the Authority to defease its Series 1999 bonds. The taxable revenue bonds were used to replace two hydroelectric generating units at Toledo Bend and to pay a portion of the cost of redeeming outstanding Series 1964 general obligation bonds. The bonds are secured by a pledge of (i) the net compensation, revenues, and receipts derived from all commodities sold and rendered by Sabine River Authority (except for revenues derived from the sale of water from the Sabine River Diversion Canal); (ii) all net revenues derived or to be derived from leases or operating agreements; and (iii) all net revenues derived from the sale of electric power and energy. The Authority has dedicated an amount sufficient for the payment of the bonds to cover the principal and interest requirements as they become due and payable until the bonds are fully paid and discharged in 2014. Revenues available for debt service coverage during the current fiscal year were approximately \$11,000,000. The total principal and interest remaining on the bonds is \$5,270,000 and \$927,689, respectively. The principal and interest paid for the current year was \$730,000 and \$288,338.

Auxiliary (Student) Fees

Louisiana State University System, University of Louisiana System, Southern University System, and the Louisiana Community and Technical College System have issued revenue bonds to design, construct, and equip various facilities on the campuses. Most projects are for auxiliary-related facilities and are financed through nonprofit corporations that are blended component units of each university system. The bonds are secured by a pledge of annual appropriation of state funds and revenues from student fees, residential life, student union services, athletics, and various other campus activities for students/faculties and the surrounding communities. Total bond issues of the various colleges and university is \$1,465,976,462 and are payable through 2038. The Systems have committed the auxiliary fees to cover the principal and interest requirements until the bonds are fully paid and discharged. The total principal and interest remaining on the bonds is \$1,283,074,333 and \$886,823,023, respectively. The principal and interest paid for the current year was \$82,711,000 and \$55,265,360.

J. INTEREST RATE SWAP AGREEMENTS

Governmental Activities

General Obligation Series 2008-A

At its June 2006 meeting, the State Bond Commission (SBC) authorized the issuance of \$200,000,000 in General Obligation Refunding Bonds Series 2008-A to provide funds to refund the General Obligation Tax Credit Bonds Series 2006-A. On July 16, 2006, the SBC authorized the

State, through the SBC, to enter into a Forward Purchase Delivery Contract with Morgan Keegan & Company and with Goldman, Sachs & Company (Underwriters). The Contract's purpose was to set terms and obligations of the variable-rate bonds, which were to be issued and acquired by the Underwriters on July 17, 2008. The SBC's resolution further authorized the Commission, through the Director, to enter into a forward floating to fixed interest rate swap agreement(s) with a swap provider(s).

Objective of the Interest Rate Swap: On July 13, 2006, the State entered into swap agreements with two Providers to effectively change the bonds' variable interest rate to a fixed interest rate. The agreements were to become effective July 17, 2008. The interest rate swap mitigated the state's exposure to interest rate risk.

Terms: The swap was structured to provide 70% of the swap valuation to Morgan Keegan and 30% to Goldman, Sachs & Company, with both Providers agreeing to a fixed rate of 4.303%. No cash payments or receipts were paid or due by any party upon the initiation of the agreements.

Effective Date	July 17, 2008
Termination Date	July 15, 2026
Fixed Rate Payer	State
Fixed Rate Payment Dates	The 15 th day of each month, commencing on August 15, 2008, through and including the Termination Date
Fixed Rate	4.303% per annum
Floating Rate Payer	Swap Providers
Variable Rate Payment Dates	The 15 th day of each month, commencing on August 15, 2008, through and including the Termination Date
Variable Rate Option	70% of USD-LIBOR-BBA

Fair Value: The fair value of the swap agreement at June 30, 2008, is \$11,865,154 in favor of the Providers. This amount is not recorded in the accompanying financial statements.

Credit Risk: Credit risk is the exposure that a swap provider will not fulfill its obligations. At June 30, 2008, the State is not exposed to credit risk since the fair values of the swap agreements are in the Providers' favor.

Basis Risk: Basis risk is the risk that arises when variable interest rates on a swap and the associated debt are based on different indexes. The interest rate for both the swap and the bonds are based on LIBOR; therefore, the State is not subject to basis risk.

Termination Risk: Either the State or Providers may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the

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variable-rate bonds would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the State would be liable to the Providers for a payment equal to the swap's fair value.

Rollover Risk: Rollover risk is the risk that the swap does not extend to the maturity of the associated debt. The State is not exposed to rollover risk because the swap agreements will terminate at the maturity of the Series 2008-A bond issue.

Transportation Infrastructure Model for Economic Development (TIMED)

On November 16, 2006, the SBC authorized the issuance of \$485,000,000 in Gasoline and Fuels Tax Revenue Bonds, Series 2008 to finance multiple construction projects associated with the TIMED program. On December 21, 2006, the SBC authorized the State, through the Commission, to enter into a Forward Purchase Delivery Contract with the Underwriters. The Contract's purpose was to set terms and obligations of the variable-rate bonds, which were to be issued and acquired by the Underwriters on December 1, 2008. The SBC's resolution further authorized the Commission, through the Director, to enter into a forward floating to fixed interest rate swap agreement(s) with a swap provider(s).

Objective of the Interest Rate Swap: On December 13, 2006, the State entered into swap agreements with four providers to effectively change the bonds' variable interest rate to a fixed interest rate. The agreements were to become effective December 1, 2008. No cash payments or receipts were paid or due by any party upon the initiation of the agreements.

Terms: The swap was competitively bid resulting in a winning bid of 3.602% by Morgan Keegan Financial Products, Incorporated. The swap was structured to provide 50% of the swap valuation to Morgan Keegan (\$242,500,000), 25% of the swap valuation to Merrill Lynch

(\$121,250,000), and 12.5% of the swap valuation each to Citigroup (\$60,625,000) and JPMorgan (\$60,625,000) with all providers agreeing to the 3.602% bid.

The following were the specific transactional parameters applicable on all components of the swap:

Effective Date	December 1, 2008
Termination Date	May 1, 2043
Fixed Rate Payer	State
Fixed Rate Payment Dates	The first day of each month, commencing on January 1, 2009, through and including the Termination Date
Fixed Rate	3.602% per annum
Floating Rate Payer	Swap Providers
Variable Rate Payment Dates	The first day of each month, commencing on January 1, 2009, through and including the Termination Date
Variable Rate Option	70% of USD-LIBOR-BBA

Because of the nation's bond market instability and Louisiana's decrease in gasoline and fuels tax collections during the summer of 2008, the SBC approved a resolution on October 16, 2008, authorizing the negotiation of an extension of the swap agreements' effective date and a fixed interest rate not to exceed 4.0%. With the approval of the SBC and Joint Legislative Committee on the Budget, an extension on the start date of the swap agreement was negotiated/approved with the four providers and the actual extension documents were executed on December 13, 2008, effective December 1, 2008. The SBC also authorized the issuance of \$485,000,000 of Series 2009-A bonds to replace the previously authorized but unissued Series 2008 bonds.

Changes to the terms of the swap agreements are summarized below:

- 1) under the original structure there were four separate provider agreements having identical terms with one master swap rate of 3.602%
- 2) under the revised terms there are seven separate agreements with the four providers having consistent but not identical terms, the most notable differences being:
 - a) Each has a differing master swap rate, and
 - b) Six of the seven agreements provide for a hard date execution of May 1, 2009.

<u>Firm</u>	<u>Effective (Hard) Date</u>	<u>Coverage</u>	<u>Fixed Rate</u>
JP Morgan	May 1, 2009	First \$14,125,000	3.6690%
JP Morgan	May 1, 2009	Next \$46,500,000	3.6640%
Citigroup	May 1, 2009	First \$14,125,000	3.6600%
Citigroup	May 1, 2009	Next \$46,500,000	3.6520%
Merrill Lynch	May 1, 2009	First \$28,250,000	3.6765%
Merrill Lynch	May 1, 2009	Next \$93,000,000	3.6685%

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<u>Firm</u>	<u>Effective (Hard) Date</u>	<u>Coverage</u>	<u>Fixed Rate</u>
Morgan Keegan	May 1, 2009 Subject to future negotiation	Full \$242,500,000	3.6920%

The following were the specific transactional parameters applicable on all components of the revised swap agreements:

Effective Date	May 1, 2009
Termination Date	May 1, 2043
Fixed Rate Payer	State
Fixed Rate Payment Dates	The first day of each month, commencing on June 1, 2009, through and including the Termination Date
Variable Rate Payers	Swap Providers
Floating Rate Payment Dates	The first day of each month, commencing on June 1, 2009, through and including the Termination Date
Variable Rate Option	70% of USD-LIBOR-BBA

Fair Value: The fair value of the swap agreement at June 30, 2008, is \$4,918,512 in favor of the Providers. This amount is not recorded in the accompanying financial statements.

Credit Risk: Credit risk is the exposure that a swap provider will not fulfill its obligations. At June 30, 2008, the State is not exposed to credit risk since the fair values of the swap agreements are in the Providers' favor. However, should interest rates change and the fair values of the swap agreements shift to the State's favor, the State would be exposed to credit risk in the amount of the fair value of the swap agreements.

Interest Rate Risk: Interest rate risk is the risk that an adverse change in variable interest rates will increase the overall cost of borrowing for the State. Interest rate swap agreements used to hedge variable rate bonds that extend through maturity of the related debt effectively eliminate the interest rate risk, unless the swap agreement is terminated before maturity. At June 30, 2008, and as of the date of issuance of these financial statements, the SBC has no plans to terminate the swap agreements.

Basis Risk: Basis risk is the risk that arises when variable interest rates on a swap and the associated debt are based on different indexes. The interest rate for both the swap and the bonds are based on the London Interbank Offered Rate (LIBOR); therefore, the State is not subject to basis risk.

Termination Risk: The State or the Providers may terminate the swap agreement if the other party fails to

perform under the terms of the contract. However, only the State is allowed to terminate the agreements without cause. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of 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 the swap does not extend to the maturity of the associated debt. The State is not exposed to rollover risk because the swap agreements will terminate at the maturity of the Series 2009-A bond issue.

Component Units

Louisiana Agricultural Finance Authority

The Louisiana Agricultural Finance Authority (Authority) entered into an interest rate swap agreement with AmSouth Bank/Regions Bank (Provider) to reduce the impact of changes in interest rates on its Series 2004 Variable Rate Demand Revenue Bonds. As of June 30, 2008, \$45,000,000 in outstanding bonds was recorded as a liability in the financial statements.

Objective of the Interest Rate Swap: As a means of lowering its borrowing costs, the Authority entered into an interest rate swap agreement, the intention of which was to effectively change the Authority's variable interest rate on the bonds to a fixed rate of 5.87% for the duration of the agreement.

Terms: The Master Swap Agreement, dated July 14, 2006, and effective July 18, 2006, has a notional amount of \$45,000,000 and terminates September 15, 2009. The swap's notional amount matches the principal amount of the variable-rate bonds. Under the swap, the Authority pays AmSouth Bank/Regions Bank an annual interest payment computed at a fixed-rate of 5.87% and receives a variable interest payment computed monthly based on a one-month LIBOR weighted average.

Fair Value: The fair value of the swap agreement at June 30, 2008, is (\$3,434,069), which is not recorded in the accompanying financial statements. The fair value was estimated using the proprietary models of expected cash flows based upon the closing mid-market rate/price environment of June 30, 2008.

Credit Risk: Credit risk is the risk that the Provider will not fulfill its obligations. At June 30, 2008, the Authority was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change

and the fair value of the swap becomes positive, the Authority would be exposed to credit risk in the amount of the swap's fair value.

Basis Risk: Basis risk is the risk that arises when variable interest rates on a swap and the associated debt are based on different indexes. The interest rate for both the swap and the bonds are based on LIBOR; therefore, the Authority is not subject to basis risk.

Termination Risk: The Authority or the Provider may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Authority would be liable to the Provider for a payment equal to the swap's fair value.

Rollover Risk: Rollover Risk is the risk that the swap does not extend to the maturity of the associated debt. The Authority is exposed to rollover risk because the swap terminates prior to the maturity of the associated bond. When the swap terminates, the Authority will not realize the synthetic rate offered by the swap on the bonds. The swap terminates on September 15, 2009, and the bonds mature on September 15, 2015.

Louisiana Stadium and Exposition District

In fiscal year 2006, the Louisiana Stadium and Exposition District (District) entered into three interest rate swap agreements with Merrill Lynch Capital Services, Incorporated (MLCS) (the "Provider") to reduce the impact of changes in interest rates on its Series 2006 Revenue and Refunding Bonds.

Objective of the Interest Rate Swaps: The District entered into the interest rate swap agreements as a means to lower its overall borrowing costs, specifically for the first several years. The intention was to effectively change the variable interest rate on the bonds to a fixed-rate of 2% for all series from inception up to but excluding July 1, 2009. After July 1, 2009, the fixed-rate would change to 4.414% for the 2006-A and 2006-B bonds, 4.463% for the 2006-C bonds, and 6.781% for the 2006-D bonds. In addition to the fixed-rates paid under the swap agreements, each of the variable rate bond series has annual support costs of approximately 0.25%. The net borrowing costs of the synthetic fixed-rate structure, when compared to a traditional fixed rate bond issue, should be lower through 2009.

Terms: The bonds and the related swap agreements mature on July 1, 2036, and the agreement's notional amount of \$294,325,000 matches the principal amount of the variable-rate bonds. The swap agreements were consummated at the same time the bonds were issued - March 23, 2006. Starting in fiscal year 2013, the notional value of the agreements and the principal amount of the associated bonds will begin to amortize according to the sinking fund schedule in the official statement. Under the

agreements, the District pays MLCS a fixed payment and receives a variable payment computed as 70% of the one month LIBOR for the Series 2006-A, Series 2006-B, and 2006-C tax exempt bonds and variable-rate computed as LIBOR plus 1.25% for the 2006-D taxable bonds. Conversely, the District is required to pay the floating rate on the variable-rate bonds.

Fair Value: The fair value of the swap agreements at June 30, 2008, which is not reported in the accompanying financial statements, was \$34,768,500 in favor of MLCS. The fair value was provided by MLCS and is based on mid-market levels at the close of business on June 30, 2008.

Credit Risk: Credit risk is the risk that a provider will not fulfill its obligations. At June 30, 2008, the District is not exposed to credit risk because the fair value of the agreements was in MLCS's favor. However, should interest rates change and the fair value of the agreements shift to the District's favor, the District would become exposed to credit risk. Merrill Lynch & Co., Inc., who guarantees all payments of MLCS, was rated "A/Negative/A-1" by Standard & Poor's effective June 2, 2008. To mitigate the potential for credit risk, the swap agreements include provisions for collateral thresholds and transfer amounts that correspond to the credit rating of Merrill Lynch & Co., Inc.'s senior unsecured debt and rating.

Interest Rate Risk: Interest rate risk is the risk that an adverse change in variable interest rates will increase the overall cost of borrowing for the District. Interest rate swap agreements used to hedge variable rate bonds that extend through the maturity of the related debt effectively eliminate the interest rate risk, unless the swap agreement is terminated prior to maturity. At June 30, 2008, the District has no plans to terminate the swap agreements but maintains the right to actively manage its debt portfolio as opportunities arise.

Basis Risk: Basis risk arises when the variable payment component of a fixed interest rate swap does not match the associated underlying variable-rate bonds. This variance can adversely affect the District's payments and/or the synthetic fixed debt cost might not be realized. To minimize basis risk, the District has used a higher percentage of LIBOR fixed payer hedge (70%) for the Series A, B, and C bonds.

Termination Risk: Termination risk is the risk that an unscheduled early termination of the swap agreements will affect the District's asset/liability strategy or will result in a significant unanticipated termination payment to the Provider. The District or the Provider may terminate the swap agreements if the other party fails to perform under the terms of the agreements. The agreements may also be terminated by the District or the Provider if the other party's credit quality rating falls below "Baa3" as issued by Moody's Investors Service or "BBB-" as issued by Standard & Poor's. If the agreements are terminated, the

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variable-rate bonds would no longer carry a synthetic fixed interest rate. Also, if at the time of termination the swap has a fair value in favor of MLCS, the District would be liable to the Provider for a payment equal to the agreement's fair value.

University of Louisiana System (University of Louisiana at Monroe)

On behalf of the University of Louisiana at Monroe Facilities, Incorporated, a blended component unit of the university (Facilities Corporation), the Louisiana Local Government Environmental Facilities and Community Development Authority (Authority) issued Series 2004A and Series 2004C bonds. At the request of the Facilities

Corporation, the Authority and Regions Bank (the "Provider") entered into interest rate swap agreements on each bond series.

Objective of the Interest Rate Swaps: The agreements are fixed rate swaps that are utilized to mitigate or eliminate the interest rate exposure of the variable-rate bonds. In essence, the swap agreements have effectively converted the existing variable-rate bonds into fixed-rate bonds. In accordance with the swap agreements, the Facilities Corporation pays interest to Regions Bank that is computed on a notional amount using a fixed-rate and receives interest computed on the notional amount using a standard variable-rate index.

Terms: During the year ended June 30, 2008, the Authority and Regions Bank terminated the existing swap agreements and entered into two new swap agreements. The significant terms of these agreements are summarized as follows:

	<u>2004A Bond Series</u>	<u>2004C Bond Series</u>
Notional Amount	\$31,065,000	\$32,415,000
Fixed Rate Payer	ULM Facilities, Inc.	ULM Facilities, Inc.
Fixed Rate	3.5500%	3.5025%
Fixed Rate Payer Payment	1 st Business Day of February, May, August, and November	1 st Business Day of February, May, August, and November
Floating Rate Payer	Regions Bank	Regions Bank
Floating Rate	USD-SIFMA Municipal Swap Index	USD-SIFMA Municipal Swap Index
Floating Rate Payer Payment	1 st Business Day of February, May, August, and November	1 st Business Day of February, May, August, and November
Effective Date	November 1, 2007	November 1, 2007
Termination Date	November 1, 2012	November 1, 2012

Fair Values: The fair values and net interest accrual on the notional amounts of the swap agreements are reported in other assets and long-term liabilities, as applicable. At June 30, 2008, the fair values of the swap agreements were in Regions Bank's favor. The gain or loss from changes in the fair values of the swap agreements is reported in change in net assets. During the year ended June 30, 2008, the Facilities Corporation recorded a total loss of \$1,831,155; during the previous fiscal year, the Facilities Corporation recorded a total loss of \$554,647 on the agreements.

Credit Risk: Credit risk is the exposure that a provider will not fulfill its obligations. At June 30, 2008, the Facilities Corporation is not exposed to credit risk since the fair values of the swap agreements are in Regions Bank's favor. Regions Bank was rated A+/Stable/A-1 by Standard & Poor's as of June 30, 2008. However, should interest rates change and the fair values of the swap agreements move to the Facilities' favor, the Facilities Corporation would be exposed to credit risk in the amount of the swap agreements' fair value.

Interest Rate Risk: Interest rate risk is the risk that an adverse change in variable interest rates will increase the overall cost of borrowing for the Facilities Corporation. Interest rate swap agreements used to hedge variable rate bonds that extend through maturity of the related debt effectively eliminate the interest rate risk, unless the swap agreement is terminated before maturity.

Basis Risk: Basis risk arises when the variable interest rates on an interest rate swap and an associated bond series are based on different indexes. The Facilities Corporation is not exposed to basis risk since the interest rates received on the swap agreements are fixed in amount.

Termination Risk: Termination risk is the risk that an unscheduled early termination of the swap agreements will result in a significant payment to Regions Bank. The Authority, on behalf of the Facilities Corporation, or Regions Bank may terminate the agreements if the other party fails to perform under the terms of the contracts. Should the agreements be terminated, the variable-rate bonds would no longer carry a synthetic fixed-interest rate.

Also, if at the time of termination a swap has a fair value in favor of Regions Bank, the Facilities Corporation would be liable to Regions Bank for a payment equal to the swap's fair value.

Rollover Risk: Rollover risk is the risk that a derivative or swap agreement associated with an entity's debt does not extend to the maturity of that debt. When the agreement terminates, the associated debt will no longer have the benefit of the derivative. The Facilities Corporation (through the Authority) is exposed to rollover risk with respect to its swap agreements. The agreements terminate on November 1, 2012, and the Series 2004A and Series 2004C bonds mature on November 1, 2034, and November 1, 2035, respectively. As a result, the Facilities Corporation will lose the benefit of the swap agreement before the bonds mature.

University of Louisiana System (Nicholls State University)

On behalf of the Nicholls State University (NSU) Facilities, Incorporated, a blended component unit of the university (Facilities Corporation), the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$32,380,000 Revenue Bonds - Series 2007-A. The bonds were issued as variable-rate securities.

Objective of the Interest Rate Swap: The NSU Facilities Corporation requested the Authority to enter into an interest rate swap to hedge interest rate exposure on the bonds. Accordingly, the Authority entered into an interest rate swap agreement (the "2007 Swap") with Morgan Keegan Financial Products, Inc. (the "Provider") as more fully described in the Master Agreement, Schedule, Replacement Transaction Agreement and Confirmation dated August 15, 2007 (the "Swap Agreement"). The Corporation is liable to the Authority to make swap payments and bond payments pursuant to the terms of the bond documents and Swap Agreement.

Terms: Under the terms of the 2007 Swap, the Facilities Corporation (on behalf of the Authority) pays a fixed-rate of 4.49% and the Provider pays a variable-rate equal to the Securities Industry and Financial Markets Association Swap Index (formerly the Bond Market Association Municipal Swap Index, and also known as SIFMA or BMA). The Authority, at the request of the Facilities Corporation, elected to amend the 2007 Swap on June 30, 2008. Under the amended terms of the 2007 Swap, the Facilities

Corporation will now pay a fixed rate of 4.12%, and the Provider pays (a) a variable-rate equal to SIFMA through July 1, 2010, and (b) a variable-rate equal to 70% of the one month LIBOR beginning July 1, 2010 through June 1, 2039. The Provider has also made an upfront payment of \$226,000 to the Authority.

Fair Value: The fair value of the amended 2007 Swap at June 30, 2008, which is not reported in the accompanying financial statements, was \$2,641,800 in favor of the Provider. The fair value was provided by Sisung Securities Corporation.

Credit Risk: Credit risk is the risk that the provider will not fulfill its obligations. At June 30, 2008, the Authority is not exposed to credit risk because the swap has a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the Facilities Corporation and the Authority would be exposed to credit risk in the amount of the swap's fair value.

Interest Rate Risk: Interest rate risk is the risk that the interest rate will change over some interval while the bonds are outstanding. The Facilities Corporation (through the Authority) has entered into this fixed-rate swap agreement to mitigate interest risk associated with the underlying variable-rate bonds.

Basis Risk: Basis risk is the risk that arises when variable interest rates on a swap and the associated debt are based on different indexes. The interest rates for both the swap and the bonds are based on SIFMA; therefore, neither the Facilities Corporation nor the Authority is subject to basis risk.

Termination Risk: The Authority or the Provider may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Facilities Corporation/Authority would be liable to the Provider for a payment equal to the swap's fair value.

Rollover Risk: Rollover risk is the risk that the swap does not extend to the maturity of the associated debt. The Authority is not exposed to rollover risk because the swap terminates in conjunction with the maturity of the associated bond. The swap terminates on June 1, 2039, and the bonds mature on June 1, 2039.

NOTE 9: CONTINGENCIES

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

Pursuant to Act 448 of the 1988 Regular Session of the Louisiana Legislature, R.S. 39:1533 was re-enacted resulting in the creation of the "Self-Insurance Fund" within

the Department of the Treasury. The Self-Insurance Fund consists of all premiums paid by state agencies under the State's risk management program, the investment earnings thereon, and commissions retained. The Self-Insurance Fund may only be used for the payment of losses incurred by state agencies under the self-insurance program together with insurance premiums, legal

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expenses, and administrative costs. The Office of Risk Management is responsible for the State's risk management program and that office now has the duty to negotiate, compromise, and settle all claims, including all tort claims against the State or state agencies covered by the Self-Insurance Fund, and all tort claims against the State or state agencies not covered by the Self-Insurance Fund when funding is provided by the Legislature through the state General Fund.

For fiscal year 2007-2008, the total sum of \$158,682,759 was paid from the Self-Insurance Fund to satisfy claims and judgments. At June 30, 2008, outstanding non-discounted reserve valuations of the open claims within the programs total \$889,710,974. Because the Self-Insurance Fund is now in a deficit posture and is no longer a viable internal service fund, discounts are not applicable under Governmental Accounting Standards Board (GASB) Statement No. 10. At June 30, 2008, there was an adjusted cash balance in the Self-Insurance Fund of \$207,700,977. The Office of Risk Management advises that the non-discounted liability reserve valuation for the claims in litigation against state agencies being handled by that office is valued at \$280,816,448 as of June 30, 2008.

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

It is the opinion of the Attorney General that only a small portion of the dollar amount of potential liability of the State resulting from litigation that is pending against the State and is not being handled through the Office of Risk Management will ultimately be recovered by plaintiffs. It is the opinion of the Attorney General that the estimated future liability for these existing claims against the State, including contract claims, is in excess of \$303,784,020, (accrued in the accompanying financial statements). In addition, as of June 30, 2008, there are claims totaling \$531,761,700 against the State where it is reasonably possible that the State will incur liability.

In September of 1993, the Louisiana Supreme Court invalidated, on constitutional grounds, R.S. 13:5106, limiting the State's liability for general damages to a maximum of \$500,000. In January of 1994, following the same reasoning, the Supreme Court invalidated R.S. 13:5112(C), limiting the State's liability for pre-judgment interest to 6%. Subsequently, the voters approved a constitutional amendment curing the defect found by the Supreme Court in the two cases. This amendment, along with the re-enactment of the two cited statutes, as well as several other statutes intended to protect the State in tort claims, became effective in November of 1995. The State's efforts to have the amendment and the legislation made applicable to then pending claims to limit recovery in accordance with the statutes were unsuccessful. Consequently, any case pending in September of 1993 will

have no upper limit on general damages, any case pending in January of 1994 will not be subject to 6% interest pre-judgment, and any claim arising as late as November 24, 1995 will not be limited by either statute. The financial impact of this court-imposed hiatus has been significant but is declining as cases are resolved. The State's Medical Malpractice Statute (R.S. 40:1299.39) was not impacted by the Supreme Court's decision vis a vis R.S. 13:5106.

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

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

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

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

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

From the beginning of fiscal year 2002-2003 to the present, the 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 \$91,245,758. Of that amount, \$35,650,595 was appropriated in fiscal year 2007-2008.

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

As of June 30, 2008, the Department of Transportation and Development (DOTD) advises that there are 955 expropriation cases pending with an estimated dollar demand of \$52,165,320. The DOTD deposited into the registry of the court the sum of \$44,812,172 as payment of its estimate of just compensation upon filing of these suits. The DOTD estimates its exposure to be \$44,812,172. As of June 30, 2008, there were 62 outstanding inverse

condemnation suits with an estimated demand in the amount of \$5,952,457. DOTD estimates its exposure to be \$1,488,114 (accrued in the accompanying financial statements). Expropriation suits filed by levee boards and other expropriating entities, other than DOTD, have not been included in the above number of pending appropriation suits, because the State does not appropriate any amounts due to landowners. In addition to the amount reported as Fund Balance-Reserve for Construction in the Capital Outlay Escrow Fund, DOTD indicates that \$972,984,057 in flood control and construction contracts is outstanding and unfunded as of June 30, 2008. Estimated exposure amounts for contract and miscellaneous suits may require additional appropriations from the State. DOTD's estimate of the exposure of this amount is \$7,585,000.

As of June 30, 2008, the State is not aware of any pending suits concerning the ability of the State to issue bonds or other evidences of indebtedness.

The Department of Revenue (DOR) 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 end June 30, 2008, is \$24,521,623 (accrued in the 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 end June 30, 2008, is \$67,536,912. These figures include a large number of refund claims that were filed as a result of the enactment of Act 6 of the First Extraordinary Session of the Louisiana Legislature of 2001. This legislation amended R.S. 47:1621 and expanded the conditions under which the DOR is now authorized to make tax refunds.

State agencies did not report any unasserted claims as of June 30, 2008.

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, 2008, were \$141,300,000, which is included in the accompany financial statements. Funds to make these payments will come from an annual assessment made against all insurance companies writing workers' compensation insurance in the State and all employers that are self-insured.

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Discrete Component Units

It is estimated that the future liability for the existing claims, expropriation cases, and judgments against the discrete component units of the State is approximately \$28,084,773 (accrued in the accompanying financial statements). Also, as of June 30, 2008, there are existing claims and expropriation cases totaling \$26,035,500 against discrete component units of the State where there is a reasonable possibility that the State will incur liability. These probable and reasonably possible liabilities include expropriation cases, claims, and judgments against Pontchartrain Levee District \$19,951,500, Southeast Louisiana Flood Protection Authority-East and West \$25,969,023, Greater Baton Rouge Port Commission \$2,500,000, and other component units for \$5,699,750.

C. DISALLOWANCES

A significant amount of federal grant dollars is received by the State subject to financial and compliance audits mandated by the grantors. Questioned costs resulting from these audits may be disallowed by the Federal grantor and may become a liability of the State. Disallowances are estimated to be \$26,320,205 as of June 30, 2008. This amount is not reflected in the accompanying financial statements.

D. LIABILITIES AS A RESULT OF ADMINISTRATIVE RESPONSIBILITY

The State is the recipient of food commodities from the federal government and is responsible for distribution to the agencies, institutions, etc., that will ultimately distribute the food. The value of surplus commodities on hand in state warehouses at June 30, 2008, is \$811,544. At this time, the State anticipates no material losses because of this federal program.

E. LOUISIANA'S WASTE SITES

On July 1, 1999, the Louisiana Department of Environmental Quality (LDEQ) initiated its reorganization effort. This resulted in the dissolution of the Inactive and Abandoned Sites Division and the creation of the Remediation Services Division (RSD). During the FY 08, a decision was made to assign the sites in a more programmatic manner. Therefore, the sites on the Remediation Site Universe are assigned as follows: (1) the RSD oversees solid waste remediation, Superfund and Superfund-like remediation, federal/military facility remediation, and review of environmental conditions; (2) the Environmental Technology Division oversees remediation of hazardous waste/Resource Conservation and Recovery Act (RCRA) facilities, facilities with groundwater contamination, ready for reuse facilities, and Voluntary Remediation Program (VRP) facilities; and (3)

the Underground Storage Tank Division (USTD) oversees the remediation of Underground Storage Tanks (USTs).

Currently, the Remediation Site Universe consists of 1736 sites in some phase of remediation.

162	Confirmed Sites
308	Solid Waste Sites
82	Hazardous Waste Sites
927	Underground Storage Tank Sites including 7 "orphan" sites
166	Ground Water Sites
64	VRP Sites
27	Sites without program designation in Tools for Environmental Management and Protection Organizations (TEMPO)

1,736 Current Total RSD Universe

There are also 428 "potential" sites that have not currently been assessed to determine: (1) if there is a need for remediation and (2) their regulatory jurisdiction.

Confirmed Sites

The 162 confirmed sites are remediated under Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), the Environmental Quality Act, and the Inactive and Abandoned Sites Regulations. Sites without financially viable responsible parties may be eligible for remediation with funding from the State's Hazardous Waste Site Cleanup Fund (HWSCF) or the U.S. EPA Superfund program.

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

Prior to the O&M phase, the State is also responsible for 10% of all remediation expenses for sites that are funded by the U.S. EPA Superfund program. During FY 07-08 site remediation work continued at the American Creosote Works site in Louisiana. At two other EPA-funded sites, Mallard Bay Landing Bulk Plant and Central Wood Preserving, remediation work is complete; however, the LDEQ will continue to pay 10% state match in accordance with its EPA Superfund State Contracts (SSCs) until all contract expenses are invoiced by the EPA. O&M contracts are not anticipated as necessary for these two

sites, although the LDEQ staff will continue to monitor these sites through regular inspections. Remediation work is also complete at the Old Inger Refinery site, which the LDEQ will also continue to monitor.

During FY 07-08, the LDEQ also continued working extensively with the EPA and FEMA to address site damage resulting from Hurricane Katrina. At the Bayou Bonfouca site, additional site repair work was conducted. This work included repairs to the site fence, the ground water extraction system, electrical system, piping system, and control building, as well as debris removal. A total of \$225,708 was spent on Bayou Bonfouca site repairs. The LDEQ anticipates FEMA reimbursement for these expenses in lieu of using the state Hazardous Waste Site Cleanup Fund.

LDEQ's Superfund Expenditures

For FY 07-08, LDEQ paid 10% state match for the EPA-lead Superfund sites in the amount of \$164,825. State match is invoiced and paid in accordance with SSCs; payments are due in October of each year.

Additionally, LDEQ paid the State's share for a priority removal action at the Pointe Coupee Wood Treating site during FY 2007-08. LDEQ paid \$422,285 from the HWSCF for soil removal beyond the EPA-standard two-foot excavation limit for EPA removal actions. This agreement with EPA Region 6 provided for removal of the additional soils that exceeded LDEQ remediation standards with the intent to avoid the necessity for follow-up state-funded remediation work. Once the entire EPA removal action is complete during FY 2008-09, the LDEQ will also pay the final state 10% match for the remainder of the work done for this removal.

The LDEQ contract expenditures for O&M for FY 07-08 totaled \$555,124.

The 308 Solid Waste sites are remediated under Hazardous and Solid Waste Amendments (HSWA). These are active sites with existing parties that are responsible for site remediation.

The 82 Hazardous Waste sites are remediated under RCRA. These are active sites with existing parties that are responsible for site remediation.

The 927 UST sites are remediated under RCRA Subtitle I and may be eligible for funding through the Motor Fuels Underground Storage Tank Trust Fund or the U.S. EPA's Leaking Underground Storage Tank (LUST) Trust Fund. Additionally, as of July 1, 2001, a new state source of funding for LUST remediation is available to LDEQ to address "orphan" LUST sites. RSD has identified and prioritized 7 "orphan" sites among the 927 known leaking UST sites.

Act 1121 of the 2001 Regular Session directed that beginning July 1, 2001, all interest monies earned by the

Motor Fuels Underground Storage Tank Trust Fund shall be used for the closure of abandoned motor fuel USTs and assessment and remediation of property contaminated by abandoned motor fuel USTs. In order to implement this legislation, the USTD has developed an identification and ranking process for abandoned UST sites and the contracts necessary to utilize Trust Fund interest monies in accordance with state bid and contracting requirements to meet the requirements of the act.

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

There are 27 sites without program designation. These sites are either new sites where the program determination has not been made or the site is in some phase of remediation, but the program designation has not been entered into TEMPO. The designations will fall into the categories listed above.

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

F. COOPERATIVE ENDEAVORS

R.S. 33:9022 defines "cooperative endeavor" as any form of economic development assistance between and among the State, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The State has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the State. The estimated amounts outstanding for governmental units as of June 30, 2008, which are not reflected on the accompanying financial reports, are as follows:

• General funds	\$1,226,717,102
• Self-Generated funds	254,205,664
• Statutorily Dedicated funds	200,409,457
• General Obligation Bonds	372,559,279
• Federal funds	690,326,800
• Interagency transfers	93,106,059
• Other funds	<u>19,758,849</u>
Total	<u>\$2,857,083,210</u>

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NOTE 10: FUND BALANCE/NET ASSETS DISCLOSURES

A. RESERVATIONS AND DESIGNATIONS OF FUND BALANCE

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

	General Fund	Louisiana Education Quality Trust Fund	Nonmajor Funds	Component Units
Reserved for:				
Debt Service	\$ --	\$ --	\$ 132,787	\$ 49,339
Inventories	65,204	--	--	--
Encumbrances	129,767	--	85,745	--
Continuing Projects	--	--	370,539	--
Construction	--	--	2,291,340	1,482
Trust Principal	--	967,564	15,713	--
Other Specific Purposes	595,699	--	85,118	142,669
Nonexpendable	--	--	--	624,223
Expendable	--	--	--	861,556
Total Reservations of Fund Balances	\$ 790,670	\$ 967,564	\$ 2,981,242	\$ 1,679,269
Designated for:				
Total Net Unrealized Gains on Fair Value of Investments	\$ 46,689	\$ --	\$ 43,976	

B. ENCUMBRANCES

Total encumbrances amounted to \$407,864,509. Encumbrances relating to federal revenues not deferred totaling \$33,387,375 are not reported on the face of the General Fund balance sheet. Encumbered interagency transfers of \$157,819,030 and self-generated funds of \$1,145,615 are also not included in the reserve for encumbrances on the General Fund balance sheet because monies were not available at fiscal year end to cover these encumbrances. Encumbrances of statutory dedications totaling \$85,745,009 are reported in the appropriate fund types as reserve for encumbrances. The amount reserved for encumbrances on the General Fund balance sheet is \$129,767,480.

C. NET ASSETS RESTRICTED BY ENABLING LEGISLATION

(expressed in thousands)

The government-wide statement of net assets reports \$6,787,149 of restricted net assets for the primary government, of which \$2,382,681 is restricted by enabling legislation.

D. NET ASSETS RESTATEMENT – GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	Governmental Activities
Net Assets at June 30, 2007	\$ 17,725,194
Prior Period Adjustments	<u>(167,186)</u>
Beginning Net Assets as Restated	\$ <u>17,558,008</u>

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

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

	<u>General Fund</u>	<u>Major/Nonmajor Governmental Funds</u>	<u>Major/Nonmajor Enterprise Funds</u>	<u>Component Units</u>
Fund Balances/Net Assets at June 30, 2007	\$ 1,778,521	\$ 10,171,180	\$ 2,404,417	\$ 4,977,724
Change in Reporting Entity				(1,107,374)
Prior Period Adjustments	<u>(170,111)</u>	<u>(27,527)</u>	<u>21,757</u>	<u>(99,587)</u>
Beginning Fund Balances/Net Assets as Restated	<u>\$ 1,608,410</u>	<u>\$ 10,143,653</u>	<u>\$ 2,426,174</u>	<u>\$ 3,770,763</u>

F. CHANGE IN REPORTING ENTITY

(expressed in thousands)

The change in reporting entity of \$1,107,374 is due to the inclusion of the Louisiana Citizens Property Insurance Corporation as a major component unit.

G. PRIOR PERIOD ADJUSTMENTS

(expressed in thousands)

An adjustment in the General Fund decreased beginning fund balance by \$170,111. This adjustment is due to various entries including prior year off-system adjustments.

For non-major governmental funds, the adjustment to beginning fund balance is due to a decrease in beginning fund balance of \$27,825 in the Louisiana Economic Development Fund and an increase in beginning fund balance of \$298 in the Lifetime License Endowment Trust Fund. The Louisiana Economic Development Fund consolidates its cash with a related discrete fund at year end. For enterprise funds, the increase to Louisiana Transportation Authority's (LTA) beginning fund balance of \$21,757 is due to the Department of Transportation and Development transferring all prior project expenses from the Capital Outlay Escrow Fund to LTA to permit proper capitalization of the project. For discrete component units, the decrease to beginning balance of \$99,587 is the result of various prior year adjustments for Colleges and Universities, Louisiana Agricultural Finance Authority, Louisiana Economic Development Corporation, and the Road Home Corporation.

NOTE 11: OTHER DISCLOSURES

A. FEDERAL GUARANTEED STUDENT LOANS

The Office of Student Financial Assistance (OSFA) participates in the U.S. Department of Education's Federal Family Education Loan Program. This program encourages financial lenders (such as banks, credit unions, schools, etc.) to make loans to students enrolled at eligible postsecondary institutions to assist in paying educational expenses. The loans are guaranteed by OSFA and reinsured by the U.S. Department of Education (DOE). The DOE reimburses a percentage of OSFA's payments to lenders on defaulted loans. When the defaulted loans are collected, OSFA returns a percentage of the collection to the federal government. DOE then reimburses OSFA at rates varying from 75% to 100% of its payments, depending on default rates in OSFA's portfolio and the dates the loans were originally guaranteed. OSFA is currently obligated to repay DOE 84% of subsequent collections on defaulted loans for which OSFA had previously received reinsurance reimbursements from

DOE and is allowed to retain up to 16% for administrative expenses.

B. PATIENT'S COMPENSATION FUND

The Patient's Compensation Fund acts primarily as an agent to facilitate payment of medical malpractice claims by covering excess liability of private sector health care providers practicing in the State. The fund levies surcharges to private sector health care providers to pay settled claims and administrative expenses paid on behalf of health care providers during the prior year. Although RS 40:1299.44 indicates that the fund and any income from it are not public monies, the fund's financial transactions and long-term obligations of \$756,220,000 are included in the accompanying financial statements in accordance with the provisions of GASB Codification Section 2100.108-112. The long-term obligations reported at June 30, 2008, are based on actuarial projections made to December 31, 2007.

State of Louisiana

C. LOUISIANA HOUSING FINANCE AGENCY

The Louisiana Housing Finance Agency has single and multifamily mortgage revenue bonds outstanding of \$936,612,000, which are not included in the accompanying financial statements. The obligations of the bond programs are not obligations of the State, and the State is not liable for such obligations. The ability of the programs to meet the debt service requirements on bonds issued to finance mortgage loans is dependent on the ability of the mortgagors in such programs to generate sufficient funds to meet their respective mortgage repayments.

D. OFFICE OF RISK MANAGEMENT

The Office of Risk Management purchases annuities to settle portions of certain claims. Third-party trustees then make payments to the claimants. Annuities totaling \$41,793,995 have been purchased as of June 30, 2008. At June 30, 2008, there were 105 active annuities valued at \$212,872,172. Of the 105 annuities, 90 annuities release the State from further liability on the related claims. The remaining 15 annuities, valued at \$40,952,219, do not contain the wording necessary to release the State from any possible future liability, although the probability of these becoming a liability is remote.

E. RECONCILIATION OF CLAIMS LIABILITY FOR STATE RISK PROGRAMS

In addition to risks related to the Office of Risk Management, the State is exposed to various risks of the self-insured and self-funded State Employees' Group Benefits Program, which provides health and life insurance benefits to active and retired employees. Beginning in 1989, the State stopped carrying commercial insurance because of the prohibitive cost and began covering all claim settlements and judgments with the resources of the General Fund. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Total claims and judgments expenditures were \$778,451,397. Changes in the reported liability since June 30, 2007, resulted from the following (expressed in thousands):

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Recoveries from Settled and Unsettled Claims	Balance at Fiscal Year End
2006-07*	\$1,254,899	\$492,291	(\$788,139)	\$487	\$959,538
2007-08	\$959,538	\$777,317	(\$783,062)	(\$4,630)	\$949,163

* Restated

F. RELATED PARTY TRANSACTIONS

The State Board of Elementary and Secondary Education (SBESE) serves as the governing board for the Department of Education. The State Superintendent of Education is appointed by the SBESE and is responsible

for the daily administration of the department and submits educational policy and funding issues and awards to the SBESE for implementation authority.

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

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

The elected SBESE member for the fourth SBESE district is currently the Superintendent of DeSoto Parish School Board and a sub-recipient of funds authorized by SBESE. For the fiscal year ended June 30, 2008, DeSoto Parish School Board received amounts totaling \$32,897,042 in funding authorized by SBESE and released by the Department of Education.

Louisiana Educational Television Authority (LETA) leases space on their satellite to various universities and the monies are deposited into the Foundation for Excellence in Louisiana Public Broadcasting. At June 30, 2008, the net amount held by the Foundation for rentals is \$7,412,661, which includes \$2,625,252 of interest earnings.

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

G. CONTINGENT RECEIVABLES AND PAYABLES FOR UNCOMPENSATED CARE COSTS

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

Estimates and draws for allowable costs requested from Health and Human Services by LSUHSC-HCSD through the Louisiana Department of Health and Hospitals were, after audit adjustments, found to be in

excess of actual allowable expenditures of \$290,154,502, including \$210,603,336 in Federal Financial Participation (FFP). The Centers for Medicare and Medicaid Services (CMS) requested in a letter dated December 2, 2002, the State establish accounts receivable for these overpayments and refund the FFP within 60 days of receipt of the letter. The CMS letter further stated "A disallowance will be issued if the State does not reflect the DHS overpayments as accounts receivable as requested."

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

H. LOUISIANA HURRICANE SMALL BUSINESS EMERGENCY BRIDGE LOAN PROGRAMS

Three loan guarantee programs were created for small businesses that were impacted by hurricanes Katrina and Rita. Loans are entered into with eligible small businesses to provide temporary working capital for periods not to exceed 180 days. Loan amounts from the various programs range from \$5,000 up to \$100,000 pursuant to the Governor's Rapid Response Program. Funding is available through cooperative endeavor agreements entered into by the Department of Economic Development, Division of Administration and Louisiana Public Facilities Authority. The balance at June 30, 2008, is disclosed in Note 9 in the cooperative endeavor section.

I. THE ROAD HOME PROGRAM

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

The Additional Compensation Grant (ACG) provides additional funding of up to \$50,000 that applicants can receive if there is a gap between their estimated cost of

damage and their calculated compensation amount. As of August 21, 2008, the Office of Community Development (OCD) has expended \$1,504,290,760 of the total Road Home funds for ACG.

The goals of the Road Home program are to:

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

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

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

The Small Rental program is part of the Road Home program, which also includes the Homeowner Assistance program and other housing programs. The Small Rental program is designed to provide incentives to property owners to provide affordable rental housing units, while the Homeowner Assistance program is designed specifically to compensate individual homeowners for damage to their homes. In the Small Rental program, applicants have to complete repairs to their property before they can receive an award. The Small Rental program's objectives include:

- Providing financial incentives to small-scale property owners
- Ensuring affordable rents for low-to moderate-income working families
- Supporting redevelopment of small rental properties in devastated communities

J. ADOPTION OF NEW ACCOUNTING PRINCIPLES

For the year ended June 30, 2008, the State of Louisiana implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*; GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*; and GASB Statement No. 50, *Pension Disclosures, an amendment of GASB Statements No. 25 and No. 27*.

NOTE 12: SUBSEQUENT EVENTS

A. HURRICANES GUSTAV AND IKE

On September 1, 2008, Gustav, a strong Category 2 hurricane, made landfall along the Louisiana coast near Cocodrie. Gustav caused widespread physical damage over a large portion of the State. Another Category 2 hurricane, Ike, made final landfall on September 13, 2008,

at Baytown, Texas, near the south western border of Louisiana. The diameter of Ike's tropical storm and hurricane force winds, 550 and 240 miles, respectively, make it the most massive Atlantic hurricane ever recorded.

Physical damage from both storms is an estimated \$8 - \$20 billion with more than \$1 billion of damage to public

State of Louisiana

infrastructure. Housing damages could run as high as \$7 billion and economic activity losses could reach \$5 billion.

B. CONSTITUTIONAL AMENDMENTS

Seven amendments to the Louisiana Constitution of 1974 were proposed and voted on at a general statewide election held November 4, 2008. The three amendments that passed are summarized below:

- Imposes term limits for members of certain state boards and commissions;
- Requires that the call for a special legislative session be issued at least seven calendar days prior to the start of the session; and
- Provides that the Legislature appoint a temporary successor for any legislator called to active military duty that prevents performance of the duties of office.

C. BOND ISSUANCES

On July 17, 2008, the State issued \$200 million in variable rate General Obligation Refunding Bonds Series 2008-A to refund the General Obligation Tax Credit Bonds Series 2006-A. On July 16, 2006, the State Bond Commission authorized the State, through the Commission, to enter into a forward purchase delivery contract. The resolution further authorized the Commission, through the Director, to enter into a forward floating to fixed interest rate swap agreement with a swap provider(s) to mitigate interest rate risk associated with the bond issue. *See Note 8-J for further information.*

As a consequence of the collapse of the credit market on a nationwide level and the State's reduced gasoline and fuels tax revenues, the issuance of TIMED bonds Series 2008-A was not feasible. The effective date of the interest swap agreement associated with the bonds was December 1, 2008 (see *Note 8-J*). Because the bonds were not issued, the State faced the potential execution of a swap termination payment to the four providers totaling \$158,751,746. As described in *Note 8-J*, the SBC and the Joint Legislative Committee on the Budget approved negotiations with the Providers to extend the start date of the swap agreement. The State and Providers executed the amended interest swap agreement on December 13, 2008, with an effective date of December 1, 2008.

In April 2008 the Louisiana Public Service Commission authorized the Louisiana Public Facilities Authority (LPFA) to issue system restoration bonds to provide non-shareholder capital contributions to two subsidiaries of Entergy Corporation. On July 29, 2008, LPFA issued \$687.7 million in bonds for the Entergy Louisiana, LLC and on August 26, 2008, issued \$278.4 million for Entergy Gulf States Louisiana, LLC. The Louisiana Utilities Restoration Corporation (LURC) was designated by Act 55 of the 2007 Regular Session of the Legislature to act as the conduit agency that receives the system restoration bond proceeds, distributes the capital contributions to participating utility companies, and collects the customer surcharge fees that are dedicated to paying the debt service of the bonds. LURC is a discretely presented component unit that had no activity during fiscal year ended June 30, 2008.

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, 2008

(EXPRESSED IN THOUSANDS)

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
INTERGOVERNMENTAL	\$ 15,685,187	\$ 19,607,838	\$ 12,763,044	\$ (6,844,794)
USE OF MONEY AND PROPERTY	100	100	118,450	118,350
LICENSES, PERMITS, AND FEES	--	65	--	(65)
SALES OF COMMODITIES	753,745	745,564	828,617	83,053
OTHER	163,304	174,534	280,458	105,924
INTERAGENCY TRANSFERS	412,802	477,087	402,183	(74,904)
TOTAL REVENUES	17,015,138	21,005,188	14,392,752	(6,612,436)
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	9,381,846	13,865,301	7,488,479	6,376,822
CULTURE, RECREATION, AND TOURISM	107,297	153,227	141,148	12,079
TRANSPORTATION AND DEVELOPMENT	545,028	581,480	500,503	80,977
PUBLIC SAFETY	392,466	400,131	328,726	71,405
HEALTH AND WELFARE	8,947,309	9,118,143	8,374,244	743,899
CORRECTIONS	672,584	668,902	655,470	13,432
YOUTH SERVICES	185,204	188,266	168,149	20,117
CONSERVATION	446,432	486,068	371,755	114,313
EDUCATION	8,281,233	8,772,642	8,507,182	265,460
OTHER	22,467	22,467	20,495	1,972
INTERGOVERNMENTAL	504,562	542,440	540,659	1,781
DEBT SERVICE	50,558	49,588	45,639	3,949
TOTAL EXPENDITURES	29,536,986	34,848,655	27,142,449	7,706,206
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,521,848)	(13,843,467)	(12,749,697)	1,093,770
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	11,786,469	13,789,270	14,938,772	1,149,502
TRANSFERS OUT	(811,008)	(806,408)	(2,039,066)	(1,232,658)
OTHER	--	--	2,233	2,233
TOTAL OTHER FINANCING SOURCES AND (USES)	10,975,461	12,982,862	12,901,939	(80,923)
NET CHANGES IN FUND BALANCES	\$ (1,546,387)	\$ (860,605)	\$ 152,242	\$ 1,012,847

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

State of Louisiana

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY REPORTING

FOR THE YEAR ENDED JUNE 30, 2008

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

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resulting basis, perspective, and entity differences in the revenues in excess of (less than) expenditures and other financing sources (uses) between budgetary and GAAP presentations for the year ended June 30, 2008, is presented below (expressed in thousands) for the General Fund.

Net Change in Fund Balances (GAAP)	\$	31,621
Reconciling Adjustments:		
Basis Differences:		
To Adjust for Revenue Accruals and Deferrals		1,834,901
To Adjust for Capital Leases		8,848
To Adjust for Expenditure Accruals		(1,712,664)
To Delete IAT Related Transfers In		1,700,253
To Delete IAT Expenditures		<u>(1,710,717)</u>
Net Change in Fund Balances (Budgetary Basis)	\$	<u>152,242</u>

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

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

OTHER POSTEMPLOYMENT BENEFITS PLANS

FOR THE YEAR ENDED JUNE 30, 2008

OGB Plan

The State's Other Postemployment Benefits (OPEB) Plan is administered by the Office of Group Benefits (OGB) as an agent multiple-employer defined benefit OPEB plan. It provides health and life insurance coverage to eligible members. The following tables present the actuarially determined funding progress and required contributions for the OGB OPEB Plan using the projected unit credit cost method.

Schedule of Funding Progress

(Expressed in Thousands)

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
Primary Government	7/1/2007	\$0	\$7,892,905	\$7,892,905	0.00%	\$1,463,356	539.37%
Component Units	7/1/2007	\$0	\$4,179,108	\$4,179,108	0.00%	\$1,264,524	330.49%

Schedule of Employer Contributions

(Expressed in Thousands)

	Fiscal Year Ended	Annual Required Contribution (ARC) (a)	Contributions (b)	Percentage Contributed (b/a)
Primary Government	6/30/2008	\$737,730	\$135,644	18.39%
Component Units	6/30/2008	\$379,186	\$63,892	16.85%

Definity Plan

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

Schedule of Funding Progress

(Expressed in Thousands)

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
	7/1/2007	\$0	\$470,940	\$470,940	0.00%	\$552,044	85.31%

Schedule of Employer Contributions

(Expressed in Thousands)

	Fiscal Year Ended	Annual Required Contribution (ARC) (a)	Contributions (b)	Percentage Contributed (b/a)
	6/30/2008	\$49,787	\$10,141	20.37%



**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, 2008

(EXPRESSED IN THOUSANDS)

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
INTERGOVERNMENTAL	\$ 8,547	\$ 9,031	\$ 12,640	\$ 3,609
TAXES	8,439,700	9,513,567	9,413,580	(99,987)
GAMING	832,400	880,973	883,112	2,139
TOBACCO SETTLEMENT	66,600	74,100	64,250	(9,850)
USE OF MONEY AND PROPERTY	700,915	893,468	1,220,838	327,370
LICENSES, PERMITS, AND FEES	298,630	278,309	386,306	107,997
SALES OF COMMODITIES	47,406	50,421	73,139	22,718
OTHER	458,809	462,598	452,211	(10,387)
INTERAGENCY TRANSFERS	1,127,224	1,754,677	1,383,598	(371,079)
TOTAL REVENUES	11,980,231	13,917,144	13,889,674	(27,470)
EXPENDITURES:				
CURRENT:				
DEBT SERVICE	281,870	281,870	282,783	(913)
TOTAL EXPENDITURES	281,870	281,870	282,783	(913)
EXCESS OF REVENUES OVER EXPENDITURES	11,698,361	13,635,274	13,606,891	(28,383)
OTHER FINANCING USES:				
TRANSFERS IN			(3,113)	(3,113)
TRANSFERS OUT	(11,698,361)	(13,635,274)	(13,603,778)	31,496
TOTAL OTHER FINANCING USES	(11,698,361)	(13,635,274)	(13,606,891)	28,383
NET CHANGES IN FUND BALANCES	\$ --	\$ --	\$ --	\$ --



COMBINING AND INDIVIDUAL
FUND STATEMENTS AND
SCHEDULE – NONMAJOR
FUNDS



State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	ACADEMIC IMPROVEMENT FUND	ADMINISTRATIVE FUND OF THE DEPARTMENT OF INSURANCE	AGRICULTURAL COMMODITIES COMMISSION SELF-INSURANCE FUND	AGRICULTURAL COMMODITY DEALERS & WAREHOUSE FUND	AGRICULTURAL PRODUCTS PROCESSING DEVELOPMENT FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 19,104	\$ --	\$ 872	\$ 512	\$ 27
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
DUE FROM OTHER FUNDS	--	596	--	118	--
AMOUNTS DUE FROM COMPONENT UNITS	--	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 19,104	\$ 596	\$ 872	\$ 630	\$ 27
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	5,196	452	--	--	--
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	5,196	452	--	--	--
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	227	--	--	--	--
UNDESIGNATED	13,681	144	872	630	27
TOTAL FUND BALANCES	13,908	144	872	630	27
TOTAL LIABILITIES AND FUND BALANCES	\$ 19,104	\$ 596	\$ 872	\$ 630	\$ 27

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	ACADEMIC IMPROVEMENT FUND	ADMINISTRATIVE FUND OF THE DEPARTMENT OF INSURANCE	AGRICULTURAL COMMODITIES COMMISSION SELF-INSURANCE FUND	AGRICULTURAL COMMODITY DEALERS & WAREHOUSE FUND	AGRICULTURAL PRODUCTS PROCESSING DEVELOPMENT FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	510	--	--	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL REVENUES	510	--	--	--	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	510	--	--	--	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--	--
TRANSFERS IN	11,624	597	650	1,850	1
TRANSFERS OUT	(27,862)	(565)	--	(1,220)	--
TOTAL OTHER FINANCING SOURCES (USES)	(16,238)	32	650	630	1
NET CHANGE IN FUND BALANCES	(15,728)	32	650	630	1
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	29,636	112	222	--	26
FUND BALANCES AT END OF YEAR	\$ 13,908	\$ 144	\$ 872	\$ 630	\$ 27

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

ALGIERS ECONOMIC DEVELOPMENT FUND	APIARY FUND	AQUATIC PLANT CONTROL FUND	ARCHAEOLOGICAL CURATION FUND	ARTIFICIAL REEF DEVELOPMENT FUND	AUDUBON GOLF TRAIL DEVELOPMENT FUND	AUTOMOBILE THEFT AND INSURANCE FRAUD PREVENTION FUND	AVOYELLES PARISH LOCAL GOVERNMENT GAMING MITIGATION FUND
\$ 102	\$ 2	\$ 2,367	\$ 101	\$ 3,348	\$ 37	\$ 68	\$ --
--	--	--	--	25,690	--	--	--
--	--	10	--	--	2	--	204
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>\$ 102</u>	<u>\$ 2</u>	<u>\$ 2,377</u>	<u>\$ 101</u>	<u>\$ 29,038</u>	<u>\$ 39</u>	<u>\$ 68</u>	<u>\$ 204</u>

\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
100	2	73	--	157	18	23	204
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>100</u>	<u>2</u>	<u>73</u>	<u>--</u>	<u>157</u>	<u>18</u>	<u>23</u>	<u>204</u>

--	--	12	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	39	--	--	--
<u>2</u>	<u>--</u>	<u>2,292</u>	<u>101</u>	<u>28,842</u>	<u>21</u>	<u>45</u>	<u>--</u>
<u>2</u>	<u>--</u>	<u>2,304</u>	<u>101</u>	<u>28,881</u>	<u>21</u>	<u>45</u>	<u>--</u>
<u>\$ 102</u>	<u>\$ 2</u>	<u>\$ 2,377</u>	<u>\$ 101</u>	<u>\$ 29,038</u>	<u>\$ 39</u>	<u>\$ 68</u>	<u>\$ 204</u>

ALGIERS ECONOMIC DEVELOPMENT FUND	APIARY FUND	AQUATIC PLANT CONTROL FUND	ARCHAEOLOGICAL CURATION FUND	ARTIFICIAL REEF DEVELOPMENT FUND	AUDUBON GOLF TRAIL DEVELOPMENT FUND	AUTOMOBILE THEFT AND INSURANCE FRAUD PREVENTION FUND	AVOYELLES PARISH LOCAL GOVERNMENT GAMING MITIGATION FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
--	--	--	--	317	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	317	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	317	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
102	2	2,567	60	9,713	28	13	793
(100)	(2)	(996)	--	(15,708)	(18)	(56)	(793)
<u>2</u>	<u>--</u>	<u>1,571</u>	<u>60</u>	<u>(5,995)</u>	<u>10</u>	<u>(43)</u>	<u>--</u>
<u>2</u>	<u>--</u>	<u>1,571</u>	<u>60</u>	<u>(5,678)</u>	<u>10</u>	<u>(43)</u>	<u>--</u>
--	--	733	41	34,559	11	88	--
<u>\$ 2</u>	<u>\$ --</u>	<u>\$ 2,304</u>	<u>\$ 101</u>	<u>\$ 28,881</u>	<u>\$ 21</u>	<u>\$ 45</u>	<u>\$ --</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	BATTERED WOMEN'S SHELTER FUND	BEAUTIFICATION & IMPROVEMENT OF THE NEW ORLEANS CITY PARK FUND	BEAUTIFICATION PROJECT FOR NEW ORLEANS NEIGHBORHOODS FUND	BLACK BEAR ACCOUNT	BLIND VENDORS TRUST FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 43	\$ 727	\$ 101	\$ 177	\$ 1,620
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
DUE FROM OTHER FUNDS	25	120	--	1	--
AMOUNTS DUE FROM COMPONENT UNITS	--	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 68	\$ 847	\$ 101	\$ 178	\$ 1,620
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	21	847	--	8	49
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	21	847	--	8	49
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	--	--	--
UNDESIGNATED	47	--	101	170	1,571
TOTAL FUND BALANCES	47	--	101	170	1,571
TOTAL LIABILITIES AND FUND BALANCES	\$ 68	\$ 847	\$ 101	\$ 178	\$ 1,620

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	BATTERED WOMEN'S SHELTER FUND	BEAUTIFICATION & IMPROVEMENT OF THE NEW ORLEANS CITY PARK FUND	BEAUTIFICATION PROJECT FOR NEW ORLEANS NEIGHBORHOODS FUND	BLACK BEAR ACCOUNT	BLIND VENDORS TRUST FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	--	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL REVENUES	--	--	--	--	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	--	--	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--	--
TRANSFERS IN	90	1,041	101	36	373
TRANSFERS OUT	(77)	(1,047)	--	(26)	(246)
TOTAL OTHER FINANCING SOURCES (USES)	13	(6)	101	10	127
NET CHANGE IN FUND BALANCES	13	(6)	101	10	127
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	34	6	--	160	1,444
FUND BALANCES AT END OF YEAR	\$ 47	\$ --	\$ 101	\$ 170	\$ 1,571

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

BOLL WEEVIL ERADICATION FUND	BUDGET STABILIZATION FUND	CASINO GAMING PROCEEDS FUND	CHILDREN'S TRUST FUND	CHOOSE LIFE FUND	COASTAL MITIGATION ACCOUNT	COASTAL PROTECTION AND RESTORATION FUND	COASTAL RESOURCES TRUST FUND
\$ 57	\$ 779,581	\$ 132	\$ 1,157	\$ 94	\$ 486	\$ 578,794	\$ 267
--	--	--	--	--	--	--	--
121	--	--	187	--	28	27,054	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>\$ 178</u>	<u>\$ 779,581</u>	<u>\$ 132</u>	<u>\$ 1,344</u>	<u>\$ 94</u>	<u>\$ 514</u>	<u>\$ 605,848</u>	<u>\$ 267</u>

\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
178	--	--	184	3	46	6,666	26
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>178</u>	<u>--</u>	<u>--</u>	<u>184</u>	<u>3</u>	<u>46</u>	<u>6,666</u>	<u>26</u>

--	--	--	--	--	--	18	38
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	3,988	--	--	--	--	3,548	--
--	<u>775,593</u>	<u>132</u>	<u>1,160</u>	<u>91</u>	<u>468</u>	<u>595,616</u>	<u>203</u>
--	<u>779,581</u>	<u>132</u>	<u>1,160</u>	<u>91</u>	<u>468</u>	<u>599,182</u>	<u>241</u>
<u>\$ 178</u>	<u>\$ 779,581</u>	<u>\$ 132</u>	<u>\$ 1,344</u>	<u>\$ 94</u>	<u>\$ 514</u>	<u>\$ 605,848</u>	<u>\$ 267</u>

BOLL WEEVIL ERADICATION FUND	BUDGET STABILIZATION FUND	CASINO GAMING PROCEEDS FUND	CHILDREN'S TRUST FUND	CHOOSE LIFE FUND	COASTAL MITIGATION ACCOUNT	COASTAL PROTECTION AND RESTORATION FUND	COASTAL RESOURCES TRUST FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
--	10,750	--	--	--	--	7,344	--
--	--	--	--	2	--	--	--
--	--	--	--	--	--	16	--
<u>--</u>	<u>10,750</u>	<u>--</u>	<u>--</u>	<u>2</u>	<u>--</u>	<u>7,360</u>	<u>--</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	10,750	--	--	2	--	7,360	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
4,944	86,908	2	1,064	15	461	367,544	709
(4,944)	--	--	(911)	(17)	(914)	(108,739)	(858)
<u>--</u>	<u>86,908</u>	<u>2</u>	<u>153</u>	<u>(2)</u>	<u>(453)</u>	<u>258,805</u>	<u>(149)</u>
--	97,658	2	153	--	(453)	266,165	(149)
--	<u>681,923</u>	<u>130</u>	<u>1,007</u>	<u>91</u>	<u>921</u>	<u>333,017</u>	<u>390</u>
<u>\$ --</u>	<u>\$ 779,581</u>	<u>\$ 132</u>	<u>\$ 1,160</u>	<u>\$ 91</u>	<u>\$ 468</u>	<u>\$ 599,182</u>	<u>\$ 241</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	COMMERCIAL FEED FUND	COMMUNITY WATER ENRICHMENT FUND	COMPULSIVE AND PROBLEM GAMING FUND	CONCEALED HANDGUN PERMIT FUND	CONSERVATION FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ --	\$ 10,000	\$ 3,128	\$ 236	\$ 24,183
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
DUE FROM OTHER FUNDS	--	--	17	8	8,185
AMOUNTS DUE FROM COMPONENT UNITS	--	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ --	\$ 10,000	\$ 3,145	\$ 244	\$ 32,368
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	--	--	2,436	--	--
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	--	--	2,436	--	--
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	--	--	33
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	--	--	216
UNDESIGNATED	--	10,000	709	244	32,119
TOTAL FUND BALANCES	--	10,000	709	244	32,368
TOTAL LIABILITIES AND FUND BALANCES	\$ --	\$ 10,000	\$ 3,145	\$ 244	\$ 32,368

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	COMMERCIAL FEED FUND	COMMUNITY WATER ENRICHMENT FUND	COMPULSIVE AND PROBLEM GAMING FUND	CONCEALED HANDGUN PERMIT FUND	CONSERVATION FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	--	--	470
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL REVENUES	--	--	--	--	470
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	--	--	470
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--	--
TRANSFERS IN	176	10,000	2,600	537	55,327
TRANSFERS OUT	(177)	--	(2,936)	(380)	(57,630)
TOTAL OTHER FINANCING SOURCES (USES)	(1)	10,000	(336)	157	(2,303)
NET CHANGE IN FUND BALANCES	(1)	10,000	(336)	157	(1,833)
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	1	--	1,045	87	34,201
FUND BALANCES AT END OF YEAR	\$ --	\$ 10,000	\$ 709	\$ 244	\$ 32,368

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

CRAB PROMOTION AND MARKETING ACCOUNT	CRIME VICTIMS' REPARATION FUND	CRIMINAL IDENTIFICATION AND INFORMATION FUND	CROP PESTS & DISEASES FUND	DEPARTMENT OF JUSTICE DEBT COLLECTION FUND	DEPARTMENT OF JUSTICE LEGAL SUPPORT FUND	DEPARTMENT OF PUBLIC SAFETY PEACE OFFICERS FUND	DEPARTMENT OF REVENUE ALCOHOL AND TOBACCO CONTROL OFFICERS FUND
\$ 47	\$ 981	\$ 16,878	\$ 23	\$ 708	\$ 639	\$ 1,014	\$ 889
--	--	--	--	--	--	--	--
--	101	1,415	1	49	3	9	40
--	--	--	--	--	--	--	--
<u>\$ 47</u>	<u>\$ 1,082</u>	<u>\$ 18,293</u>	<u>\$ 24</u>	<u>\$ 757</u>	<u>\$ 642</u>	<u>\$ 1,023</u>	<u>\$ 929</u>

\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	5	--	--	--	73	380	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	5	--	--	--	73	380	--
--	--	--	--	--	--	--	--
--	--	17	--	--	94	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	330	--	--	--	--	--
<u>47</u>	<u>1,077</u>	<u>17,946</u>	<u>24</u>	<u>757</u>	<u>475</u>	<u>643</u>	<u>929</u>
<u>47</u>	<u>1,077</u>	<u>18,293</u>	<u>24</u>	<u>757</u>	<u>569</u>	<u>643</u>	<u>929</u>
<u>\$ 47</u>	<u>\$ 1,082</u>	<u>\$ 18,293</u>	<u>\$ 24</u>	<u>\$ 757</u>	<u>\$ 642</u>	<u>\$ 1,023</u>	<u>\$ 929</u>

CRAB PROMOTION AND MARKETING ACCOUNT	CRIME VICTIMS' REPARATION FUND	CRIMINAL IDENTIFICATION AND INFORMATION FUND	CROP PESTS & DISEASES FUND	DEPARTMENT OF JUSTICE DEBT COLLECTION FUND	DEPARTMENT OF JUSTICE LEGAL SUPPORT FUND	DEPARTMENT OF PUBLIC SAFETY PEACE OFFICERS FUND	DEPARTMENT OF REVENUE ALCOHOL AND TOBACCO CONTROL OFFICERS FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
--	--	427	--	--	--	--	--
--	--	--	--	--	--	--	(40)
--	--	427	--	--	--	--	(40)
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	427	--	--	--	--	(40)
--	--	--	--	--	--	--	--
17	1,400	4,319	104	1,167	713	317	269
--	(1,797)	(6,824)	(80)	(801)	(462)	(391)	--
<u>17</u>	<u>(397)</u>	<u>(2,505)</u>	<u>24</u>	<u>366</u>	<u>251</u>	<u>(74)</u>	<u>269</u>
<u>17</u>	<u>(397)</u>	<u>(2,078)</u>	<u>24</u>	<u>366</u>	<u>251</u>	<u>(74)</u>	<u>229</u>
<u>30</u>	<u>1,474</u>	<u>20,371</u>	<u>--</u>	<u>391</u>	<u>318</u>	<u>717</u>	<u>700</u>
<u>\$ 47</u>	<u>\$ 1,077</u>	<u>\$ 18,293</u>	<u>\$ 24</u>	<u>\$ 757</u>	<u>\$ 569</u>	<u>\$ 643</u>	<u>\$ 929</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	DERELICT CRAB TRAP REMOVAL PROGRAM ACCOUNT	DOTD RIGHT OF WAY PERMIT PROCESSING FUND	DIRECTOR OF WORKER'S COMPENSATION REVOLVING FUND	DISABILITY AFFAIRS TRUST FUND	DNA TESTING POST- CONVICTION RELIEF FOR INDIGENTS FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 64	\$ 50	\$ 336	\$ 54	\$ 31
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
DUE FROM OTHER FUNDS	--	11	3	14	--
AMOUNTS DUE FROM COMPONENT UNITS	--	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 64	\$ 61	\$ 339	\$ 68	\$ 31
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	--	61	--	--	--
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	--	61	--	--	--
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	--	--	--
UNDESIGNATED	64	--	339	68	31
TOTAL FUND BALANCES	64	--	339	68	31
TOTAL LIABILITIES AND FUND BALANCES	\$ 64	\$ 61	\$ 339	\$ 68	\$ 31

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	DERELICT CRAB TRAP REMOVAL PROGRAM ACCOUNT	DOTD RIGHT OF WAY PERMIT PROCESSING FUND	DIRECTOR OF WORKER'S COMPENSATION REVOLVING FUND	DISABILITY AFFAIRS TRUST FUND	DNA TESTING POST- CONVICTION RELIEF FOR INDIGENTS FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	--	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL REVENUES	--	--	--	--	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	--	--	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--	--
TRANSFERS IN	44	384	28	197	--
TRANSFERS OUT	(17)	(394)	--	(200)	(27)
TOTAL OTHER FINANCING SOURCES (USES)	27	(10)	28	(3)	(27)
NET CHANGE IN FUND BALANCES	27	(10)	28	(3)	(27)
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	37	10	311	71	58
FUND BALANCES AT END OF YEAR	\$ 64	\$ --	\$ 339	\$ 68	\$ 31

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

DRUG ABUSE EDUCATION AND TREATMENT FUND	ECONOMICS AND RATE ANALYSIS DIVISION AND HEARING EXAMINERS SUPPLEMENTAL FEE FUND	EMERGENCY MEDICAL TECHNICAL FUND	EMPLOYMENT SECURITY ADMINISTRATIVE ACCOUNT	ENFORCEMENT EMERGENCY SITUATION RESPONSE ACCOUNT	ENTERTAINMENT PROMOTION AND MARKETING FUND	ENVIRONMENTAL TRUST FUND	EQUINE HEALTH STUDIES PROGRAM FUND
\$ 482	\$ --	\$ 45	\$ 6,442	\$ 192	\$ 188	\$ 22,332	\$ --
--	--	--	19	--	--	--	--
11	--	--	--	--	--	2,911	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>\$ 493</u>	<u>\$ --</u>	<u>\$ 45</u>	<u>\$ 6,461</u>	<u>\$ 192</u>	<u>\$ 188</u>	<u>\$ 25,243</u>	<u>\$ --</u>

\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
12	--	--	--	--	15	1,050	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
12	--	--	--	--	15	1,050	--
--	--	--	--	--	--	--	--
--	--	--	--	--	15	159	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	50	--
481	--	45	6,461	192	158	23,984	--
481	--	45	6,461	192	173	24,193	--
<u>\$ 493</u>	<u>\$ --</u>	<u>\$ 45</u>	<u>\$ 6,461</u>	<u>\$ 192</u>	<u>\$ 188</u>	<u>\$ 25,243</u>	<u>\$ --</u>

DRUG ABUSE EDUCATION AND TREATMENT FUND	ECONOMICS AND RATE ANALYSIS DIVISION AND HEARING EXAMINERS SUPPLEMENTAL FEE FUND	EMERGENCY MEDICAL TECHNICAL FUND	EMPLOYMENT SECURITY ADMINISTRATIVE ACCOUNT	ENFORCEMENT EMERGENCY SITUATION RESPONSE ACCOUNT	ENTERTAINMENT PROMOTION AND MARKETING FUND	ENVIRONMENTAL TRUST FUND	EQUINE HEALTH STUDIES PROGRAM FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	1,070	--	--	--	--
--	--	--	232	--	--	596	--
--	--	--	--	--	--	--	--
--	--	--	1,302	--	--	596	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	750
--	--	--	--	--	--	--	750
--	--	--	1,302	--	--	596	(750)
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
181	--	9	--	8	201	58,237	750
(261)	(1,279)	(1)	(358)	--	(28)	(59,415)	--
(80)	(1,279)	8	(358)	8	173	(1,178)	750
(80)	(1,279)	8	944	8	173	(582)	--
561	1,279	37	5,517	184	--	24,775	--
<u>\$ 481</u>	<u>\$ --</u>	<u>\$ 45</u>	<u>\$ 6,461</u>	<u>\$ 192</u>	<u>\$ 173</u>	<u>\$ 24,193</u>	<u>\$ --</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	EVANGELINE PARISH RECREATION DISTRICT SUPPORT FUND	EXPLOSIVES TRUST FUND	FEDERAL ENERGY SETTLEMENT FUND	FEED COMMISSION FUND	FEMA REIMBURSEMENT FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ --	\$ 20	\$ 32,586	\$ 303	\$ 8,663
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	--	226	--
DUE FROM OTHER FUNDS	--	1	--	--	--
AMOUNTS DUE FROM COMPONENT UNITS	--	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ --	\$ 21	\$ 32,586	\$ 529	\$ 8,663
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	--	20	37	--	--
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	--	20	37	--	--
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	529	--
ENCUMBRANCES	--	--	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	500	--	--
UNDESIGNATED	--	1	32,049	--	8,663
TOTAL FUND BALANCES	--	1	32,549	529	8,663
TOTAL LIABILITIES AND FUND BALANCES	\$ --	\$ 21	\$ 32,586	\$ 529	\$ 8,663

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	EVANGELINE PARISH RECREATION DISTRICT SUPPORT FUND	EXPLOSIVES TRUST FUND	FEDERAL ENERGY SETTLEMENT FUND	FEED COMMISSION FUND	FEMA REIMBURSEMENT FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	1,710	9	--
LICENSES, PERMITS, AND FEES	--	--	--	985	--
OTHER	--	--	224	1	--
TOTAL REVENUES	--	--	1,934	995	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	803	--
TOTAL EXPENDITURES	--	--	--	803	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	1,934	192	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--	--
TRANSFERS IN	--	89	--	129	--
TRANSFERS OUT	(237)	(88)	(2,236)	(129)	(6,883)
TOTAL OTHER FINANCING SOURCES (USES)	(237)	1	(2,236)	--	(6,883)
NET CHANGE IN FUND BALANCES	(237)	1	(302)	192	(6,883)
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	237	--	32,851	337	15,546
FUND BALANCES AT END OF YEAR	\$ --	\$ 1	\$ 32,549	\$ 529	\$ 8,663

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

FERTILIZER FUND	FIRE INSURANCE FUND	FISH AND WILDLIFE VIOLATIONS REWARD FUND	FISHERMEN'S GEAR COMPENSATION FUND	FOREST PROTECTION FUND	FORESTRY PRODUCTIVITY FUND	FORMOSAN TERMITE INITIATIVE FUND	FRAUD DETECTION FUND
\$ 201	\$ 15,850	\$ 1	\$ 1,769	\$ 2	\$ 661	\$ 37	\$ 765
440	--	--	--	--	--	--	--
--	--	--	--	2	360	--	335
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>\$ 641</u>	<u>\$ 15,850</u>	<u>\$ 1</u>	<u>\$ 1,769</u>	<u>\$ 4</u>	<u>\$ 1,021</u>	<u>\$ 37</u>	<u>\$ 1,100</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	15,560	--	36	4	--	--	28
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	15,560	--	36	4	--	--	28
641	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	290	1	1,733	--	1,021	37	1,072
641	290	1	1,733	--	1,021	37	1,072
<u>\$ 641</u>	<u>\$ 15,850</u>	<u>\$ 1</u>	<u>\$ 1,769</u>	<u>\$ 4</u>	<u>\$ 1,021</u>	<u>\$ 37</u>	<u>\$ 1,100</u>

FERTILIZER FUND	FIRE INSURANCE FUND	FISH AND WILDLIFE VIOLATIONS REWARD FUND	FISHERMEN'S GEAR COMPENSATION FUND	FOREST PROTECTION FUND	FORESTRY PRODUCTIVITY FUND	FORMOSAN TERMITE INITIATIVE FUND	FRAUD DETECTION FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
9	--	--	--	--	--	--	--
813	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>822</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
716	2,537	--	--	--	--	--	--
716	2,537	--	--	--	--	--	--
106	(2,537)	--	--	--	--	--	--
--	--	--	--	--	--	--	--
14	18,609	1	505	800	3,067	2	653
(14)	(16,116)	--	(958)	(800)	(3,294)	--	(316)
--	2,493	1	(453)	--	(227)	2	337
106	(44)	1	(453)	--	(227)	2	337
535	334	--	2,186	--	1,248	35	735
<u>\$ 641</u>	<u>\$ 290</u>	<u>\$ 1</u>	<u>\$ 1,733</u>	<u>\$ --</u>	<u>\$ 1,021</u>	<u>\$ 37</u>	<u>\$ 1,072</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	FRIENDS OF NORD FUND	GENERAL AVIATION AND RELIEVER AIRPORT MAINTENANCE GRANT PROGRAM FUND	GREATER NEW ORLEANS EXPRESSWAY COMMISSION ADDITIONAL COST FUND	GREATER NEW ORLEANS SPORTS FOUNDATION FUND	HAZARDOUS MATERIALS EMERGENCY RESPONSE FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 101	\$ 5	\$ 42	\$ 481	\$ 617
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
DUE FROM OTHER FUNDS	--	--	--	80	11
AMOUNTS DUE FROM COMPONENT UNITS	--	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 101	\$ 5	\$ 42	\$ 561	\$ 628
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	--	--	--	561	--
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	--	--	--	561	--
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	--	--	--
UNDESIGNATED	101	5	42	--	628
TOTAL FUND BALANCES	101	5	42	--	628
TOTAL LIABILITIES AND FUND BALANCES	\$ 101	\$ 5	\$ 42	\$ 561	\$ 628

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	FRIENDS OF NORD FUND	GENERAL AVIATION AND RELIEVER AIRPORT MAINTENANCE GRANT PROGRAM FUND	GREATER NEW ORLEANS EXPRESSWAY COMMISSION ADDITIONAL COST FUND	GREATER NEW ORLEANS SPORTS FOUNDATION FUND	HAZARDOUS MATERIALS EMERGENCY RESPONSE FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	--	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL REVENUES	--	--	--	--	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	--	--	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--	--
TRANSFERS IN	101	--	33	561	337
TRANSFERS OUT	--	--	(36)	(561)	(115)
TOTAL OTHER FINANCING SOURCES (USES)	101	--	(3)	--	222
NET CHANGE IN FUND BALANCES	101	--	(3)	--	222
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	--	5	45	--	406
FUND BALANCES AT END OF YEAR	\$ 101	\$ 5	\$ 42	\$ --	\$ 628

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

HAZARDOUS WASTE SITE CLEANUP FUND	HEALTH CARE REDESIGN FUND	HEALTH TRUST FUND	HELP LOUISIANA VOTE FUND	HIGHER EDUCATION INITIATIVES FUND	HORTICULTURE COMMISSION FUND	INCENTIVE FUND	INCUMBENT WORKER TRAINING ACCOUNT
\$ 6,000	\$ 26,373	\$ 1,628	\$ 11,477	\$ 10,289	\$ 73	\$ 1,030	\$ 47,305
--	--	--	562	--	--	--	229
1,159	--	1,804	--	635	6	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>\$ 7,159</u>	<u>\$ 26,373</u>	<u>\$ 3,432</u>	<u>\$ 12,039</u>	<u>\$ 10,924</u>	<u>\$ 79</u>	<u>\$ 1,030</u>	<u>\$ 47,534</u>

\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
1,159	7,645	--	1,505	--	--	--	5,343
--	1,768	--	--	3,492	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>1,159</u>	<u>9,413</u>	<u>--</u>	<u>1,505</u>	<u>3,492</u>	<u>--</u>	<u>--</u>	<u>5,343</u>

1,225	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	912	--	--	407	--	--	--
<u>4,775</u>	<u>16,048</u>	<u>3,432</u>	<u>10,534</u>	<u>7,025</u>	<u>79</u>	<u>1,030</u>	<u>42,191</u>
<u>6,000</u>	<u>16,960</u>	<u>3,432</u>	<u>10,534</u>	<u>7,432</u>	<u>79</u>	<u>1,030</u>	<u>42,191</u>
<u>\$ 7,159</u>	<u>\$ 26,373</u>	<u>\$ 3,432</u>	<u>\$ 12,039</u>	<u>\$ 10,924</u>	<u>\$ 79</u>	<u>\$ 1,030</u>	<u>\$ 47,534</u>

HAZARDOUS WASTE SITE CLEANUP FUND	HEALTH CARE REDESIGN FUND	HEALTH TRUST FUND	HELP LOUISIANA VOTE FUND	HIGHER EDUCATION INITIATIVES FUND	HORTICULTURE COMMISSION FUND	INCENTIVE FUND	INCUMBENT WORKER TRAINING ACCOUNT
\$ --	\$ --	\$ --	\$ 131	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	20,216
--	2,051	--	681	543	--	--	3,001
--	--	--	--	--	--	--	--
<u>90</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>90</u>	<u>2,051</u>	<u>--</u>	<u>812</u>	<u>543</u>	<u>--</u>	<u>--</u>	<u>23,217</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	10,862	--	--	36,392	--	--	--
--	10,862	--	--	36,392	--	--	--
<u>90</u>	<u>(8,811)</u>	<u>--</u>	<u>812</u>	<u>(35,849)</u>	<u>--</u>	<u>--</u>	<u>23,217</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
8,844	2,644	15,228	--	785	911	3,992	--
<u>(8,934)</u>	<u>(97,102)</u>	<u>(14,673)</u>	<u>(3,375)</u>	<u>(9,950)</u>	<u>(832)</u>	<u>(3,000)</u>	<u>(44,016)</u>
<u>(90)</u>	<u>(94,458)</u>	<u>555</u>	<u>(3,375)</u>	<u>(9,165)</u>	<u>79</u>	<u>992</u>	<u>(44,016)</u>
--	(103,269)	555	(2,563)	(45,014)	79	992	(20,799)
<u>6,000</u>	<u>120,229</u>	<u>2,877</u>	<u>13,097</u>	<u>52,446</u>	<u>--</u>	<u>38</u>	<u>62,990</u>
<u>\$ 6,000</u>	<u>\$ 16,960</u>	<u>\$ 3,432</u>	<u>\$ 10,534</u>	<u>\$ 7,432</u>	<u>\$ 79</u>	<u>\$ 1,030</u>	<u>\$ 42,191</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	INSURANCE FRAUD INVESTIGATION FUND	INSURE LOUISIANA INCENTIVE PROGRAM FUND	JUDGES' SUPPLEMENTAL COMPENSATION FUND	KEEP LOUISIANA BEAUTIFUL FUND	LABOR PENALTY AND INTEREST ACCOUNT
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 909	\$ 75,098	\$ 70	\$ 3	\$ 3,646
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	295
DUE FROM OTHER FUNDS	235	--	--	--	--
AMOUNTS DUE FROM COMPONENT UNITS	--	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 1,144	\$ 75,098	\$ 70	\$ 3	\$ 3,941
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	--	--	--	2	18
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	--	--	--	2	18
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	11	--	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	796	--	--	--
UNDESIGNATED	1,133	74,302	70	1	3,923
TOTAL FUND BALANCES	1,144	75,098	70	1	3,923
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,144	\$ 75,098	\$ 70	\$ 3	\$ 3,941

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	INSURANCE FRAUD INVESTIGATION FUND	INSURE LOUISIANA INCENTIVE PROGRAM FUND	JUDGES' SUPPLEMENTAL COMPENSATION FUND	KEEP LOUISIANA BEAUTIFUL FUND	LABOR PENALTY AND INTEREST ACCOUNT
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	3,288
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	1,790	--	--	158
LICENSES, PERMITS, AND FEES	--	--	--	--	173
OTHER	4	--	--	--	--
TOTAL REVENUES	4	1,790	--	--	3,619
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4	1,790	--	--	3,619
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--	--
TRANSFERS IN	3,587	2,308	4,418	2	--
TRANSFERS OUT	(3,236)	(29,000)	(4,428)	(2)	(1,942)
TOTAL OTHER FINANCING SOURCES (USES)	351	(26,692)	(10)	--	(1,942)
NET CHANGE IN FUND BALANCES	355	(24,902)	(10)	--	1,677
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	789	100,000	80	1	2,246
FUND BALANCES AT END OF YEAR	\$ 1,144	\$ 75,098	\$ 70	\$ 1	\$ 3,923

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

LEAD HAZARD REDUCTION FUND	LEGISLATIVE CAPITOL TECHNOLOGY ENHANCEMENT FUND	LIQUIFIED PETROLEUM GAS COMMISSION RAINY DAY FUND	LIVESTOCK BRAND COMMISSION FUND	LOTTERY PROCEEDS FUND	LOUISIANA AGRICULTURAL FINANCE AUTHORITY FUND	LOUISIANA ALLIGATOR RESOURCE FUND	LOUISIANA ANIMAL WELFARE FUND
\$ 294	\$ 10,000	\$ 268	\$ 3	\$ 71,926	\$ 12	\$ 1,641	\$ 34
--	--	--	--	--	--	--	--
--	--	--	--	10,048	--	70	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>294</u>	<u>10,000</u>	<u>268</u>	<u>3</u>	<u>81,974</u>	<u>12</u>	<u>1,711</u>	<u>34</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
62	--	18	3	--	--	77	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
62	--	18	3	--	--	77	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	1,150	--	--	--
232	10,000	250	--	80,824	12	1,634	34
<u>232</u>	<u>10,000</u>	<u>250</u>	<u>--</u>	<u>81,974</u>	<u>12</u>	<u>1,634</u>	<u>34</u>
<u>\$ 294</u>	<u>\$ 10,000</u>	<u>\$ 268</u>	<u>\$ 3</u>	<u>\$ 81,974</u>	<u>\$ 12</u>	<u>\$ 1,711</u>	<u>\$ 34</u>

LEAD HAZARD REDUCTION FUND	LEGISLATIVE CAPITOL TECHNOLOGY ENHANCEMENT FUND	LIQUIFIED PETROLEUM GAS COMMISSION RAINY DAY FUND	LIVESTOCK BRAND COMMISSION FUND	LOTTERY PROCEEDS FUND	LOUISIANA AGRICULTURAL FINANCE AUTHORITY FUND	LOUISIANA ALLIGATOR RESOURCE FUND	LOUISIANA ANIMAL WELFARE FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
--	--	--	--	1,794	--	--	--
--	--	--	--	--	--	--	8
--	--	--	--	1,794	--	--	8
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	1,794	--	--	8
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
114	10,000	783	3	134,175	12,012	1,489	--
(62)	--	(783)	(3)	(134,600)	(12,000)	(1,578)	--
52	10,000	--	--	(425)	12	(89)	--
52	10,000	--	--	1,369	12	(89)	8
<u>180</u>	<u>--</u>	<u>250</u>	<u>--</u>	<u>80,605</u>	<u>--</u>	<u>1,723</u>	<u>26</u>
<u>\$ 232</u>	<u>\$ 10,000</u>	<u>\$ 250</u>	<u>\$ --</u>	<u>\$ 81,974</u>	<u>\$ 12</u>	<u>\$ 1,634</u>	<u>\$ 34</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	LOUISIANA CHARTER SCHOOL START-UP LOAN FUND	LOUISIANA DUCK LICENSE, STAMP, AND PRINT FUND	LOUISIANA ECONOMIC DEVELOPMENT FUND	LOUISIANA ENVIRONMENTAL EDUCATION FUND	LOUISIANA FIRE MARSHAL FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 576	\$ 2,856	\$ 3,535	\$ 658	\$ 15
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
DUE FROM OTHER FUNDS	--	--	3,738	15	111
AMOUNTS DUE FROM COMPONENT UNITS	--	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 576	\$ 2,856	\$ 7,273	\$ 673	\$ 126
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	5	--	7,110	--	126
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	5	--	7,110	--	126
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	17,988	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	815	--	--
UNDESIGNATED	571	2,856	(18,640)	673	--
TOTAL FUND BALANCES	571	2,856	163	673	--
TOTAL LIABILITIES AND FUND BALANCES	\$ 576	\$ 2,856	\$ 7,273	\$ 673	\$ 126

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	LOUISIANA CHARTER SCHOOL START-UP LOAN FUND	LOUISIANA DUCK LICENSE, STAMP, AND PRINT FUND	LOUISIANA ECONOMIC DEVELOPMENT FUND	LOUISIANA ENVIRONMENTAL EDUCATION FUND	LOUISIANA FIRE MARSHAL FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	1,414	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL REVENUES	--	--	1,414	--	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	1,414	--	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED					
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--	--
TRANSFERS IN	23	664	34,508	826	11,434
TRANSFERS OUT	(5)	(405)	(45,622)	(920)	(15,935)
TOTAL OTHER FINANCING SOURCES (USES)	18	259	(11,114)	(94)	(4,501)
NET CHANGE IN FUND BALANCES	18	259	(9,700)	(94)	(4,501)
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	553	2,597	9,863	767	4,501
FUND BALANCES AT END OF YEAR	\$ 571	\$ 2,856	\$ 163	\$ 673	\$ --

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

LOUISIANA FUND	LOUISIANA FUR AND ALLIGATOR PUBLIC EDUCATION AND MARKETING FUND	LOUISIANA HELP OUR WILDLIFE FUND	LOUISIANA INDIGENT PARENT REPRESENTATION PROGRAM FUND	LOUISIANA INTEROPERABILITY COMMUNICATIONS FUND	LOUISIANA LIFE SAFETY AND PROPERTY PROTECTION TRUST FUND	LOUISIANA MANUFACTURED HOUSING COMMISSION FUND	LOUISIANA MEDICAL ASSISTANCE TRUST FUND
\$ 2,818	\$ 452	\$ 237	\$ 483	\$ 5,560	\$ 540	\$ 629	\$ 114,001
--	--	--	--	--	--	--	--
--	29	--	--	--	108	15	37,685
--	--	--	--	--	--	--	--
<u>\$ 2,818</u>	<u>\$ 481</u>	<u>\$ 237</u>	<u>\$ 483</u>	<u>\$ 5,560</u>	<u>\$ 648</u>	<u>\$ 644</u>	<u>\$ 151,686</u>

\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	374	2,923	--	6	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>374</u>	<u>2,923</u>	<u>--</u>	<u>6</u>	<u>--</u>

--	--	--	--	808	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	6,843
<u>2,818</u>	<u>481</u>	<u>237</u>	<u>109</u>	<u>1,829</u>	<u>648</u>	<u>638</u>	<u>144,843</u>
<u>2,818</u>	<u>481</u>	<u>237</u>	<u>109</u>	<u>2,637</u>	<u>648</u>	<u>638</u>	<u>151,686</u>
<u>\$ 2,818</u>	<u>\$ 481</u>	<u>\$ 237</u>	<u>\$ 483</u>	<u>\$ 5,560</u>	<u>\$ 648</u>	<u>\$ 644</u>	<u>\$ 151,686</u>

LOUISIANA FUND	LOUISIANA FUR AND ALLIGATOR PUBLIC EDUCATION AND MARKETING FUND	LOUISIANA HELP OUR WILDLIFE FUND	LOUISIANA INDIGENT PARENT REPRESENTATION PROGRAM FUND	LOUISIANA INTEROPERABILITY COMMUNICATIONS FUND	LOUISIANA LIFE SAFETY AND PROPERTY PROTECTION TRUST FUND	LOUISIANA MANUFACTURED HOUSING COMMISSION FUND	LOUISIANA MEDICAL ASSISTANCE TRUST FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	10,565
--	--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>10,565</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>10,565</u>
--	--	--	--	--	--	--	--
16,367	95	26	784	--	958	608	149,431
(13,879)	(43)	--	(675)	(8,832)	(529)	(511)	(502,443)
<u>2,488</u>	<u>52</u>	<u>26</u>	<u>109</u>	<u>(8,832)</u>	<u>429</u>	<u>97</u>	<u>(353,012)</u>
<u>2,488</u>	<u>52</u>	<u>26</u>	<u>109</u>	<u>(8,832)</u>	<u>429</u>	<u>97</u>	<u>(342,447)</u>
<u>330</u>	<u>429</u>	<u>211</u>	<u>--</u>	<u>11,469</u>	<u>219</u>	<u>541</u>	<u>494,133</u>
<u>\$ 2,818</u>	<u>\$ 481</u>	<u>\$ 237</u>	<u>\$ 109</u>	<u>\$ 2,637</u>	<u>\$ 648</u>	<u>\$ 638</u>	<u>\$ 151,686</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	LOUISIANA MEGA- PROJECT DEVELOPMENT FUND	LOUISIANA MILITARY FAMILY ASSISTANCE FUND	LOUISIANA PUBLIC DEFENDER FUND	LOUISIANA QUALITY EDUCATION SUPPORT FUND	LOUISIANA STATE PARKS IMPROVEMENT AND REPAIR FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 461,362	\$ 336	\$ 4,487	\$ 1,031	\$ 4,183
INVESTMENTS	1,388	--	--	52,024	--
RECEIVABLES (NET)	--	43	--	92	--
DUE FROM OTHER FUNDS	--	--	--	18,119	2,016
AMOUNTS DUE FROM COMPONENT UNITS	--	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 462,750	\$ 379	\$ 4,487	\$ 71,266	\$ 6,199
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	--	--	3,484	12,087	--
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	23,821	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	--	--	3,484	35,908	--
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	1,388	--	139	--	--
UNDESIGNATED	461,362	379	864	35,358	6,199
TOTAL FUND BALANCES	462,750	379	1,003	35,358	6,199
TOTAL LIABILITIES AND FUND BALANCES	\$ 462,750	\$ 379	\$ 4,487	\$ 71,266	\$ 6,199

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	LOUISIANA MEGA- PROJECT DEVELOPMENT FUND	LOUISIANA MILITARY FAMILY ASSISTANCE FUND	LOUISIANA PUBLIC DEFENDER FUND	LOUISIANA QUALITY EDUCATION SUPPORT FUND	LOUISIANA STATE PARKS IMPROVEMENT AND REPAIR FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	3,123	--	312	(61,329)	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	155	--	1,287	--
TOTAL REVENUES	3,123	155	312	(60,042)	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	34,858	--
TOTAL EXPENDITURES	--	--	--	34,858	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,123	155	312	(94,900)	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--	--
TRANSFERS IN	311,127	11	28,504	69,954	6,654
TRANSFERS OUT	(1,500)	(3)	(27,813)	(36,360)	(7,005)
TOTAL OTHER FINANCING SOURCES (USES)	309,627	8	691	33,594	(351)
NET CHANGE IN FUND BALANCES	312,750	163	1,003	(61,306)	(351)
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	150,000	216	--	96,664	6,550
FUND BALANCES AT END OF YEAR	\$ 462,750	\$ 379	\$ 1,003	\$ 35,358	\$ 6,199

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

LOUISIANA STATE POLICE SALARY FUND	LOUISIANA TECHNOLOGY INNOVATIONS FUND	LOUISIANA TOURISM PROMOTION DISTRICT	LOUISIANA TOWING AND STORAGE FUND	LOUISIANA WILD TURKEY STAMP FUND	LOUISIANA WORKER'S COMPENSATION SECOND INJURY FUND	MARKETING FUND	MARSH ISLAND OPERATING FUND
\$ --	\$ 477	\$ 2,180	\$ 11	\$ 517	\$ 30,449	\$ 1,457	\$ 1,709
--	--	2,135	--	--	--	--	14
--	--	427	82	--	140	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>\$ --</u>	<u>\$ 477</u>	<u>\$ 4,742</u>	<u>\$ 93</u>	<u>\$ 517</u>	<u>\$ 30,589</u>	<u>\$ 1,457</u>	<u>\$ 1,723</u>

\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	913	93	1	--	428	1,723
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>913</u>	<u>93</u>	<u>1</u>	<u>--</u>	<u>428</u>	<u>1,723</u>

--	--	--	--	--	--	67	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	477	3,829	--	516	30,589	962	--
--	477	3,829	--	516	30,589	1,029	--
<u>\$ --</u>	<u>\$ 477</u>	<u>\$ 4,742</u>	<u>\$ 93</u>	<u>\$ 517</u>	<u>\$ 30,589</u>	<u>\$ 1,457</u>	<u>\$ 1,723</u>

LOUISIANA STATE POLICE SALARY FUND	LOUISIANA TECHNOLOGY INNOVATIONS FUND	LOUISIANA TOURISM PROMOTION DISTRICT	LOUISIANA TOWING AND STORAGE FUND	LOUISIANA WILD TURKEY STAMP FUND	LOUISIANA WORKER'S COMPENSATION SECOND INJURY FUND	MARKETING FUND	MARSH ISLAND OPERATING FUND
\$ --	\$ --	\$ 25,636	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
--	--	72	--	--	--	--	1,720
--	--	--	--	--	221	--	--
<u>--</u>	<u>--</u>	<u>25,708</u>	<u>--</u>	<u>--</u>	<u>221</u>	<u>--</u>	<u>1,720</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	25,708	--	--	221	--	1,720
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
15,600	26	427	404	84	42,176	2,000	650
(15,600)	(162)	(24,856)	(404)	(35)	(42,822)	(1,720)	(2,370)
--	(136)	(24,429)	--	49	(646)	280	(1,720)
--	(136)	1,279	--	49	(425)	280	--
--	613	2,550	--	467	31,014	749	--
<u>\$ --</u>	<u>\$ 477</u>	<u>\$ 3,829</u>	<u>\$ --</u>	<u>\$ 516</u>	<u>\$ 30,589</u>	<u>\$ 1,029</u>	<u>\$ --</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	MEDICAID TRUST FUND FOR THE ELDERLY	MEDICAL ASSISTANCE PROGRAMS FRAUD DETECTION FUND	MINERAL RESOURCES OPERATION FUND	MINERAL REVENUE AUDIT AND SETTLEMENT FUND	MOTOR CARRIER REGULATION FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 87	\$ 47	\$ 17,494	\$ 84	\$ 881
INVESTMENTS	810,239	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
DUE FROM OTHER FUNDS	5,411	62	356	--	169
AMOUNTS DUE FROM COMPONENT UNITS	--	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 815,737	\$ 109	\$ 17,850	\$ 84	\$ 1,050
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	7,656	--	--	--	--
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	7,656	--	--	--	--
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	7	114	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	--	--	--
UNDESIGNATED	808,081	102	17,736	84	1,050
TOTAL FUND BALANCES	808,081	109	17,850	84	1,050
TOTAL LIABILITIES AND FUND BALANCES	\$ 815,737	\$ 109	\$ 17,850	\$ 84	\$ 1,050

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	MEDICAID TRUST FUND FOR THE ELDERLY	MEDICAL ASSISTANCE PROGRAMS FRAUD DETECTION FUND	MINERAL RESOURCES OPERATION FUND	MINERAL REVENUE AUDIT AND SETTLEMENT FUND	MOTOR CARRIER REGULATION FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	(6,141)	--	--	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL REVENUES	(6,141)	--	--	--	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,141)	--	--	--	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--	--
TRANSFERS IN	44,875	2,483	14,729	3	2,586
TRANSFERS OUT	(42,686)	(2,410)	(10,322)	--	(1,675)
TOTAL OTHER FINANCING SOURCES (USES)	2,189	73	4,407	3	911
NET CHANGE IN FUND BALANCES	(3,952)	73	4,407	3	911
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	812,033	36	13,443	81	139
FUND BALANCES AT END OF YEAR	\$ 808,081	\$ 109	\$ 17,850	\$ 84	\$ 1,050

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

MOTOR FUELS UNDERGROUND STORAGE TANK TRUST FUND	MOTORCYCLE SAFETY AWARENESS AND OPERATOR TRAINING PROGRAM FUND	MUNICIPAL FIRE AND POLICE CIVIL SERVICE OPERATING FUND	NATURAL HERITAGE ACCOUNT	NATURAL RESOURCES RESTORATION TRUST FUND	NEW OPPORTUNITIES WAIVER FUND	NEW ORLEANS SPORTS FRANCHISE ASSISTANCE FUND	NEW ORLEANS URBAN TOURISM AND HOSPITALITY TRAINING IN ECONOMIC DEVELOPMENT FOUNDATION FUND
\$ 37,119	\$ --	\$ --	\$ 389	\$ 7	\$ 50,000	\$ 20,284	\$ 102
--	--	--	--	--	--	--	--
267	18	8	--	--	--	199	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>\$ 37,386</u>	<u>\$ 18</u>	<u>\$ 8</u>	<u>\$ 389</u>	<u>\$ 7</u>	<u>\$ 50,000</u>	<u>\$ 20,483</u>	<u>\$ 102</u>

\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
3,355	18	8	--	--	--	20,483	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>3,355</u>	<u>18</u>	<u>8</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>20,483</u>	<u>--</u>

--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
441	--	--	--	--	--	--	--
<u>33,590</u>	<u>--</u>	<u>--</u>	<u>389</u>	<u>7</u>	<u>50,000</u>	<u>--</u>	<u>102</u>
<u>34,031</u>	<u>--</u>	<u>--</u>	<u>389</u>	<u>7</u>	<u>50,000</u>	<u>--</u>	<u>102</u>
<u>\$ 37,386</u>	<u>\$ 18</u>	<u>\$ 8</u>	<u>\$ 389</u>	<u>\$ 7</u>	<u>\$ 50,000</u>	<u>\$ 20,483</u>	<u>\$ 102</u>

MOTOR FUELS UNDERGROUND STORAGE TANK TRUST FUND	MOTORCYCLE SAFETY AWARENESS AND OPERATOR TRAINING PROGRAM FUND	MUNICIPAL FIRE AND POLICE CIVIL SERVICE OPERATING FUND	NATURAL HERITAGE ACCOUNT	NATURAL RESOURCES RESTORATION TRUST FUND	NEW OPPORTUNITIES WAIVER FUND	NEW ORLEANS SPORTS FRANCHISE ASSISTANCE FUND	NEW ORLEANS URBAN TOURISM AND HOSPITALITY TRAINING IN ECONOMIC DEVELOPMENT FOUNDATION FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
708	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>708</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	20,483	--
--	--	--	--	--	--	20,483	--
<u>708</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(20,483)</u>	<u>--</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
23,041	182	1,819	27	1	50,000	20,483	102
(18,048)	(182)	(1,819)	(4)	--	--	--	--
<u>4,993</u>	<u>--</u>	<u>--</u>	<u>23</u>	<u>1</u>	<u>50,000</u>	<u>20,483</u>	<u>102</u>
5,701	--	--	23	1	50,000	--	102
<u>28,330</u>	<u>--</u>	<u>--</u>	<u>366</u>	<u>6</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 34,031</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 389</u>	<u>\$ 7</u>	<u>\$ 50,000</u>	<u>\$ --</u>	<u>\$ 102</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	NURSING HOME RESIDENTS' TRUST FUND	OFFICE OF MOTOR VEHICLES CUSTOMER SERVICE AND TECHNOLOGY FUND	OFFICE OF WORKER'S COMPENSATION ADMINISTRATIVE FUND	OIL AND GAS REGULATORY FUND	OIL SPILL CONTINGENCY FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 3,316	\$ 5,220	\$ 3,534	\$ 1,765	\$ 8,280
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
DUE FROM OTHER FUNDS	--	133	83	76	--
AMOUNTS DUE FROM COMPONENT UNITS	--	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 3,316	\$ 5,353	\$ 3,617	\$ 1,841	\$ 8,280
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	4	1,130	424	--	92
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	4	1,130	424	--	92
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	--	--	1,848
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	--	--	--
UNDESIGNATED	3,312	4,223	3,193	1,841	6,340
TOTAL FUND BALANCES	3,312	4,223	3,193	1,841	8,188
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,316	\$ 5,353	\$ 3,617	\$ 1,841	\$ 8,280

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	NURSING HOME RESIDENTS' TRUST FUND	OFFICE OF MOTOR VEHICLES CUSTOMER SERVICE AND TECHNOLOGY FUND	OFFICE OF WORKER'S COMPENSATION ADMINISTRATIVE FUND	OIL AND GAS REGULATORY FUND	OIL SPILL CONTINGENCY FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	--	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL REVENUES	--	--	--	--	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	--	--	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--	--
TRANSFERS IN	740	6,414	11,696	10,662	6,921
TRANSFERS OUT	(234)	(9,939)	(12,927)	(10,136)	(2,892)
TOTAL OTHER FINANCING SOURCES (USES)	506	(3,525)	(1,231)	526	4,029
NET CHANGE IN FUND BALANCES	506	(3,525)	(1,231)	526	4,029
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	2,806	7,748	4,424	1,315	4,159
FUND BALANCES AT END OF YEAR	\$ 3,312	\$ 4,223	\$ 3,193	\$ 1,841	\$ 8,188

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

OILFIELD SITE RESTORATION FUND	OVERCOLLECTIONS FUND	OYSTER DEVELOPMENT ACCOUNT	OYSTER SANITATION FUND	PARI-MUTUEL LIVE RACING FACILITY GAMING CONTROL FUND	PARISH AND MUNICIPALITIES EXCELLENCE FUND	PARISH AND MUNICIPALITIES FUNDS	PARISH ROYALTY FUND
\$ 10,485	\$ 303,017	\$ 84	\$ 372	\$ 31,343	\$ 3,500	\$ 14,706	\$ 29,374
--	--	--	--	--	--	--	--
342	--	2	1	2,830	374	7,929	13,915
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>\$ 10,827</u>	<u>\$ 303,017</u>	<u>\$ 86</u>	<u>\$ 373</u>	<u>\$ 34,173</u>	<u>\$ 3,874</u>	<u>\$ 22,635</u>	<u>\$ 43,289</u>

\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
241	3,394	27	11	34,173	--	8,735	--
--	250	--	--	--	--	1,131	--
--	--	--	--	--	--	--	43,289
--	--	--	--	--	--	--	--
<u>241</u>	<u>3,644</u>	<u>27</u>	<u>11</u>	<u>34,173</u>	<u>--</u>	<u>9,866</u>	<u>43,289</u>

--	13,316	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
10,586	286,057	59	362	--	3,874	12,769	--
<u>10,586</u>	<u>299,373</u>	<u>59</u>	<u>362</u>	<u>--</u>	<u>3,874</u>	<u>12,769</u>	<u>--</u>
<u>\$ 10,827</u>	<u>\$ 303,017</u>	<u>\$ 86</u>	<u>\$ 373</u>	<u>\$ 34,173</u>	<u>\$ 3,874</u>	<u>\$ 22,635</u>	<u>\$ 43,289</u>

OILFIELD SITE RESTORATION FUND	OVERCOLLECTIONS FUND	OYSTER DEVELOPMENT ACCOUNT	OYSTER SANITATION FUND	PARI-MUTUEL LIVE RACING FACILITY GAMING CONTROL FUND	PARISH AND MUNICIPALITIES EXCELLENCE FUND	PARISH AND MUNICIPALITIES FUNDS	PARISH ROYALTY FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	78,644
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	78,644
--	--	--	--	--	--	--	--
--	1,500	--	--	50	735	5,191	--
--	1,500	--	--	50	735	5,191	78,644
--	(1,500)	--	--	(50)	(735)	(5,191)	--
--	--	--	--	--	--	--	--
7,815	185,862	174	342	58,310	3,061	40,376	--
(3,642)	(437,978)	(170)	(171)	(58,260)	(1,762)	(35,036)	--
<u>4,173</u>	<u>(252,116)</u>	<u>4</u>	<u>171</u>	<u>50</u>	<u>1,299</u>	<u>5,340</u>	<u>--</u>
4,173	(253,616)	4	171	--	564	149	--
<u>6,413</u>	<u>552,989</u>	<u>55</u>	<u>191</u>	<u>--</u>	<u>3,310</u>	<u>12,620</u>	<u>--</u>
<u>\$ 10,586</u>	<u>\$ 299,373</u>	<u>\$ 59</u>	<u>\$ 362</u>	<u>\$ --</u>	<u>\$ 3,874</u>	<u>\$ 12,769</u>	<u>\$ --</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	PATIENT'S COMPENSATION FUND	PESTICIDE FUND	PET OVERPOPULATION FUND	PETROLEUM PRODUCTS FUND	POVERTY POINT RESERVOIR DEVELOPMENT FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 344,941	\$ 260	\$ 2	\$ 248	\$ 466
INVESTMENTS	135,341	--	--	--	--
RECEIVABLES (NET)	--	23	--	--	--
DUE FROM OTHER FUNDS	3,296	--	--	1,380	22
AMOUNTS DUE FROM COMPONENT UNITS	--	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 483,578	\$ 283	\$ 2	\$ 1,628	\$ 488
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ 1	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	3,376	--	--	--	214
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	3,376	1	--	--	214
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	282	--	--	--
ENCUMBRANCES	114	--	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	91	--	--	--	--
UNDESIGNATED	479,997	--	2	1,628	274
TOTAL FUND BALANCES	480,202	282	2	1,628	274
TOTAL LIABILITIES AND FUND BALANCES	\$ 483,578	\$ 283	\$ 2	\$ 1,628	\$ 488

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	PATIENT'S COMPENSATION FUND	PESTICIDE FUND	PET OVERPOPULATION FUND	PETROLEUM PRODUCTS FUND	POVERTY POINT RESERVOIR DEVELOPMENT FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	10,008	42	--	--	--
LICENSES, PERMITS, AND FEES	--	1,857	--	--	--
OTHER	--	1	--	--	--
TOTAL REVENUES	10,008	1,900	--	--	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	2,616	--	--	--
TOTAL EXPENDITURES	--	2,616	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	10,008	(716)	--	--	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--	--
TRANSFERS IN	182,234	3,561	2	5,438	656
TRANSFERS OUT	(123,054)	(3,561)	--	(4,600)	(886)
TOTAL OTHER FINANCING SOURCES (USES)	59,180	--	2	838	(230)
NET CHANGE IN FUND BALANCES	69,188	(716)	2	838	(230)
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	411,014	998	--	790	504
FUND BALANCES AT END OF YEAR	\$ 480,202	\$ 282	\$ 2	\$ 1,628	\$ 274

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

PROPRIETARY SCHOOL STUDENTS PROTECTION FUND	PUBLIC OYSTER SEED GROUND DEVELOPMENT ACCOUNT	PUBLIC SAFETY DWI TESTING, MAINTENANCE, AND TRAINING FUND	QUAIL ACCOUNT	RAILROAD CROSSING SAFETY FUND	RAPID RESPONSE FUND	REHABILITATION FOR THE BLIND AND VISUALLY IMPAIRED FUND	REPTILE AND AMPHIBIAN RESEARCH FUND
\$ 1,197	\$ 757	\$ 406	\$ 39	\$ 3	\$ 58,468	\$ 1,000	\$ 18
--	--	--	--	--	--	--	--
2	--	41	--	--	10	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>\$ 1,199</u>	<u>\$ 757</u>	<u>\$ 447</u>	<u>\$ 39</u>	<u>\$ 3</u>	<u>\$ 58,478</u>	<u>\$ 1,000</u>	<u>\$ 18</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	1	47	--	--	3,386	--	--
1	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	42	--	--	6,195	--	--
--	--	--	--	--	--	--	--
327	--	--	--	--	--	--	--
--	--	--	--	--	197	--	--
<u>871</u>	<u>756</u>	<u>358</u>	<u>39</u>	<u>3</u>	<u>48,700</u>	<u>1,000</u>	<u>18</u>
<u>1,198</u>	<u>756</u>	<u>400</u>	<u>39</u>	<u>3</u>	<u>55,092</u>	<u>1,000</u>	<u>18</u>
<u>\$ 1,199</u>	<u>\$ 757</u>	<u>\$ 447</u>	<u>\$ 39</u>	<u>\$ 3</u>	<u>\$ 58,478</u>	<u>\$ 1,000</u>	<u>\$ 18</u>

PROPRIETARY SCHOOL STUDENTS PROTECTION FUND	PUBLIC OYSTER SEED GROUND DEVELOPMENT ACCOUNT	PUBLIC SAFETY DWI TESTING, MAINTENANCE, AND TRAINING FUND	QUAIL ACCOUNT	RAILROAD CROSSING SAFETY FUND	RAPID RESPONSE FUND	REHABILITATION FOR THE BLIND AND VISUALLY IMPAIRED FUND	REPTILE AND AMPHIBIAN RESEARCH FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
--	--	--	--	--	256	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	256	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
20	--	--	--	--	--	--	--
20	--	--	--	--	--	--	--
(20)	--	--	--	--	256	--	--
--	--	--	--	--	--	--	--
62	818	530	6	2	60,321	2,000	8
--	(90)	(609)	--	--	(7,942)	(2,000)	(7)
<u>62</u>	<u>728</u>	<u>(79)</u>	<u>6</u>	<u>2</u>	<u>52,379</u>	<u>--</u>	<u>1</u>
42	728	(79)	6	2	52,635	--	1
<u>1,156</u>	<u>28</u>	<u>479</u>	<u>33</u>	<u>1</u>	<u>2,457</u>	<u>1,000</u>	<u>17</u>
<u>\$ 1,198</u>	<u>\$ 756</u>	<u>\$ 400</u>	<u>\$ 39</u>	<u>\$ 3</u>	<u>\$ 55,092</u>	<u>\$ 1,000</u>	<u>\$ 18</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	RETIREMENT SYSTEMS INSURANCE PROCEEDS FUND	RIGHT TO KNOW FUND	RIVERBOAT GAMING ENFORCEMENT FUND	ROCKEFELLER WILDLIFE REFUGE AND GAME PRESERVE FUND	ROCKEFELLER WILDLIFE REFUGE TRUST AND PROTECTION FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ --	\$ 392	\$ 7,486	\$ 7,705	\$ 4,435
INVESTMENTS	--	--	--	--	51,334
RECEIVABLES (NET)	--	--	--	519	--
DUE FROM OTHER FUNDS	--	8	2,612	--	--
AMOUNTS DUE FROM COMPONENT UNITS	--	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ --	\$ 400	\$ 10,098	\$ 8,224	\$ 55,769
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	--	--	--	290	63
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	--	--	--	290	63
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	303	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	--	--	--
UNDESIGNATED	--	400	9,795	7,934	55,706
TOTAL FUND BALANCES	--	400	10,098	7,934	55,706
TOTAL LIABILITIES AND FUND BALANCES	\$ --	\$ 400	\$ 10,098	\$ 8,224	\$ 55,769

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	RETIREMENT SYSTEMS INSURANCE PROCEEDS FUND	RIGHT TO KNOW FUND	RIVERBOAT GAMING ENFORCEMENT FUND	ROCKEFELLER WILDLIFE REFUGE AND GAME PRESERVE FUND	ROCKEFELLER WILDLIFE REFUGE TRUST AND PROTECTION FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	--	3,730	(130)
LICENSES, PERMITS, AND FEES	50,932	--	--	--	--
OTHER	--	--	--	280	--
TOTAL REVENUES	50,932	--	--	4,010	(130)
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	50,932	--	--	--	--
TOTAL EXPENDITURES	50,932	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	--	4,010	(130)
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--	--
TRANSFERS IN	--	362	62,866	--	--
TRANSFERS OUT	--	(200)	(56,590)	(4,373)	(817)
TOTAL OTHER FINANCING SOURCES (USES)	--	162	6,276	(4,373)	(817)
NET CHANGE IN FUND BALANCES	--	162	6,276	(363)	(947)
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	--	238	3,822	8,297	56,653
FUND BALANCES AT END OF YEAR	\$ --	\$ 400	\$ 10,098	\$ 7,934	\$ 55,706

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

RURAL DEVELOPMENT FUND	RUSSELL SAGE OR MARSH ISLAND CAPITAL IMPROVEMENT FUND	RUSSELL SAGE OR MARSH ISLAND REFUGE FUND	RUSSELL SAGE SPECIAL FUND NO. 2	SALTWATER FISHERY ENFORCEMENT ACCOUNT	SAVINGS ENHANCEMENT FUND	SCENIC RIVERS FUND	SCHOOL AND DISTRICT ACCOUNTABILITY REWARDS FUND
\$ 1,838	\$ 1,650	\$ 1,091	\$ 7,267	\$ 109	\$ 1,561	\$ 10	\$ 4
--	--	12,187	--	--	6,749	--	--
--	--	393	1,296	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>\$ 1,838</u>	<u>\$ 1,650</u>	<u>\$ 13,671</u>	<u>\$ 8,563</u>	<u>\$ 109</u>	<u>\$ 8,310</u>	<u>\$ 10</u>	<u>\$ 4</u>

\$ --	\$ --	\$ --	\$ --	\$ --	\$ 47	\$ --	\$ --
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	247	--	--	--	--	--
<u>1,838</u>	<u>1,650</u>	<u>13,424</u>	<u>8,563</u>	<u>109</u>	<u>8,263</u>	<u>10</u>	<u>4</u>
<u>1,838</u>	<u>1,650</u>	<u>13,671</u>	<u>8,563</u>	<u>109</u>	<u>8,263</u>	<u>10</u>	<u>4</u>
<u>\$ 1,838</u>	<u>\$ 1,650</u>	<u>\$ 13,671</u>	<u>\$ 8,563</u>	<u>\$ 109</u>	<u>\$ 8,310</u>	<u>\$ 10</u>	<u>\$ 4</u>

RURAL DEVELOPMENT FUND	RUSSELL SAGE OR MARSH ISLAND CAPITAL IMPROVEMENT FUND	RUSSELL SAGE OR MARSH ISLAND REFUGE FUND	RUSSELL SAGE SPECIAL FUND NO. 2	SALTWATER FISHERY ENFORCEMENT ACCOUNT	SAVINGS ENHANCEMENT FUND	SCENIC RIVERS FUND	SCHOOL AND DISTRICT ACCOUNTABILITY REWARDS FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
--	--	170	258	--	40	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	1,700	--	--
--	--	170	258	--	1,740	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	316	--	--
--	--	--	--	--	316	--	--
--	--	170	258	--	1,424	--	--
--	--	--	--	--	--	--	--
75	112	393	1,296	4	376	4	--
--	--	(650)	--	--	--	(11)	--
<u>75</u>	<u>112</u>	<u>(257)</u>	<u>1,296</u>	<u>4</u>	<u>376</u>	<u>(7)</u>	<u>--</u>
<u>75</u>	<u>112</u>	<u>(87)</u>	<u>1,554</u>	<u>4</u>	<u>1,800</u>	<u>(7)</u>	<u>--</u>
<u>1,763</u>	<u>1,538</u>	<u>13,758</u>	<u>7,009</u>	<u>105</u>	<u>6,463</u>	<u>17</u>	<u>4</u>
<u>\$ 1,838</u>	<u>\$ 1,650</u>	<u>\$ 13,671</u>	<u>\$ 8,563</u>	<u>\$ 109</u>	<u>\$ 8,263</u>	<u>\$ 10</u>	<u>\$ 4</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	SEAFOOD PROMOTION AND MARKETING FUND	SEED COMMISSION FUND	SEVERANCE TAX FUND	SEX OFFENDER REGISTRY TECHNOLOGY FUND	SHRIMP MARKETING AND PROMOTION ACCOUNT
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 162	\$ 200	\$ --	\$ 1,067	\$ 264
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	49	--	--
DUE FROM OTHER FUNDS	6	133	11,700	12	--
AMOUNTS DUE FROM COMPONENT UNITS	--	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 168	\$ 333	\$ 11,749	\$ 1,079	\$ 264
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	8	--	50	833	38
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	11,699	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	8	--	11,749	833	38
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	--	--	--
UNDESIGNATED	160	333	--	246	226
TOTAL FUND BALANCES	160	333	--	246	226
TOTAL LIABILITIES AND FUND BALANCES	\$ 168	\$ 333	\$ 11,749	\$ 1,079	\$ 264

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	SEAFOOD PROMOTION AND MARKETING FUND	SEED COMMISSION FUND	SEVERANCE TAX FUND	SEX OFFENDER REGISTRY TECHNOLOGY FUND	SHRIMP MARKETING AND PROMOTION ACCOUNT
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	--	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL REVENUES	--	--	--	--	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	49,835	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL EXPENDITURES	--	--	49,835	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	(49,835)	--	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--	--
TRANSFERS IN	346	573	49,835	791	80
TRANSFERS OUT	(285)	(258)	--	(1,339)	(152)
TOTAL OTHER FINANCING SOURCES (USES)	61	315	49,835	(548)	(72)
NET CHANGE IN FUND BALANCES	61	315	--	(548)	(72)
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	99	18	--	794	298
FUND BALANCES AT END OF YEAR	\$ 160	\$ 333	\$ --	\$ 246	\$ 226

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

SHRIMP TRADE PETITION ACCOUNT	SMALL BUSINESS SURETY BONDING FUND	SOUTHERN UNIVERSITY AGCENTER PROGRAM FUND	SPORTS FACILITY ASSISTANCE FUND	STATE EMERGENCY RESPONSE FUND	STATE HIGHWAY FUND #2	STATE HIGHWAY IMPROVEMENT FUND	STATE REVENUE SHARING FUND
\$ 397	\$ 5,893	\$ --	\$ 1,022	\$ 97,136	\$ 10,660	\$ 5,251	\$ --
--	--	--	--	--	652	--	--
--	--	225	--	--	--	1,571	--
--	--	--	--	--	--	--	--
<u>397</u>	<u>5,893</u>	<u>225</u>	<u>1,022</u>	<u>97,136</u>	<u>11,312</u>	<u>6,822</u>	<u>--</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 5,656	\$ --	\$ --
--	--	--	66	142	5,656	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	66	142	11,312	--	--
--	--	--	--	--	--	--	--
--	--	--	--	1,038	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
397	5,893	225	956	94,229	--	6,822	--
397	5,893	225	956	96,994	--	6,822	--
<u>\$ 397</u>	<u>\$ 5,893</u>	<u>\$ 225</u>	<u>\$ 1,022</u>	<u>\$ 97,136</u>	<u>\$ 11,312</u>	<u>\$ 6,822</u>	<u>\$ --</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
--	--	--	--	1,976	11,312	--	--
--	--	--	--	--	--	--	--
--	--	--	--	1,976	11,312	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	5,656	--	--
--	--	--	--	--	--	--	--
--	--	525	1,600	--	--	--	--
--	--	525	1,600	--	5,656	--	--
--	--	(525)	(1,600)	1,976	5,656	--	--
--	--	--	--	--	--	--	--
16	5,405	750	2,620	40,232	--	6,822	90,000
--	(94)	--	(66)	(36,656)	(5,656)	--	(90,000)
16	5,311	750	2,554	3,576	(5,656)	6,822	--
16	5,311	225	954	5,552	--	6,822	--
381	582	--	2	91,442	--	--	--
<u>\$ 397</u>	<u>\$ 5,893</u>	<u>\$ 225</u>	<u>\$ 956</u>	<u>\$ 96,994</u>	<u>\$ --</u>	<u>\$ 6,822</u>	<u>\$ --</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	STRUCTURAL PEST CONTROL COMMISSION FUND	SUPPORT EDUCATION IN LOUISIANA FIRST FUND	SWEET POTATO PESTS & DISEASES FUND	TAX COMMISSION EXPENSE FUND	TEACHER EDUCATIONAL AID FOR CHILDREN FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 31	\$ 17,316	\$ --	\$ 464	\$ 29
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
DUE FROM OTHER FUNDS	77	4,106	1	9	--
AMOUNTS DUE FROM COMPONENT UNITS	--	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 108	\$ 21,422	\$ 1	\$ 473	\$ 29
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	108	--	1	--	--
AMOUNTS DUE TO COMPONENT UNITS	--	785	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	108	785	1	--	--
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	--	--	--
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	58	--	--	--
UNDESIGNATED	--	20,579	--	473	29
TOTAL FUND BALANCES	--	20,637	--	473	29
TOTAL LIABILITIES AND FUND BALANCES	\$ 108	\$ 21,422	\$ 1	\$ 473	\$ 29

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	STRUCTURAL PEST CONTROL COMMISSION FUND	SUPPORT EDUCATION IN LOUISIANA FIRST FUND	SWEET POTATO PESTS & DISEASES FUND	TAX COMMISSION EXPENSE FUND	TEACHER EDUCATIONAL AID FOR CHILDREN FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	409	--	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL REVENUES	--	409	--	--	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	49,312	--	--	--
TOTAL EXPENDITURES	--	49,312	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	(48,903)	--	--	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--	--
TRANSFERS IN	731	175,608	236	552	--
TRANSFERS OUT	(731)	(125,782)	(236)	(492)	--
TOTAL OTHER FINANCING SOURCES (USES)	--	49,826	--	60	--
NET CHANGE IN FUND BALANCES	--	923	--	60	--
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	--	19,714	--	413	29
FUND BALANCES AT END OF YEAR	\$ --	\$ 20,637	\$ --	\$ 473	\$ 29

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

TELECOMMUNICATIONS FOR THE DEAF FUND	TELEPHONE COMPANY PROPERTY ASSESSMENT RELIEF FUND	TELEPHONIC SOLICITATION RELIEF FUND	TIDELANDS FUND	TOBACCO CONTROL SPECIAL FUND	TOBACCO REGULATION ENFORCEMENT FUND	TOBACCO SETTLEMENT ENFORCEMENT FUND	TOBACCO TAX HEALTH CARE FUND
\$ 7,792	\$ 44,363	\$ 360	\$ 5	\$ 24	\$ 432	\$ 907	\$ 645
--	--	--	--	--	--	--	--
68	2,917	36	--	--	78	--	7,337
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>\$ 7,860</u>	<u>\$ 47,280</u>	<u>\$ 396</u>	<u>\$ 5</u>	<u>\$ 24</u>	<u>\$ 510</u>	<u>\$ 907</u>	<u>\$ 7,982</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
216	58,725	--	--	--	472	3	1,560
--	--	--	--	--	--	--	4,233
--	--	--	--	--	--	--	--
216	58,725	--	--	--	472	3	5,793
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	94	--	--	--	--	--	--
7,644	(11,539)	396	5	24	38	904	2,189
7,644	(11,445)	396	5	24	38	904	2,189
<u>\$ 7,860</u>	<u>\$ 47,280</u>	<u>\$ 396</u>	<u>\$ 5</u>	<u>\$ 24</u>	<u>\$ 510</u>	<u>\$ 907</u>	<u>\$ 7,982</u>
TELECOMMUNICATIONS FOR THE DEAF FUND	TELEPHONE COMPANY PROPERTY ASSESSMENT RELIEF FUND	TELEPHONIC SOLICITATION RELIEF FUND	TIDELANDS FUND	TOBACCO CONTROL SPECIAL FUND	TOBACCO REGULATION ENFORCEMENT FUND	TOBACCO SETTLEMENT ENFORCEMENT FUND	TOBACCO TAX HEALTH CARE FUND
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
--	820	--	--	--	--	--	--
(67)	--	--	--	--	40	--	--
(67)	820	--	--	--	40	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	28,081
--	--	--	--	--	--	--	28,081
(67)	820	--	--	--	40	--	(28,081)
--	--	--	--	--	--	--	--
1,654	33,282	345	--	9	448	800	42,220
(1,818)	(51,014)	(258)	--	--	(472)	(296)	(13,674)
(164)	(17,732)	87	--	9	(24)	504	28,546
(231)	(16,912)	87	--	9	16	504	465
7,875	5,467	309	5	15	22	400	1,724
<u>\$ 7,644</u>	<u>\$ (11,445)</u>	<u>\$ 396</u>	<u>\$ 5</u>	<u>\$ 24</u>	<u>\$ 38</u>	<u>\$ 904</u>	<u>\$ 2,189</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	TRANSPORTATION TRUST FUND	TRAUMATIC HEAD AND SPINAL CORD INJURY TRUST FUND	TRIAL COURT CASE MANAGEMENT INFORMATION FUND	UNCLAIMED PROPERTY LEVERAGE FUND	UNDERGROUND DAMAGES PREVENTION FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 376,464	\$ 5,516	\$ 2,857	\$ 15,654	\$ 115
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
DUE FROM OTHER FUNDS	86,374	2	--	--	8
AMOUNTS DUE FROM COMPONENT UNITS	--	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	106,791	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 569,629	\$ 5,518	\$ 2,857	\$ 15,654	\$ 123
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	114,973	112	--	--	--
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	114,973	112	--	--	--
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	37,467	--	--	--	--
CONTINUING PROJECTS	370,539	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	4,781	--	--	127	--
UNDESIGNATED	41,869	5,406	2,857	15,527	123
TOTAL FUND BALANCES	454,656	5,406	2,857	15,654	123
TOTAL LIABILITIES AND FUND BALANCES	\$ 569,629	\$ 5,518	\$ 2,857	\$ 15,654	\$ 123

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	TRANSPORTATION TRUST FUND	TRAUMATIC HEAD AND SPINAL CORD INJURY TRUST FUND	TRIAL COURT CASE MANAGEMENT INFORMATION FUND	UNCLAIMED PROPERTY LEVERAGE FUND	UNDERGROUND DAMAGES PREVENTION FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ 734,436	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	8,004	--	--	286	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL REVENUES	742,440	--	--	286	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	742,440	--	--	286	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--	--
TRANSFERS IN	570,610	2,005	1,627	15,368	89
TRANSFERS OUT	(1,227,124)	(2,388)	(1,670)	--	--
TOTAL OTHER FINANCING SOURCES (USES)	(656,514)	(383)	(43)	15,368	89
NET CHANGE IN FUND BALANCES	85,926	(383)	(43)	15,654	89
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	368,730	5,789	2,900	--	34
FUND BALANCES AT END OF YEAR	\$ 454,656	\$ 5,406	\$ 2,857	\$ 15,654	\$ 123

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS

UNDERWATER OBSTRUCTION REMOVAL FUND	UTILITY AND CARRIER INSPECTION AND SUPERVISION FUND	VARIABLE EARNING TRANSACTION FUND	VIDEO DRAW POKER DEVICE FUND	VIDEO DRAW POKER DEVICE PURSE SUPPLEMENT FUND	VITAL RECORDS CONVERSION FUND	WASTE TIRE MANAGEMENT FUND	WATERFOWL ACCOUNT
\$ 298	\$ 4,054	\$ 221	\$ 6,944	\$ 3,081	\$ 173	\$ 3,361	\$ 111
--	--	--	--	--	--	--	--
--	2,672	7	8,085	136	3	68	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>\$ 298</u>	<u>\$ 6,726</u>	<u>\$ 228</u>	<u>\$ 15,029</u>	<u>\$ 3,217</u>	<u>\$ 176</u>	<u>\$ 3,429</u>	<u>\$ 111</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	15,029	--	--	1,614	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	15,029	--	--	1,614	--
13	--	--	1,116	--	--	750	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
285	6,726	228	(1,116)	3,217	176	1,065	111
<u>298</u>	<u>6,726</u>	<u>228</u>	<u>--</u>	<u>3,217</u>	<u>176</u>	<u>1,815</u>	<u>111</u>
<u>\$ 298</u>	<u>\$ 6,726</u>	<u>\$ 228</u>	<u>\$ 15,029</u>	<u>\$ 3,217</u>	<u>\$ 176</u>	<u>\$ 3,429</u>	<u>\$ 111</u>

UNDERWATER OBSTRUCTION REMOVAL FUND	UTILITY AND CARRIER INSPECTION AND SUPERVISION FUND	VARIABLE EARNING TRANSACTION FUND	VIDEO DRAW POKER DEVICE FUND	VIDEO DRAW POKER DEVICE PURSE SUPPLEMENT FUND	VITAL RECORDS CONVERSION FUND	WASTE TIRE MANAGEMENT FUND	WATERFOWL ACCOUNT
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
262	10,231	112	208,101	3,324	43	11,625	18
(37)	(6,872)	--	(209,216)	(3,527)	--	(12,221)	--
<u>225</u>	<u>3,359</u>	<u>112</u>	<u>(1,115)</u>	<u>(203)</u>	<u>43</u>	<u>(596)</u>	<u>18</u>
225	3,359	112	(1,115)	(203)	43	(596)	18
73	3,367	116	1,115	3,420	133	2,411	93
<u>\$ 298</u>	<u>\$ 6,726</u>	<u>\$ 228</u>	<u>\$ --</u>	<u>\$ 3,217</u>	<u>\$ 176</u>	<u>\$ 1,815</u>	<u>\$ 111</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	WEIGHTS AND MEASURES FUND	WHITE LAKE PROPERTY FUND	WHITE TAIL DEER ACCOUNT	WILDLIFE HABITAT AND NATURAL HERITAGE TRUST FUND	YOUTHFUL OFFENDER MANAGEMENT FUND
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 413	\$ 1,971	\$ 26	\$ 8,575	\$ 3,116
INVESTMENTS	--	--	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
DUE FROM OTHER FUNDS	16	--	--	--	2,575
AMOUNTS DUE FROM COMPONENT UNITS	--	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
OTHER ASSETS	--	--	--	--	--
TOTAL ASSETS	\$ 429	\$ 1,971	\$ 26	\$ 8,575	\$ 5,691
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ --	\$ --	\$ --	\$ --
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	--
DUE TO OTHER FUNDS	--	38	--	39	--
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	--	--
DUE TO LOCAL GOVERNMENTS	--	--	--	--	--
OTHER LIABILITIES	--	--	--	--	--
TOTAL LIABILITIES	--	38	--	39	--
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	--
ENCUMBRANCES	--	--	--	--	2,848
CONTINUING PROJECTS	--	--	--	--	--
CONSTRUCTION	--	--	--	--	--
TRUST PRINCIPAL	--	--	--	--	--
OTHER	--	--	--	--	--
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	--	--	--
UNDESIGNATED	429	1,933	26	8,536	2,843
TOTAL FUND BALANCES	429	1,933	26	8,536	5,691
TOTAL LIABILITIES AND FUND BALANCES	\$ 429	\$ 1,971	\$ 26	\$ 8,575	\$ 5,691

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	WEIGHTS AND MEASURES FUND	WHITE LAKE PROPERTY FUND	WHITE TAIL DEER ACCOUNT	WILDLIFE HABITAT AND NATURAL HERITAGE TRUST FUND	YOUTHFUL OFFENDER MANAGEMENT FUND
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--
TOBACCO SETTLEMENT	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	--	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--
OTHER	--	--	--	14	--
TOTAL REVENUES	--	--	--	14	--
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	--
CAPITAL OUTLAY	--	--	--	--	--
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	--
INTEREST AND FISCAL CHARGES	--	--	--	--	--
OTHER	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	--	14	--
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	--
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--	--
TRANSFERS IN	1,955	1,126	8	1,255	3,449
TRANSFERS OUT	(1,526)	(630)	--	(428)	(3,874)
TOTAL OTHER FINANCING SOURCES (USES)	429	496	8	827	(425)
NET CHANGE IN FUND BALANCES	429	496	8	841	(425)
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	--	1,437	18	7,695	6,116
FUND BALANCES AT END OF YEAR	\$ 429	\$ 1,933	\$ 26	\$ 8,536	\$ 5,691

(Continued)

State of Louisiana

SPECIAL REVENUE FUNDS		CAPITAL			PERMANENT FUNDS		
		DEBT SERVICE FUNDS		PROJECTS FUND			
TOTAL SPECIAL REVENUE FUNDS JUNE 30, 2008	TOBACCO SETTLEMENT FINANCING CORPORATION	TRANSPORTATION INFRASTRUCTURE MODEL FOR ECONOMIC DEVELOPMENT	TOTAL DEBT SERVICE FUNDS JUNE 30, 2008	CAPITAL OUTLAY ESCROW FUND	EDUCATION EXCELLENCE FUND	FULLER- EDWARDS ARBORETUM TRUST FUND	HEALTH EXCELLENCE FUND
\$ 4,059,673	\$ 185	\$ 426,094	\$ 426,279	\$ 1,559,887	\$ 60,460	\$ 213	\$ 11,297
1,094,952	131,021	453,563	584,584	101,983	458,209	--	427,247
19,213	139	954	1,093	11,190	16,178	--	--
273,157	--	--	--	156,755	--	--	--
860	--	--	--	--	--	--	--
106,791	--	--	--	--	--	--	--
--	--	--	--	3,540	--	--	--
<u>\$ 5,554,646</u>	<u>\$ 131,345</u>	<u>\$ 880,611</u>	<u>\$ 1,011,956</u>	<u>\$ 1,833,355</u>	<u>\$ 534,847</u>	<u>\$ 213</u>	<u>\$ 438,544</u>
\$ 5,704	\$ 10	\$ 21,700	\$ 21,710	\$ --	\$ 3	\$ 1	\$ --
--	--	--	--	266,768	--	--	--
345,964	--	44,351	44,351	3,327	16,087	--	13
55,964	--	--	--	--	--	--	320
54,988	--	--	--	--	--	--	--
--	--	--	--	76,986	--	--	--
<u>462,620</u>	<u>10</u>	<u>66,051</u>	<u>66,061</u>	<u>347,081</u>	<u>16,090</u>	<u>1</u>	<u>333</u>
1,452	131,335	--	131,335	--	--	--	--
85,656	--	--	--	--	--	--	89
370,539	--	--	--	--	--	--	--
--	--	805,915	805,915	1,485,425	--	--	--
--	--	--	--	--	--	100	--
327	--	--	--	--	83,811	--	--
29,111	--	8,645	8,645	849	1,895	--	1,738
<u>4,604,941</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>433,051</u>	<u>112</u>	<u>436,384</u>
<u>5,092,026</u>	<u>131,335</u>	<u>814,560</u>	<u>945,895</u>	<u>1,486,274</u>	<u>518,757</u>	<u>212</u>	<u>438,211</u>
<u>\$ 5,554,646</u>	<u>\$ 131,345</u>	<u>\$ 880,611</u>	<u>\$ 1,011,956</u>	<u>\$ 1,833,355</u>	<u>\$ 534,847</u>	<u>\$ 213</u>	<u>\$ 438,544</u>
\$ 734,567	\$ --	\$ --	\$ --	\$ 205,238	\$ --	\$ --	\$ --
50,210	--	96,912	96,912	--	--	--	--
--	96,376	--	96,376	--	--	--	--
87,349	5,560	15,417	20,977	5,294	5,408	9	(234)
66,074	--	--	--	--	--	--	--
3,934	--	--	--	--	16,923	--	--
<u>942,134</u>	<u>101,936</u>	<u>112,329</u>	<u>214,265</u>	<u>210,532</u>	<u>22,331</u>	<u>9</u>	<u>(234)</u>
134,135	--	--	--	--	--	--	--
--	--	--	--	2,254,867	--	--	--
--	43,540	5,415	48,955	--	--	--	--
--	60,469	92,137	152,606	--	--	--	--
248,279	235	278	513	--	24,890	1	395
<u>382,414</u>	<u>104,244</u>	<u>97,830</u>	<u>202,074</u>	<u>2,254,867</u>	<u>24,890</u>	<u>1</u>	<u>395</u>
<u>559,720</u>	<u>(2,308)</u>	<u>14,499</u>	<u>12,191</u>	<u>(2,044,335)</u>	<u>(2,559)</u>	<u>8</u>	<u>(629)</u>
--	--	--	--	74,129	--	--	--
--	--	--	--	(71,593)	--	--	--
3,646,203	--	70,232	70,232	2,200,417	33,434	--	34,251
(4,104,780)	--	(584,081)	(584,081)	(41,845)	(17,167)	--	(17,355)
<u>(458,577)</u>	<u>--</u>	<u>(513,849)</u>	<u>(513,849)</u>	<u>2,161,108</u>	<u>16,267</u>	<u>--</u>	<u>16,896</u>
101,143	(2,308)	(499,350)	(501,658)	116,773	13,708	8	16,267
<u>4,990,883</u>	<u>133,643</u>	<u>1,313,910</u>	<u>1,447,553</u>	<u>1,369,501</u>	<u>505,049</u>	<u>204</u>	<u>421,944</u>
<u>\$ 5,092,026</u>	<u>\$ 131,335</u>	<u>\$ 814,560</u>	<u>\$ 945,895</u>	<u>\$ 1,486,274</u>	<u>\$ 518,757</u>	<u>\$ 212</u>	<u>\$ 438,211</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	W. R. IRBY BEQUEST FUND	LIFETIME LICENSE ENDOWMENT TRUST FUND	TOPS FUND	TOTAL PERMANENT FUNDS JUNE 30, 2008	TOTAL NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2008
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 1,786	\$ 2,369	\$ 8,268	\$ 84,393	\$ 6,130,232
INVESTMENTS	--	13,248	427,247	1,325,951	3,107,470
RECEIVABLES (NET)	209	--	--	16,387	47,883
DUE FROM OTHER FUNDS	--	13	--	13	429,925
AMOUNTS DUE FROM COMPONENT UNITS	--	--	--	--	860
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	106,791
OTHER ASSETS	--	--	--	--	3,540
TOTAL ASSETS	\$ 1,995	\$ 15,630	\$ 435,515	\$ 1,426,744	\$ 9,826,701
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ 7	\$ --	\$ --	\$ 11	\$ 27,425
CONTRACTS AND RETAINAGE PAYABLE	--	--	--	--	266,768
DUE TO OTHER FUNDS	--	17	13	16,130	409,772
AMOUNTS DUE TO COMPONENT UNITS	--	--	--	320	56,284
DUE TO LOCAL GOVERNMENTS	--	--	--	--	54,988
OTHER LIABILITIES	44	--	--	44	77,030
TOTAL LIABILITIES	51	17	13	16,505	892,267
FUND BALANCES:					
RESERVED FOR:					
DEBT SERVICE	--	--	--	--	132,787
ENCUMBRANCES	--	--	--	89	85,745
CONTINUING PROJECTS	--	--	--	--	370,539
CONSTRUCTION	--	--	--	--	2,291,340
TRUST PRINCIPAL	--	15,613	--	15,713	15,713
OTHER	980	--	--	84,791	85,118
UNRESERVED:					
DESIGNATED FOR:					
OTHER	--	--	1,738	5,371	43,976
UNDESIGNATED	964	--	433,764	1,304,275	5,909,216
TOTAL FUND BALANCES	1,944	15,613	435,502	1,410,239	8,934,434
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,995	\$ 15,630	\$ 435,515	\$ 1,426,744	\$ 9,826,701

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	W. R. IRBY BEQUEST FUND	LIFETIME LICENSE ENDOWMENT TRUST FUND	TOPS FUND	TOTAL PERMANENT FUNDS JUNE 30, 2008	TOTAL NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2008
REVENUES:					
INTERGOVERNMENTAL REVENUES	\$ --	\$ --	\$ --	\$ --	\$ 939,805
TAXES	--	--	--	--	147,122
TOBACCO SETTLEMENT	--	--	--	--	96,376
USE OF MONEY AND PROPERTY	1,237	--	(234)	6,186	119,806
LICENSES, PERMITS, AND FEES	--	--	--	--	66,074
OTHER	--	--	--	16,923	20,857
TOTAL REVENUES	1,237	--	(234)	23,109	1,390,040
EXPENDITURES:					
INTERGOVERNMENTAL	--	--	--	--	134,135
CAPITAL OUTLAY	--	--	--	--	2,254,867
DEBT SERVICE:					
PRINCIPAL RETIREMENT	--	--	--	--	48,955
INTEREST AND FISCAL CHARGES	--	--	--	--	152,606
OTHER	1,217	--	--	26,503	275,295
TOTAL EXPENDITURES	1,217	--	--	26,503	2,865,858
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	20	--	(234)	(3,394)	(1,475,818)
OTHER FINANCING SOURCES (USES):					
LONG-TERM DEBT ISSUED	--	--	--	--	74,129
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--	(71,593)
TRANSFERS IN	--	792	33,999	102,476	6,019,328
TRANSFERS OUT	--	--	(17,355)	(51,877)	(4,782,583)
TOTAL OTHER FINANCING SOURCES (USES)	--	792	16,644	50,599	1,239,281
NET CHANGE IN FUND BALANCES	20	792	16,410	47,205	(236,537)
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	1,924	14,821	419,092	1,363,034	9,170,971
FUND BALANCES AT END OF YEAR	\$ 1,944	\$ 15,613	\$ 435,502	\$ 1,410,239	\$ 8,934,434

(Concluded)



State of Louisiana

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

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	COASTAL PROTECTION AND RESTORATION FUND			EMPLOYMENT SECURITY ADMINISTRATION ACCOUNT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
INTERGOVERNMENTAL	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	358	1,070	712
USE OF MONEY AND PROPERTY	--	7,344	7,344	--	232	232
LICENSES, PERMITS, AND FEES	--	--	--	--	--	--
OTHER	--	16	16	--	--	--
TOTAL REVENUES	--	7,360	7,360	358	1,302	944
EXPENDITURES:						
INTERGOVERNMENTAL	--	--	--	--	--	--
OTHER	--	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	7,360	7,360	358	1,302	944
OTHER FINANCING SOURCES (USES):						
TRANSFERS IN	37,100	367,544	330,444	--	--	--
TRANSFERS OUT	(37,100)	(108,739)	(71,639)	(358)	(358)	--
TOTAL OTHER FINANCING SOURCES (USES)	--	258,805	258,805	(358)	(358)	--
NET CHANGES IN FUND BALANCES	\$ --	\$ 266,165	\$ 266,165	\$ --	\$ 944	\$ 944

	FEDERAL ENERGY SETTLEMENT FUND			HELP LOUISIANA VOTE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
INTERGOVERNMENTAL	\$ --	\$ --	\$ --	\$ --	\$ 131	\$ 131
TAXES	--	--	--	--	--	--
USE OF MONEY AND PROPERTY	16,999	1,710	(15,289)	15,130	681	(14,449)
LICENSES, PERMITS, AND FEES	--	--	--	--	--	--
OTHER	--	224	224	--	--	--
TOTAL REVENUES	16,999	1,934	(15,065)	15,130	812	(14,318)
EXPENDITURES:						
INTERGOVERNMENTAL	--	--	--	--	--	--
OTHER	--	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	16,999	1,934	(15,065)	15,130	812	(14,318)
OTHER FINANCING SOURCES (USES):						
TRANSFERS IN	--	--	--	--	--	--
TRANSFERS OUT	(16,999)	(2,236)	14,763	(15,130)	(3,375)	11,755
TOTAL OTHER FINANCING SOURCES (USES)	(16,999)	(2,236)	14,763	(15,130)	(3,375)	11,755
NET CHANGES IN FUND BALANCES	\$ --	\$ (302)	\$ (302)	\$ --	\$ (2,563)	\$ (2,563)

(Continued)

State of Louisiana

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

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	INCUMBENT WORKER TRAINING ACCOUNT			LABOR PENALTY AND INTEREST ACCOUNT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
INTERGOVERNMENTAL	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	47,520	20,216	(27,304)	1,942	3,288	1,346
USE OF MONEY AND PROPERTY	--	3,001	3,001	--	158	158
LICENSES, PERMITS, AND FEES	--	--	--	--	173	173
OTHER	--	--	--	--	--	--
TOTAL REVENUES	47,520	23,217	(24,303)	1,942	3,619	1,677
EXPENDITURES:						
INTERGOVERNMENTAL	--	--	--	--	--	--
OTHER	--	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	47,520	23,217	(24,303)	1,942	3,619	1,677
OTHER FINANCING SOURCES (USES):						
TRANSFERS IN	--	--	--	--	--	--
TRANSFERS OUT	(47,520)	(44,016)	3,504	(1,942)	(1,942)	--
TOTAL OTHER FINANCING SOURCES (USES)	(47,520)	(44,016)	3,504	(1,942)	(1,942)	--
NET CHANGES IN FUND BALANCES	\$ --	\$ (20,799)	\$ (20,799)	\$ --	\$ 1,677	\$ 1,677

	LOUISIANA TOURISM PROMOTION DISTRICT			MARSH ISLAND OPERATING FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
INTERGOVERNMENTAL	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	23,800	25,636	1,836	--	--	--
USE OF MONEY AND PROPERTY	--	72	72	710	1,720	1,010
LICENSES, PERMITS, AND FEES	--	--	--	--	--	--
OTHER	--	--	--	--	--	--
TOTAL REVENUES	23,800	25,708	1,908	710	1,720	1,010
EXPENDITURES:						
INTERGOVERNMENTAL	--	--	--	--	--	--
OTHER	--	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	23,800	25,708	1,908	710	1,720	1,010
OTHER FINANCING SOURCES (USES):						
TRANSFERS IN	--	427	427	--	650	650
TRANSFERS OUT	(23,800)	(24,856)	(1,056)	(710)	(2,370)	(1,660)
TOTAL OTHER FINANCING SOURCES (USES)	(23,800)	(24,429)	(629)	(710)	(1,720)	(1,010)
NET CHANGES IN FUND BALANCES	\$ --	\$ 1,279	\$ 1,279	\$ --	\$ --	\$ --

State of Louisiana

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

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	PARISH ROYALTY FUND			RETIREMENT SYSTEM INSURANCE PROCEEDS FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
INTERGOVERNMENTAL	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--	--
USE OF MONEY AND PROPERTY	64,500	78,644	14,144	--	--	--
LICENSES, PERMITS, AND FEES	--	--	--	52,800	50,932	(1,868)
OTHER	--	--	--	--	--	--
TOTAL REVENUES	64,500	78,644	14,144	52,800	50,932	(1,868)
EXPENDITURES:						
INTERGOVERNMENTAL	64,500	78,644	(14,144)	--	--	--
OTHER	--	--	--	52,800	50,932	1,868
TOTAL EXPENDITURES	64,500	78,644	(14,144)	52,800	50,932	1,868
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	--	--	--	--	--
OTHER FINANCING SOURCES (USES):						
TRANSFERS IN	--	--	--	--	--	--
TRANSFERS OUT	--	--	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	--	--	--	--	--	--
NET CHANGES IN FUND BALANCES	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

	ROCKEFELLER WILDLIFE REFUGE AND GAME PRESERVE FUND			SEVERANCE TAX FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
INTERGOVERNMENTAL	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
TAXES	--	--	--	--	--	--
USE OF MONEY AND PROPERTY	5,213	3,730	(1,483)	--	--	--
LICENSES, PERMITS, AND FEES	--	--	--	--	--	--
OTHER	--	280	280	--	--	--
TOTAL REVENUES	5,213	4,010	(1,203)	--	--	--
EXPENDITURES:						
INTERGOVERNMENTAL	--	--	--	44,200	49,835	(5,635)
OTHER	--	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	44,200	49,835	(5,635)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,213	4,010	(1,203)	(44,200)	(49,835)	(5,635)
OTHER FINANCING SOURCES (USES):						
TRANSFERS IN	--	--	--	44,200	49,835	5,635
TRANSFERS OUT	(5,213)	(4,373)	840	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	(5,213)	(4,373)	840	44,200	49,835	5,635
NET CHANGES IN FUND BALANCES	\$ --	\$ (363)	\$ (363)	\$ --	\$ --	\$ --

(Concluded)

State of Louisiana

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

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	STATE HIGHWAY FUND #2			TRANSPORTATION TRUST FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
INTERGOVERNMENTAL	\$ --	\$ --	\$ --	\$ 688,170	\$ 734,436	\$ 46,266
TAXES	--	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	--	--	8,004	8,004
LICENSES, PERMITS, AND FEES	11,400	11,312	(88)	--	--	--
OTHER	--	--	--	--	--	--
TOTAL REVENUES	11,400	11,312	(88)	688,170	742,440	54,270
EXPENDITURES:						
INTERGOVERNMENTAL	11,400	5,656	5,744	--	--	--
OTHER	--	--	--	--	--	--
TOTAL EXPENDITURES	11,400	5,656	5,744	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	5,656	5,656	688,170	742,440	54,270
OTHER FINANCING SOURCES (USES):						
TRANSFERS IN	--	--	--	518,700	570,610	51,910
TRANSFERS OUT	--	(5,656)	(5,656)	(1,206,870)	(1,227,124)	(20,254)
TOTAL OTHER FINANCING SOURCES (USES)	--	(5,656)	(5,656)	(688,170)	(656,514)	31,656
NET CHANGES IN FUND BALANCES	\$ --	\$ --	\$ --	\$ --	\$ 85,926	\$ 85,926

TOTAL BUDGETED SPECIAL REVENUE FUNDS

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
INTERGOVERNMENTAL	\$ 688,170	\$ 734,567	\$ 46,397
TAXES	73,620	50,210	(23,410)
USE OF MONEY AND PROPERTY	102,552	105,296	2,744
LICENSES, PERMITS, AND FEES	64,200	62,417	(1,783)
OTHER	--	520	520
TOTAL REVENUES	928,542	953,010	24,468
EXPENDITURES:			
INTERGOVERNMENTAL	120,100	134,135	(14,035)
OTHER	52,800	50,932	1,868
TOTAL EXPENDITURES	172,900	185,067	(12,167)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	755,642	767,943	12,301
OTHER FINANCING SOURCES (USES):			
TRANSFERS IN	600,000	989,066	389,066
TRANSFERS OUT	(1,355,642)	(1,425,045)	(69,403)
TOTAL OTHER FINANCING SOURCES (USES)	(755,642)	(435,979)	319,663
NET CHANGES IN FUND BALANCES	\$ --	\$ 331,964	\$ 331,964

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	BOARDS AND COMMISSIONS	DRINKING WATER REVOLVING LOAN FUND	LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY	LOUISIANA GULF OPPORTUNITY ZONE LOAN FUND	LOUISIANA LOTTERY CORPORATION
ASSETS					
CURRENT ASSETS:					
CASH AND CASH EQUIVALENTS	\$ 26,515	\$ 17,827	\$ 1,812	\$ --	\$ 60
INVESTMENTS	7,471	--	--	--	27,983
RECEIVABLES (NET)	1,445	593	400	--	11,265
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--
INVENTORIES	1	--	336	--	--
PREPAYMENTS	55	--	--	--	440
NOTES RECEIVABLE	1	2,945	--	--	--
OTHER CURRENT ASSETS	100	--	--	--	14
TOTAL CURRENT ASSETS	35,588	21,365	2,548	--	39,762
NONCURRENT ASSETS:					
RESTRICTED ASSETS					
CASH	1,256	--	--	--	--
INVESTMENTS	980	--	--	--	90,817
RECEIVABLES	--	--	--	--	--
INVESTMENTS	424	--	--	--	--
NOTES RECEIVABLE	--	69,233	--	398,788	--
CAPITAL ASSETS (NOTE 5)					
LAND	2,184	--	--	--	1,542
BUILDINGS AND IMPROVEMENTS (NET OF DEPRECIATION)	3,655	--	117	--	3,293
MACHINERY AND EQUIPMENT (NET OF DEPRECIATION)	1,128	--	65	--	650
CONSTRUCTION IN PROGRESS	3,033	--	--	--	--
OTHER NONCURRENT ASSETS	43	--	--	--	7,605
TOTAL NONCURRENT ASSETS	12,703	69,233	182	398,788	103,907
TOTAL ASSETS	\$ 48,291	\$ 90,598	\$ 2,730	\$ 398,788	\$ 143,669
LIABILITIES					
CURRENT LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	\$ 3,120	\$ --	\$ 335	\$ --	\$ 2,704
DUE TO OTHER FUNDS	--	--	--	--	10,048
DEFERRED REVENUES	3,688	--	--	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	78	--	--	--	--
OTHER CURRENT LIABILITIES	151	--	--	--	33,977
CURRENT PORTION OF LONG-TERM LIABILITIES:					
COMPENSATED ABSENCES PAYABLE	240	--	6	--	337
CAPITAL LEASE OBLIGATIONS	--	--	--	--	--
NOTES PAYABLE	131	--	--	--	--
TOTAL CURRENT LIABILITIES	7,408	--	341	--	47,066
NONCURRENT LIABILITIES:					
NONCURRENT PORTION OF LONG-TERM LIABILITIES:					
CONTRACTS PAYABLE	517	--	--	--	--
COMPENSATED ABSENCES PAYABLE	793	--	44	--	--
CAPITAL LEASE OBLIGATIONS	--	--	--	--	--
DEFERRED REVENUES	177	--	--	--	--
CLAIMS AND LITIGATION PAYABLE	50	--	--	--	--
NOTES PAYABLE	1,967	--	--	--	--
BONDS PAYABLE (NET OF UNAMORTIZED DISCOUNTS)	--	--	--	--	--
OPEB PAYABLE	2,352	--	195	--	--
OTHER LONG-TERM LIABILITIES	--	--	--	--	73,248
TOTAL NONCURRENT LIABILITIES	5,856	--	239	--	73,248
TOTAL LIABILITIES	13,264	--	580	--	120,314
NET ASSETS					
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	7,901	--	182	--	5,485
RESTRICTED FOR CAPITAL PROJECTS	--	--	--	--	--
RESTRICTED FOR OTHER SPECIFIC PURPOSES	2,565	--	--	--	--
UNRESTRICTED	24,561	90,598	1,968	398,788	17,870
TOTAL NET ASSETS	35,027	90,598	2,150	398,788	23,355
TOTAL LIABILITIES AND NET ASSETS	\$ 48,291	\$ 90,598	\$ 2,730	\$ 398,788	\$ 143,669

State of Louisiana

LOUISIANA PROPERTY ASSISTANCE AGENCY	LOUISIANA TRANSPORTATION AUTHORITY	MUNICIPAL FACILITIES REVOLVING LOAN FUND	PRISON ENTERPRISES	PUBLIC SAFETY SERVICES CAFETERIAS	DONALD J. THIBODEAUX TRAINING COMPLEX	TOTAL NONMAJOR ENTERPRISE FUNDS
\$ 4,722	\$ --	\$ 165,576	\$ 2,152	\$ 4	\$ 84	\$ 218,752
--	--	--	--	--	--	35,454
85	--	1,929	1,508	41	271	17,537
--	--	24	--	--	--	24
--	--	--	5,838	22	81	6,278
--	--	--	5	--	--	500
--	--	11,379	--	--	--	14,325
--	--	--	--	--	--	114
<u>4,807</u>	<u>--</u>	<u>178,908</u>	<u>9,503</u>	<u>67</u>	<u>436</u>	<u>292,984</u>
--	86	--	--	--	--	1,342
--	54,675	--	--	--	--	146,472
--	202	--	--	--	--	202
--	--	--	--	--	--	424
--	--	220,666	--	--	--	688,687
695	--	--	--	--	1,245	5,666
3,007	--	--	1,180	2,191	531	13,974
241	--	--	4,239	19	333	6,675
--	156,432	--	2	--	--	159,467
--	4,211	--	--	--	--	11,859
<u>3,943</u>	<u>215,606</u>	<u>220,666</u>	<u>5,421</u>	<u>2,210</u>	<u>2,109</u>	<u>1,034,768</u>
<u>\$ 8,750</u>	<u>\$ 215,606</u>	<u>\$ 399,574</u>	<u>\$ 14,924</u>	<u>\$ 2,277</u>	<u>\$ 2,545</u>	<u>\$ 1,327,752</u>
\$ 793	\$ 14,135	\$ 10	\$ 2,788	\$ 47	\$ 189	\$ 24,121
--	--	29	--	--	7	10,084
--	--	--	1	--	--	3,689
--	--	--	--	--	--	78
--	--	--	--	--	17	34,145
9	--	--	204	4	7	807
--	--	--	145	--	--	145
<u>52</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>183</u>
<u>854</u>	<u>14,135</u>	<u>39</u>	<u>3,138</u>	<u>51</u>	<u>220</u>	<u>73,252</u>
--	--	--	--	--	--	517
112	--	--	263	28	355	1,595
--	--	--	114	--	--	114
--	--	--	--	--	--	177
--	--	--	--	--	--	50
59	--	--	--	--	--	2,026
--	163,669	--	--	--	--	163,669
526	--	--	1,174	128	569	4,944
--	--	--	--	--	--	73,248
<u>697</u>	<u>163,669</u>	<u>--</u>	<u>1,551</u>	<u>156</u>	<u>924</u>	<u>246,340</u>
<u>1,551</u>	<u>177,804</u>	<u>39</u>	<u>4,689</u>	<u>207</u>	<u>1,144</u>	<u>319,592</u>
3,943	(7,237)	--	5,162	2,210	2,109	19,755
--	45,039	--	--	--	--	45,039
--	--	--	--	--	--	2,565
<u>3,256</u>	<u>--</u>	<u>399,535</u>	<u>5,073</u>	<u>(140)</u>	<u>(708)</u>	<u>940,801</u>
<u>7,199</u>	<u>37,802</u>	<u>399,535</u>	<u>10,235</u>	<u>2,070</u>	<u>1,401</u>	<u>1,008,160</u>
<u>\$ 8,750</u>	<u>\$ 215,606</u>	<u>\$ 399,574</u>	<u>\$ 14,924</u>	<u>\$ 2,277</u>	<u>\$ 2,545</u>	<u>\$ 1,327,752</u>

State of Louisiana

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

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	BOARDS AND COMMISSIONS	DRINKING WATER REVOLVING LOAN FUND	LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY	LOUISIANA GULF OPPORTUNITY ZONE LOAN FUND	LOUISIANA LOTTERY CORPORATION
OPERATING REVENUES:					
SALES OF COMMODITIES AND SERVICES	\$ 3,519	\$ --	\$ 3,788	\$ --	\$ 373,687
ASSESSMENTS	4,105	--	--	--	--
USE OF MONEY AND PROPERTY	--	3,055	--	--	--
LICENSES, PERMITS, AND FEES	25,451	--	--	--	9
OTHER	599	333	--	--	234
TOTAL OPERATING REVENUES	33,674	3,388	3,788	--	373,930
OPERATING EXPENSES:					
COST OF SALES AND SERVICES	8,062	--	2,359	--	227,282
ADMINISTRATIVE	24,854	--	1,523	--	17,089
DEPRECIATION	480	--	18	--	557
AMORTIZATION	6	--	--	--	--
TOTAL OPERATING EXPENSES	33,402	--	3,900	--	244,928
OPERATING INCOME (LOSS)	272	3,388	(112)	--	129,002
NONOPERATING REVENUES (EXPENSES):					
INTERGOVERNMENTAL EXPENSES	--	--	--	--	--
USE OF MONEY AND PROPERTY	1,209	--	66	--	2,950
GAIN ON DISPOSAL OF FIXED ASSETS	--	--	--	--	17
LOSS ON DISPOSAL OF FIXED ASSETS	--	--	(6)	--	--
INTEREST EXPENSE	(3)	(9)	--	--	--
OTHER REVENUES	3,208	--	--	--	--
OTHER EXPENSES	(2,995)	(16)	--	--	--
TOTAL NONOPERATING REVENUES (EXPENSES)	1,419	(25)	60	--	2,967
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,691	3,363	(52)	--	131,969
CAPITAL CONTRIBUTIONS	--	9,408	--	--	--
TRANSFERS OUT	--	--	--	--	(131,862)
CHANGE IN NET ASSETS	1,691	12,771	(52)	--	107
TOTAL NET ASSETS - BEGINNING AS RESTATED	33,336	77,827	2,202	398,788	23,248
TOTAL NET ASSETS - ENDING	\$ 35,027	\$ 90,598	\$ 2,150	\$ 398,788	\$ 23,355

State of Louisiana

LOUISIANA PROPERTY ASSISTANCE AGENCY	LOUISIANA TRANSPORTATION AUTHORITY	MUNICIPAL FACILITIES REVOLVING LOAN FUND	PRISON ENTERPRISES	PUBLIC SAFETY SERVICES CAFETERIAS	DONALD J. THIBODEAUX TRAINING COMPLEX	TOTAL NONMAJOR ENTERPRISE FUNDS
\$ 7,964	\$ --	\$ --	\$ 27,524	\$ 921	\$ 2,809	\$ 420,212
--	--	--	--	--	--	4,105
--	--	14,827	--	--	--	17,882
--	--	--	--	--	--	25,460
--	--	1,176	--	--	--	2,342
<u>7,964</u>	<u>--</u>	<u>16,003</u>	<u>27,524</u>	<u>921</u>	<u>2,809</u>	<u>470,001</u>
3,305	--	--	15,147	489	61	256,705
3,427	21	--	11,129	576	4,675	63,294
266	--	--	561	73	282	2,237
--	--	--	--	--	--	6
<u>6,998</u>	<u>21</u>	<u>--</u>	<u>26,837</u>	<u>1,138</u>	<u>5,018</u>	<u>322,242</u>
<u>966</u>	<u>(21)</u>	<u>16,003</u>	<u>687</u>	<u>(217)</u>	<u>(2,209)</u>	<u>147,759</u>
--	--	(24)	(1,094)	--	--	(1,118)
108	3,181	--	80	--	23	7,617
20	--	--	--	--	--	37
--	--	--	(209)	--	(4)	(219)
(5)	(6,624)	--	(9)	--	--	(6,650)
16	--	--	274	--	--	3,498
--	(524)	(21)	(16)	--	--	(3,572)
<u>139</u>	<u>(3,967)</u>	<u>(45)</u>	<u>(974)</u>	<u>--</u>	<u>19</u>	<u>(407)</u>
1,105	(3,988)	15,958	(287)	(217)	(2,190)	147,352
--	23,720	7,875	--	--	--	41,003
--	--	(357)	--	--	--	(132,219)
1,105	19,732	23,476	(287)	(217)	(2,190)	56,136
<u>6,094</u>	<u>18,070</u>	<u>376,059</u>	<u>10,522</u>	<u>2,287</u>	<u>3,591</u>	<u>952,024</u>
<u>\$ 7,199</u>	<u>\$ 37,802</u>	<u>\$ 399,535</u>	<u>\$ 10,235</u>	<u>\$ 2,070</u>	<u>\$ 1,401</u>	<u>\$ 1,008,160</u>

State of Louisiana

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	BOARDS AND COMMISSIONS	DRINKING WATER REVOLVING LOAN FUND	LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY	LOUISIANA GULF OPPORTUNITY ZONE LOAN FUND	LOUISIANA LOTTERY CORPORATION
CASH FLOWS FROM OPERATING ACTIVITIES:					
CASH RECEIVED FROM CUSTOMERS	\$ 33,605	\$ 5,550	\$ 3,943	\$ --	\$ 149,100
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(15,209)	--	(2,683)	--	(26,146)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(14,646)	--	(788)	--	(6,139)
CLAIMS PAID TO OUTSIDERS	--	(11,564)	--	--	--
OTHER OPERATING REVENUES (EXPENSES)	6	773	--	--	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>3,756</u>	<u>(5,241)</u>	<u>472</u>	<u>--</u>	<u>116,815</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
PROCEEDS FROM SALE OF BONDS	--	2,235	--	--	--
PRINCIPAL PAID ON BONDS	--	(2,250)	--	--	--
INTEREST PAID ON BOND MATURITIES	--	(9)	--	--	--
PRINCIPAL PAID ON NOTES PAYABLE	(22)	--	--	--	--
TRANSFERS IN	1,074	--	--	--	--
TRANSFERS OUT	(1,109)	--	--	--	(134,975)
OTHER	39	--	--	--	--
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(18)</u>	<u>(24)</u>	<u>--</u>	<u>--</u>	<u>(134,975)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
INTEREST PAID ON BOND MATURITIES	--	--	--	--	--
PROCEEDS FROM ISSUANCE OF NOTES PAYABLE	517	--	--	--	--
PRINCIPAL PAID ON NOTES PAYABLE	(101)	--	--	--	--
INTEREST PAID ON NOTES PAYABLE	(124)	--	--	--	--
ACQUISITION/CONSTRUCTION OF CAPITAL ASSETS	(5,237)	--	(136)	--	(376)
PROCEEDS FROM SALE OF CAPITAL ASSETS	4	--	4	--	20
CAPITAL CONTRIBUTIONS	--	9,408	--	--	--
OTHER	--	--	--	--	--
NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(4,941)</u>	<u>9,408</u>	<u>(132)</u>	<u>--</u>	<u>(356)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
PURCHASES OF INVESTMENT SECURITIES	(10,006)	--	--	--	(14,521)
PROCEEDS FROM SALE OF INVESTMENT SECURITIES	6,711	--	--	--	31,309
INTEREST AND DIVIDENDS EARNED ON INVESTMENT SECURITIES	1,659	--	67	--	1,738
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(1,636)</u>	<u>--</u>	<u>67</u>	<u>--</u>	<u>18,526</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,839)	4,143	407	--	10
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>30,610</u>	<u>13,684</u>	<u>1,405</u>	<u>--</u>	<u>50</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 27,771</u>	<u>\$ 17,827</u>	<u>\$ 1,812</u>	<u>\$ --</u>	<u>\$ 60</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
OPERATING INCOME (LOSS)	\$ 272	\$ 3,388	\$ (112)	\$ --	\$ 129,002
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
DEPRECIATION/AMORTIZATION	487	--	18	--	557
PROVISION FOR UNCOLLECTIBLE ACCOUNTS	--	--	--	--	41
OTHER	(3)	--	--	--	(33)
CHANGES IN ASSETS AND LIABILITIES:					
(INCREASE)DECREASE IN ACCOUNTS RECEIVABLE	(71)	(25)	68	--	(1,382)
(INCREASE)DECREASE IN DUE FROM OTHER FUNDS	5	--	--	--	--
(INCREASE)DECREASE IN PREPAYMENTS	38	--	--	--	251
(INCREASE)DECREASE IN INVENTORIES	3	--	134	--	--
(INCREASE)DECREASE IN OTHER ASSETS	20	(8,604)	--	--	(306)
INCREASE(DECREASE) IN ACCOUNTS PAYABLE AND ACCRUALS	761	--	179	--	737
INCREASE(DECREASE) IN COMPENSATED ABSENCES PAYABLE	87	--	(10)	--	15
INCREASE(DECREASE) IN DUE TO OTHER FUNDS	(25)	--	--	--	--
INCREASE(DECREASE) IN DEFERRED REVENUES	45	--	--	--	--
INCREASE(DECREASE) IN OPEB PAYABLE	2,353	--	195	--	--
INCREASE(DECREASE) IN OTHER LIABILITIES	(216)	--	--	--	(12,067)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 3,756</u>	<u>\$ (5,241)</u>	<u>\$ 472</u>	<u>\$ --</u>	<u>\$ 116,815</u>

(Continued)

State of Louisiana

LOUISIANA PROPERTY ASSISTANCE AGENCY	LOUISIANA TRANSPORTATION AUTHORITY	MUNICIPAL FACILITIES REVOLVING LOAN FUND	PRISON ENTERPRISES	PUBLIC SAFETY SERVICES CAFETERIA	DONALD J. THIBODEAUX TRAINING COMPLEX	TOTAL NONMAJOR ENTERPRISE FUNDS
\$ 7,824	\$ --	\$ 20,518	\$ 28,187	\$ 921	\$ 2,758	\$ 252,406
(3,144)	--	--	(20,332)	(627)	(2,149)	(70,290)
(2,513)	--	--	(6,089)	(322)	(1,942)	(32,439)
--	--	(11,207)	--	--	--	(22,771)
--	(21)	7,632	--	--	--	8,390
<u>2,167</u>	<u>(21)</u>	<u>16,943</u>	<u>1,766</u>	<u>(28)</u>	<u>(1,333)</u>	<u>135,296</u>
--	--	--	--	--	--	2,235
--	--	--	--	--	--	(2,250)
--	--	--	--	--	--	(9)
--	--	--	--	--	--	(22)
--	--	--	--	--	--	1,074
--	--	(357)	--	--	--	(136,441)
16	--	(57)	--	--	--	(2)
<u>16</u>	<u>--</u>	<u>(414)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(135,415)</u>
--	(6,624)	--	--	--	--	(6,624)
--	--	--	--	--	--	517
(44)	--	--	(141)	--	--	(286)
(5)	--	--	(9)	--	--	(138)
(11)	(52,874)	--	(1,401)	--	--	(60,035)
23	--	--	673	--	--	724
--	--	7,879	--	--	34	17,321
1	--	--	129	--	(6)	124
<u>(36)</u>	<u>(59,498)</u>	<u>7,879</u>	<u>(749)</u>	<u>--</u>	<u>28</u>	<u>(48,397)</u>
--	--	--	--	--	--	(24,527)
--	55,393	--	--	--	--	93,413
108	4,121	--	80	--	23	7,796
<u>108</u>	<u>59,514</u>	<u>--</u>	<u>80</u>	<u>--</u>	<u>23</u>	<u>76,682</u>
2,255	(5)	24,408	1,097	(28)	(1,282)	28,166
<u>2,467</u>	<u>91</u>	<u>141,168</u>	<u>1,055</u>	<u>32</u>	<u>1,366</u>	<u>191,928</u>
<u>\$ 4,722</u>	<u>\$ 86</u>	<u>\$ 165,576</u>	<u>\$ 2,152</u>	<u>\$ 4</u>	<u>\$ 84</u>	<u>\$ 220,094</u>
<u>\$ 966</u>	<u>\$ (21)</u>	<u>\$ 16,003</u>	<u>\$ 687</u>	<u>\$ (217)</u>	<u>\$ (2,209)</u>	<u>\$ 147,759</u>
266	--	--	561	73	282	2,244
--	--	--	(18)	--	--	23
(31)	--	--	(1,158)	(21)	(28)	(1,274)
(22)	--	298	669	44	(23)	(444)
--	--	--	--	--	--	5
--	--	--	--	--	14	303
--	--	--	(529)	1	61	(330)
--	--	642	--	--	--	(8,248)
454	--	--	324	(29)	(16)	2,410
8	--	--	56	(7)	24	173
--	--	--	--	--	--	(25)
--	--	--	--	--	--	45
526	--	--	1,174	128	569	4,945
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(7)</u>	<u>(12,290)</u>
<u>\$ 2,167</u>	<u>\$ (21)</u>	<u>\$ 16,943</u>	<u>\$ 1,766</u>	<u>\$ (28)</u>	<u>\$ (1,333)</u>	<u>\$ 135,296</u>

State of Louisiana

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

	2008
LOUISIANA STATE BOARD OF MEDICAL EXAMINERS INTEREST ON CERTIFICATES OF DEPOSITS RE-INVESTED	310
LOUISIANA STATE BOARD OF NURSING PURCHASES OF EQUIPMENT ON ACCOUNT	340
LOUISIANA LOTTERY CORPORATION NET INCREASE IN FAIR VALUE OF INVESTMENTS	670
INTEREST ACCRUED ON DEPOSITS WITH MULTI-STATE LOTTERY ASSOCIATION	543

(Concluded)



State of Louisiana

COMBINING BALANCE SHEET

INTERNAL SERVICE FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	ADMINISTRATIVE SERVICES	CENTRAL REGIONAL LAUNDRY	JACKSON REGIONAL LAUNDRY	LOUISIANA CORRECTIONAL FACILITIES CORPORATION
ASSETS				
CURRENT ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 2,193	\$ 261	\$ 115	\$ 33
INVESTMENTS	--	--	--	6,518
RECEIVABLES (NET)	1,081	53	--	25
INVENTORIES	952	11	--	--
PREPAYMENTS	2	--	--	--
OTHER CURRENT ASSETS	--	--	100	704
TOTAL CURRENT ASSETS	4,228	325	215	7,280
NONCURRENT ASSETS:				
RESTRICTED ASSETS				
INVESTMENTS	--	--	--	--
CAPITAL ASSETS (NOTE 5)				
LAND	--	--	--	--
MACHINERY AND EQUIPMENT (NET OF DEPRECIATION)	599	21	--	--
OTHER NONCURRENT ASSETS	--	--	--	--
TOTAL NONCURRENT ASSETS	599	21	--	--
TOTAL ASSETS	\$ 4,827	\$ 346	\$ 215	\$ 7,280
LIABILITIES				
CURRENT LIABILITIES:				
ACCOUNTS PAYABLE AND ACCRUALS	\$ 298	\$ 28	\$ 5	\$ --
DUE TO OTHER FUNDS	400	--	100	--
DEFERRED REVENUES	--	--	--	--
CURRENT PORTION OF LONG-TERM LIABILITIES:				
COMPENSATED ABSENCES PAYABLE	18	4	--	--
NOTES PAYABLE	120	--	--	--
OTHER LONG-TERM LIABILITIES	--	--	--	360
TOTAL CURRENT LIABILITIES	836	32	105	360
NONCURRENT LIABILITIES:				
NONCURRENT PORTION OF LONG-TERM LIABILITIES:				
COMPENSATED ABSENCES PAYABLE	191	17	--	--
NOTES PAYABLE	189	--	--	--
OPEB PAYABLE	936	62	--	--
OTHER LONG-TERM LIABILITIES	--	--	--	868
TOTAL NONCURRENT LIABILITIES	1,316	79	--	868
TOTAL LIABILITIES	2,152	111	105	1,228
NET ASSETS				
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	599	21	--	--
RESTRICTED FOR DEBT SERVICE	--	--	--	6,258
UNRESTRICTED	2,076	214	110	(206)
TOTAL NET ASSETS	2,675	235	110	6,052
TOTAL LIABILITIES AND NET ASSETS	\$ 4,827	\$ 346	\$ 215	\$ 7,280

State of Louisiana

LOUISIANA OFFICE BUILDING CORPORATION	OFFICE FACILITIES CORPORATION	OFFICE OF AIRCRAFT SERVICES	OFFICE OF TELECOMMUNICATIONS MANAGEMENT	TOTAL INTERNAL SERVICE FUNDS
\$ 485	\$ 919	\$ 265	\$ 3,809	\$ 8,080
--	62,016	--	--	68,534
--	4,359	491	5,911	11,920
--	--	106	--	1,069
15	29	--	--	46
--	37	--	--	841
<u>500</u>	<u>67,360</u>	<u>862</u>	<u>9,720</u>	<u>90,490</u>
--	33,130	--	--	33,130
--	301	--	--	301
--	345	4	2,017	2,986
--	2,595	--	--	2,595
<u>--</u>	<u>36,371</u>	<u>4</u>	<u>2,017</u>	<u>39,012</u>
<u>\$ 500</u>	<u>\$ 103,731</u>	<u>\$ 866</u>	<u>\$ 11,737</u>	<u>\$ 129,502</u>
\$ --	\$ 297	\$ 222	\$ 1,602	\$ 2,452
--	--	--	4	504
--	24,761	--	--	24,761
--	--	2	21	45
--	--	--	325	445
--	3,694	--	--	4,054
<u>--</u>	<u>28,752</u>	<u>224</u>	<u>1,952</u>	<u>32,261</u>
--	--	25	470	703
--	--	--	452	641
--	--	48	1,626	2,672
--	39,516	--	--	40,384
<u>--</u>	<u>39,516</u>	<u>73</u>	<u>2,548</u>	<u>44,400</u>
--	68,268	297	4,500	76,661
--	646	4	1,240	2,510
--	32,553	--	--	38,811
<u>500</u>	<u>2,264</u>	<u>565</u>	<u>5,997</u>	<u>11,520</u>
<u>500</u>	<u>35,463</u>	<u>569</u>	<u>7,237</u>	<u>52,841</u>
<u>\$ 500</u>	<u>\$ 103,731</u>	<u>\$ 866</u>	<u>\$ 11,737</u>	<u>\$ 129,502</u>

State of Louisiana

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

INTERNAL SERVICE FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	ADMINISTRATIVE SERVICES	CENTRAL REGIONAL LAUNDRY	JACKSON REGIONAL LAUNDRY	LOUISIANA CORRECTIONAL FACILITIES CORPORATION
OPERATING REVENUES:				
SALES OF COMMODITIES AND SERVICES	\$ 8,493	\$ 625	\$ 245	\$ --
USE OF MONEY AND PROPERTY	--	--	--	--
OTHER	--	--	--	--
TOTAL OPERATING REVENUES	<u>8,493</u>	<u>625</u>	<u>245</u>	<u>--</u>
OPERATING EXPENSES:				
COST OF SALES AND SERVICES	4,037	188	156	--
ADMINISTRATIVE	4,692	457	--	58
DEPRECIATION	193	9	131	--
AMORTIZATION	--	--	--	163
TOTAL OPERATING EXPENSES	<u>8,922</u>	<u>654</u>	<u>287</u>	<u>221</u>
OPERATING INCOME (LOSS)	<u>(429)</u>	<u>(29)</u>	<u>(42)</u>	<u>(221)</u>
NONOPERATING REVENUES (EXPENSES):				
USE OF MONEY AND PROPERTY	61	7	1	(558)
LOSS ON DISPOSAL OF FIXED ASSETS	(5)	(51)	--	--
INTEREST EXPENSE	(12)	--	--	(1,385)
OTHER REVENUES	17	--	--	8,492
OTHER EXPENSES	--	--	--	(4,979)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>61</u>	<u>(44)</u>	<u>1</u>	<u>1,570</u>
CHANGE IN NET ASSETS	(368)	(73)	(41)	1,349
TOTAL NET ASSETS - BEGINNING	<u>3,043</u>	<u>308</u>	<u>151</u>	<u>4,703</u>
TOTAL NET ASSETS - ENDING	<u>\$ 2,675</u>	<u>\$ 235</u>	<u>\$ 110</u>	<u>\$ 6,052</u>

State of Louisiana

LOUISIANA OFFICE BUILDING CORPORATION	OFFICE FACILITIES CORPORATION	OFFICE OF AIRCRAFT SERVICES	OFFICE OF TELECOMMUNICATIONS MANAGEMENT	TOTAL INTERNAL SERVICE FUNDS
\$ --	\$ --	\$ 1,243	\$ 54,878	\$ 65,484
--	23,686	--	--	23,686
<u>16</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>16</u>
<u>16</u>	<u>23,686</u>	<u>1,243</u>	<u>54,878</u>	<u>89,186</u>
--	--	931	45,811	51,123
16	22,091	423	10,061	37,798
--	78	1	1,017	1,429
--	(53)	--	--	110
<u>16</u>	<u>22,116</u>	<u>1,355</u>	<u>56,889</u>	<u>90,460</u>
<u>--</u>	<u>1,570</u>	<u>(112)</u>	<u>(2,011)</u>	<u>(1,274)</u>
14	19,942	13	127	19,607
--	--	--	(2)	(58)
--	(15,330)	--	(45)	(16,772)
--	212	--	--	8,721
--	--	--	--	(4,979)
<u>14</u>	<u>4,824</u>	<u>13</u>	<u>80</u>	<u>6,519</u>
14	6,394	(99)	(1,931)	5,245
<u>486</u>	<u>29,069</u>	<u>668</u>	<u>9,168</u>	<u>47,596</u>
<u>\$ 500</u>	<u>\$ 35,463</u>	<u>\$ 569</u>	<u>\$ 7,237</u>	<u>\$ 52,841</u>

State of Louisiana

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	ADMINISTRATIVE SERVICES	CENTRAL REGIONAL LAUNDRY	JACKSON REGIONAL LAUNDRY	LOUISIANA CORRECTIONAL FACILITIES CORPORATION
CASH FLOWS FROM OPERATING ACTIVITIES:				
CASH RECEIVED FROM CUSTOMERS	\$ 8,446	\$ 625	\$ 301	\$ --
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(5,017)	(189)	(63)	(58)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(2,643)	(396)	(168)	--
OTHER OPERATING REVENUES	--	(16)	--	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>786</u>	<u>24</u>	<u>70</u>	<u>(58)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
OTHER	16	--	--	(27,996)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>16</u>	<u>--</u>	<u>--</u>	<u>(27,996)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
PROCEEDS FROM SALE OF BONDS	--	--	--	23,852
PRINCIPAL PAID ON BONDS	--	--	--	(5,335)
INTEREST PAID ON BOND MATURITIES	--	--	--	(1,055)
PRINCIPAL PAID ON NOTES PAYABLE	(159)	--	--	--
INTEREST PAID ON NOTES PAYABLE	(12)	--	--	--
ACQUISITION/CONSTRUCTION OF CAPITAL ASSETS	(28)	--	(30)	--
OTHER	--	--	--	12,752
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(199)</u>	<u>--</u>	<u>(30)</u>	<u>30,214</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
PURCHASE OF INVESTMENT SECURITIES	--	--	--	(29,430)
PROCEEDS FROM SALE OF INVESTMENT SECURITIES	--	--	--	26,929
INTEREST AND DIVIDENDS EARNED ON INVESTMENT SECURITIES	61	7	1	337
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>61</u>	<u>7</u>	<u>1</u>	<u>(2,164)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	664	31	41	(4)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR AS RESTATED	<u>1,529</u>	<u>230</u>	<u>74</u>	<u>37</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,193</u>	<u>\$ 261</u>	<u>\$ 115</u>	<u>\$ 33</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
OPERATING INCOME (LOSS)	\$ (429)	\$ (29)	\$ (42)	\$ (221)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
DEPRECIATION/AMORTIZATION	193	9	131	163
CHANGES IN ASSETS AND LIABILITIES:				
(INCREASE)DECREASE IN ACCOUNTS RECEIVABLE	(47)	(8)	56	6
(INCREASE)DECREASE IN PREPAYMENTS	1	--	--	--
(INCREASE)DECREASE IN INVENTORIES	49	(1)	--	--
(INCREASE)DECREASE IN OTHER ASSETS	--	--	--	(38)
INCREASE(DECREASE) IN ACCOUNTS PAYABLE AND ACCRUALS	52	(8)	(27)	--
INCREASE(DECREASE) IN COMPENSATED ABSENCES PAYABLE	31	(1)	(48)	--
INCREASE(DECREASE) IN DEFERRED REVENUES	--	--	--	--
INCREASE(DECREASE) IN OPEB PAYABLE	936	62	--	--
INCREASE(DECREASE) IN OTHER LIABILITIES	--	--	--	32
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 786</u>	<u>\$ 24</u>	<u>\$ 70</u>	<u>\$ (58)</u>

(Continued)

State of Louisiana

	LOUISIANA OFFICE BUILDING CORPORATION	OFFICE FACILITIES CORPORATION	OFFICE OF AIRCRAFT SERVICES	OFFICE OF TELECOMMUNICATIONS MANAGEMENT	TOTAL INTERNAL SERVICE FUNDS
\$	--	\$ 23,150	\$ 1,301	\$ 55,240	\$ 89,063
	(31)	(22,108)	(875)	(46,003)	(74,344)
	--	--	(343)	(8,398)	(11,948)
	16	--	--	--	--
	<u>(15)</u>	<u>1,042</u>	<u>83</u>	<u>839</u>	<u>2,771</u>
	--	--	--	--	(27,980)
	--	--	--	--	(27,980)
	--	--	--	--	23,852
	--	(17,310)	--	--	(22,645)
	--	(15,515)	--	--	(16,570)
	--	--	--	(678)	(837)
	--	--	--	(45)	(57)
	--	(1,308)	--	(340)	(1,706)
	--	32,825	--	--	45,577
	--	<u>(1,308)</u>	<u>--</u>	<u>(1,063)</u>	<u>27,614</u>
	--	(48,276)	--	--	(77,706)
	--	43,643	--	--	70,572
	14	4,573	13	127	5,133
	<u>14</u>	<u>(60)</u>	<u>13</u>	<u>127</u>	<u>(2,001)</u>
	(1)	(326)	96	(97)	404
	<u>486</u>	<u>1,245</u>	<u>169</u>	<u>3,906</u>	<u>7,676</u>
\$	<u>485</u>	<u>919</u>	<u>265</u>	<u>3,809</u>	<u>8,080</u>
\$	<u>--</u>	<u>1,570</u>	<u>(112)</u>	<u>(2,011)</u>	<u>(1,274)</u>
	--	25	1	1,017	1,539
	--	(508)	58	(417)	(860)
	(15)	(13)	--	--	(27)
	--	--	(12)	--	36
	--	--	--	--	(38)
	--	191	98	585	891
	--	--	2	39	23
	--	(223)	--	--	(223)
	--	--	48	1,626	2,672
	--	--	--	--	32
\$	<u>(15)</u>	<u>1,042</u>	<u>83</u>	<u>839</u>	<u>2,771</u>

State of Louisiana

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

2008

OFFICE OF TELECOMMUNICATIONS MANAGEMENT
DISPOSAL OF FIXED ASSETS

2

(Concluded)



State of Louisiana

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

PENSION TRUST FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE POLICE RETIREMENT SYSTEM	TEACHERS' RETIREMENT SYSTEM OF LOUISIANA	TOTAL JUNE 30, 2008
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 15,714	\$ 90,020	\$ 73	\$ 36,087	\$ 141,894
RECEIVABLES:					
EMPLOYER CONTRIBUTIONS	7,785	41,643	262	100,182	149,872
MEMBER CONTRIBUTIONS	3,270	15,846	191	57,452	76,759
INVESTMENT PROCEEDS	26,129	13,143	2,247	257,072	298,591
INTEREST AND DIVIDENDS	4,465	32,312	614	49,160	86,551
OTHER	33	2,294	--	11,781	14,108
TOTAL RECEIVABLES	41,682	105,238	3,314	475,647	625,881
INVESTMENTS (AT FAIR VALUE):					
SHORT TERM INVESTMENTS	91,705	434,204	9,762	624,681	1,160,352
U. S. GOVERNMENT AND AGENCY OBLIGATIONS	209,336	429,195	17,027	1,087,818	1,743,376
BONDS - DOMESTIC	212,643	903,633	89,843	980,802	2,186,921
BONDS - INTERNATIONAL	6,239	468,672	--	791,075	1,265,986
MARKETABLE SECURITIES - DOMESTIC	703,981	2,602,246	194,965	4,488,268	7,989,460
MARKETABLE SECURITIES - INTERNATIONAL	172,679	1,872,529	61,314	3,568,847	5,675,369
ALTERNATIVE INVESTMENTS	111,129	2,021,949	51,289	3,223,390	5,407,757
COLLATERAL HELD UNDER SECURITIES LENDING PROGRAM	210,822	1,786,522	27,101	1,063,676	3,088,121
OTHER	2,604	51,833	--	--	54,437
TOTAL INVESTMENTS	1,721,138	10,570,783	451,301	15,828,557	28,571,779
PROPERTY, PLANT AND EQUIPMENT:					
LAND	1,010	858	--	858	2,726
BUILDINGS AND IMPROVEMENTS	3,633	5,476	--	5,476	14,585
FURNITURE AND EQUIPMENT	433	15,864	122	4,187	20,606
LESS ACCUMULATED DEPRECIATION	(1,490)	(7,359)	(114)	(5,878)	(14,841)
TOTAL PROPERTY, PLANT AND EQUIPMENT	3,586	14,839	8	4,643	23,076
TOTAL ASSETS	1,782,120	10,780,880	454,696	16,344,934	29,362,630
LIABILITIES					
ACCOUNTS PAYABLE	1,531	14,119	836	9,085	25,571
INVESTMENT COMMITMENTS PAYABLE	56,743	20,294	2,127	255,395	334,559
OBLIGATIONS UNDER SECURITIES LENDING PROGRAM	210,822	1,786,522	27,101	1,063,676	3,088,121
OPEB PAYABLE	712	2,057	104	2,285	5,158
REFUNDS PAYABLE AND OTHER	70	--	--	18,243	18,313
TOTAL LIABILITIES	269,878	1,822,992	30,168	1,348,684	3,471,722
NET ASSETS HELD IN TRUST FOR EMPLOYEES' PENSION BENEFITS	\$ 1,512,242	\$ 8,957,888	\$ 424,528	\$ 14,996,250	\$ 25,890,908

(Schedule of Funding Progress - Note 6)

State of Louisiana

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

PENSION TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE POLICE RETIREMENT SYSTEM	TEACHERS' RETIREMENT SYSTEM OF LOUISIANA	TOTAL JUNE 30, 2008
ADDITIONS					
CONTRIBUTIONS:					
EMPLOYER	\$ 51,765	\$ 525,679	\$ 16,737	\$ 696,092	\$ 1,290,273
MEMBERS	21,399	192,412	4,609	323,678	542,098
TOTAL CONTRIBUTIONS	73,164	718,091	21,346	1,019,770	1,832,371
INVESTMENT INCOME:					
NET DECREASE IN FAIR VALUE OF INVESTMENTS	(121,441)	(667,843)	(31,510)	(1,172,799)	(1,993,593)
INTEREST AND DIVIDENDS	43,936	220,096	9,356	387,352	660,740
ALTERNATIVE INVESTMENT INCOME	3,306	124,150	--	40,521	167,977
LESS ALTERNATIVE INVESTMENT EXPENSES	--	(28,351)	--	(20,648)	(48,999)
SECURITIES LENDING INCOME	9,916	24,523	1,369	32,252	68,060
LESS SECURITIES LENDING EXPENSES	(8,617)	(14,028)	(1,199)	(24,535)	(48,379)
OTHER INVESTMENT INCOME (LOSS)	53	(52)	--	722	723
LESS INVESTMENT EXPENSE OTHER THAN ALTERNATIVE INVESTMENTS AND SECURITIES LENDING	(3,267)	(15,558)	(1,641)	(42,785)	(63,251)
NET INVESTMENT LOSS	(76,114)	(357,063)	(23,625)	(799,920)	(1,256,722)
OTHER INCOME	143	16,507	2,940	63,834	83,424
TOTAL ADDITIONS (DEDUCTIONS)	(2,807)	377,535	661	283,684	659,073
DEDUCTIONS					
RETIREMENT BENEFITS	133,620	718,303	33,321	1,383,381	2,268,625
REFUNDS OF CONTRIBUTIONS	3,123	32,149	508	35,071	70,851
ADMINISTRATIVE EXPENSES	4,705	19,101	572	17,166	41,544
DEPRECIATION EXPENSE	132	1,242	3	546	1,923
TOTAL DEDUCTIONS	141,580	770,795	34,404	1,436,164	2,382,943
DECREASE IN NET ASSETS	(144,387)	(393,260)	(33,743)	(1,152,480)	(1,723,870)
NET ASSETS HELD IN TRUST FOR EMPLOYEES' PENSION BENEFITS					
BEGINNING OF YEAR	1,656,629	9,351,148	458,271	16,148,730	27,614,778
END OF YEAR	\$ 1,512,242	\$ 8,957,888	\$ 424,528	\$ 14,996,250	\$ 25,890,908

State of Louisiana

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	DEBT SERVICE RESERVE FUND	ESCROW FUND	FREE SCHOOL FUND	FUTURE MEDICAL CARE FUND	INSURANCE TRUSTS
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 3,967	\$ 306,912	\$ 1,945	\$ 9,984	\$ 1,717
INVESTMENTS	--	108,998	21,226	--	63,705
RECEIVABLES	--	114,337	299	--	13,822
OTHER ASSETS	--	--	--	--	623
TOTAL ASSETS	\$ <u>3,967</u>	\$ <u>530,247</u>	\$ <u>23,470</u>	\$ <u>9,984</u>	\$ <u>79,867</u>
LIABILITIES					
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 3,967	\$ 402,432	\$ 23,470	\$ 9,984	\$ 79,762
OTHER LIABILITIES	--	127,815	--	--	105
TOTAL LIABILITIES	\$ <u>3,967</u>	\$ <u>530,247</u>	\$ <u>23,470</u>	\$ <u>9,984</u>	\$ <u>79,867</u>

	MISCEL- LANEOUS AGENCY FUNDS	NON-STATE ENTITIES OPEB	PAYROLL CLEARING FUND	REVER- SIONARY MEDICAL TRUST FUND	TOTAL JUNE 30, 2008
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 20,677	\$ 56,482	\$ 1,707	\$ 1,761	\$ 405,152
INVESTMENTS	--	--	--	--	193,929
RECEIVABLES	--	6,393	--	--	134,851
OTHER ASSETS	--	--	--	--	623
TOTAL ASSETS	\$ <u>20,677</u>	\$ <u>62,875</u>	\$ <u>1,707</u>	\$ <u>1,761</u>	\$ <u>734,555</u>
LIABILITIES					
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 20,677	\$ 49,574	\$ 1,707	\$ 1,761	\$ 593,334
OTHER LIABILITIES	--	13,301	--	--	141,221
TOTAL LIABILITIES	\$ <u>20,677</u>	\$ <u>62,875</u>	\$ <u>1,707</u>	\$ <u>1,761</u>	\$ <u>734,555</u>

State of Louisiana

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 2007	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2008
<u>DEBT SERVICE RESERVE FUND</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 3,955	\$ 19	\$ 7	\$ 3,967
TOTAL ASSETS	\$ 3,955	\$ 19	\$ 7	\$ 3,967
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 3,955	\$ 19	\$ 7	\$ 3,967
TOTAL LIABILITIES	\$ 3,955	\$ 19	\$ 7	\$ 3,967
<u>ESCROW FUND</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 240,986	\$ 1,089,000	\$ 1,023,074	\$ 306,912
INVESTMENTS	120,592	--	11,594	108,998
RECEIVABLES	130,705	114,337	130,705	114,337
TOTAL ASSETS	\$ 492,283	\$ 1,203,337	\$ 1,165,373	\$ 530,247
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 340,403	\$ 1,072,633	\$ 1,010,604	\$ 402,432
OTHER LIABILITIES	151,880	127,815	151,880	127,815
TOTAL LIABILITIES	\$ 492,283	\$ 1,200,448	\$ 1,162,484	\$ 530,247
<u>FREE SCHOOL FUND</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 1,774	\$ 11,770	\$ 11,599	\$ 1,945
INVESTMENTS	20,784	10,542	10,100	21,226
RECEIVABLES	385	299	385	299
TOTAL ASSETS	\$ 22,943	\$ 22,611	\$ 22,084	\$ 23,470
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 22,842	\$ 2,683	\$ 2,055	\$ 23,470
OTHER LIABILITIES	101	--	101	--
TOTAL LIABILITIES	\$ 22,943	\$ 2,683	\$ 2,156	\$ 23,470

(Continued)

State of Louisiana

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 2007	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2008
<u>FUTURE MEDICAL CARE FUND</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 9,757	\$ 515	\$ 288	\$ 9,984
TOTAL ASSETS	\$ 9,757	\$ 515	\$ 288	\$ 9,984
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 9,757	\$ 515	\$ 288	\$ 9,984
TOTAL LIABILITIES	\$ 9,757	\$ 515	\$ 288	\$ 9,984
 <u>INSURANCE TRUSTS *</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 2,150	\$ 18,103	\$ 18,536	\$ 1,717
INVESTMENTS	67,858	7,723	11,876	63,705
RECEIVABLES	16,365	4,328	6,871	13,822
OTHER ASSETS	634	3	14	623
TOTAL ASSETS	\$ 87,007	\$ 30,157	\$ 37,297	\$ 79,867
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 86,823	\$ 30,052	\$ 37,113	\$ 79,762
OTHER LIABILITIES	184	105	184	105
TOTAL LIABILITIES	\$ 87,007	\$ 30,157	\$ 37,297	\$ 79,867
* Balance July 1, 2007 as restated				
<u>MISCELLANEOUS AGENCY FUNDS</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 19,448	\$ 73,097	\$ 71,868	\$ 20,677
TOTAL ASSETS	\$ 19,448	\$ 73,097	\$ 71,868	\$ 20,677
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 19,448	\$ 73,097	\$ 71,868	\$ 20,677
TOTAL LIABILITIES	\$ 19,448	\$ 73,097	\$ 71,868	\$ 20,677
 <u>NON-STATE ENTITIES OPEB</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 38,856	\$ 151,019	\$ 133,393	\$ 56,482
RECEIVABLES	3,389	154,023	151,019	6,393
TOTAL ASSETS	\$ 42,245	\$ 305,042	\$ 284,412	\$ 62,875
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 29,043	\$ 154,023	\$ 133,492	\$ 49,574
OTHER LIABILITIES	13,202	133,492	133,393	13,301
TOTAL LIABILITIES	\$ 42,245	\$ 287,515	\$ 266,885	\$ 62,875

(Continued)

State of Louisiana

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 2007	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2008
<u>PAYROLL CLEARING FUND</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 1,358	\$ 2,788,653	\$ 2,788,304	\$ 1,707
TOTAL ASSETS	<u>\$ 1,358</u>	<u>\$ 2,788,653</u>	<u>\$ 2,788,304</u>	<u>\$ 1,707</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 1,358	\$ 2,788,653	\$ 2,788,304	\$ 1,707
TOTAL LIABILITIES	<u>\$ 1,358</u>	<u>\$ 2,788,653</u>	<u>\$ 2,788,304</u>	<u>\$ 1,707</u>
 <u>REVERSIONARY MEDICAL TRUST FUND</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 1,761	\$ --	\$ --	\$ 1,761
TOTAL ASSETS	<u>\$ 1,761</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,761</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 1,761	\$ --	\$ --	\$ 1,761
TOTAL LIABILITIES	<u>\$ 1,761</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,761</u>
 <u>TOTAL ALL AGENCY FUNDS</u>				
ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 320,045	\$ 4,132,176	\$ 4,047,069	\$ 405,152
INVESTMENTS	209,234	18,265	33,570	193,929
RECEIVABLES	150,844	272,987	288,980	134,851
OTHER ASSETS	<u>634</u>	<u>3</u>	<u>14</u>	<u>623</u>
TOTAL ASSETS	<u>\$ 680,757</u>	<u>\$ 4,423,431</u>	<u>\$ 4,369,633</u>	<u>\$ 734,555</u>
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	\$ 515,390	\$ 4,121,675	\$ 4,043,731	\$ 593,334
OTHER LIABILITIES	<u>165,367</u>	<u>261,412</u>	<u>285,558</u>	<u>141,221</u>
TOTAL LIABILITIES	<u>\$ 680,757</u>	<u>\$ 4,383,087</u>	<u>\$ 4,329,289</u>	<u>\$ 734,555</u>

(Concluded)

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR COMPONENT UNITS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	BOARDS AND COMMISSIONS	CAPITAL AREA HUMAN SERVICES DISTRICT	FLORIDA PARISHES HUMAN SERVICES AUTHORITY	GREATER BATON ROUGE PORT COMMISSION **	GREATER NEW ORLEANS EXPRESSWAY COMMISSION *	JEFFERSON PARISH HUMAN SERVICES AUTHORITY
ASSETS						
CURRENT ASSETS:						
CASH AND CASH EQUIVALENTS	\$ 3,170	\$ 4,256	\$ 839	\$ 2,424	\$ 2,709	\$ 7,234
INVESTMENTS	62	--	--	15,672	15,150	--
RECEIVABLES (NET)	333	1,834	366	926	180	1,280
AMOUNTS DUE FROM PRIMARY GOVERNMENT	--	4,326	2,245	--	--	563
DUE FROM FEDERAL GOVERNMENT	--	1,408	162	397	--	--
INVENTORIES	--	3,717	378	--	321	123
PREPAYMENTS	3	--	--	106	121	--
NOTES RECEIVABLE	--	--	--	--	--	--
OTHER CURRENT ASSETS	2	--	--	--	--	--
TOTAL CURRENT ASSETS	3,570	15,541	3,990	19,525	18,481	9,200
NONCURRENT ASSETS:						
RESTRICTED ASSETS:						
CASH	--	--	--	64	--	--
INVESTMENTS	--	--	--	825	25,239	--
RECEIVABLES (NET)	--	--	--	--	1,820	--
NOTES RECEIVABLE	--	--	--	--	--	--
INVESTMENTS	24,569	--	--	--	--	--
NOTES RECEIVABLE	--	--	--	--	--	--
CAPITAL ASSETS (NOTE 5)						
LAND	237	--	--	5,817	--	--
BUILDINGS AND IMPROVEMENTS (NET OF DEPRECIATION)	689	--	--	34,324	1,933	454
MACHINERY AND EQUIPMENT (NET OF DEPRECIATION)	206	398	214	1,511	3,996	531
INFRASTRUCTURE (NET OF DEPRECIATION)	--	--	--	8,365	99,492	--
CONSTRUCTION IN PROGRESS	--	--	--	2,815	--	--
OTHER NONCURRENT ASSETS	--	--	--	184	1,420	--
TOTAL NONCURRENT ASSETS	25,701	398	214	53,905	133,900	985
TOTAL ASSETS	\$ 29,271	\$ 15,939	\$ 4,204	\$ 73,430	\$ 152,381	\$ 10,185
LIABILITIES						
CURRENT LIABILITIES:						
ACCOUNTS PAYABLE AND ACCRUALS	\$ 312	\$ 3,264	\$ 1,345	\$ 1,222	\$ 1,068	\$ 1,955
AMOUNTS DUE TO PRIMARY GOVERNMENT	--	1,976	1,704	--	--	--
DUE TO FEDERAL GOVERNMENT	--	--	--	--	--	--
DEFERRED REVENUES	26	--	--	440	1,050	--
OTHER CURRENT LIABILITIES	205	8	2	181	1,424	634
CURRENT PORTION OF LONG-TERM LIABILITIES:						
COMPENSATED ABSENCES PAYABLE	23	441	288	--	--	--
CAPITAL LEASE OBLIGATIONS	--	--	--	--	--	3
NOTES PAYABLE	30	--	--	395	--	--
BONDS PAYABLE	--	--	--	--	1,958	--
OTHER LONG-TERM LIABILITIES	--	--	--	--	--	--
TOTAL CURRENT LIABILITIES	596	5,689	3,339	2,238	5,500	2,592
LONG-TERM LIABILITIES:						
NONCURRENT PORTION OF LONG-TERM LIABILITIES:						
COMPENSATED ABSENCES PAYABLE	199	736	458	--	1,214	877
CAPITAL LEASE OBLIGATIONS	--	--	--	--	--	--
ESTIMATED LIABILITY FOR CLAIMS	--	--	--	--	710	--
NOTES PAYABLE	61	--	--	6,194	--	--
BONDS PAYABLE	--	--	--	--	59,877	--
OPEB PAYABLE	480	3,838	1,511	--	--	2,764
OTHER LONG-TERM LIABILITIES	--	--	--	149	1,058	--
TOTAL LONG-TERM LIABILITIES	740	4,574	1,969	6,343	62,859	3,641
TOTAL LIABILITIES	1,336	10,263	5,308	8,581	68,359	6,233
NET ASSETS:						
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	1,041	398	214	46,242	43,586	982
RESTRICTED FOR:						
CAPITAL PROJECTS	--	--	--	--	--	--
DEBT SERVICE	--	--	--	313	--	--
OTHER PURPOSES	--	--	--	--	28,498	--
UNRESTRICTED	26,894	5,278	(1,318)	18,294	11,938	2,970
TOTAL NET ASSETS	27,935	5,676	(1,104)	64,849	84,022	3,952
TOTAL LIABILITIES AND NET ASSETS	\$ 29,271	\$ 15,939	\$ 4,204	\$ 73,430	\$ 152,381	\$ 10,185

* As of October 31, 2007.

** As of December 31, 2007.

(Continued)

State of Louisiana

KENNER NAVAL MUSEUM COMMISSION	LOUISIANA AGRICULTURAL FINANCE AUTHORITY	LOUISIANA CANCER RESEARCH CENTER	LOUISIANA ECONOMIC DEVELOPMENT CORPORATION	LOUISIANA HOUSING FINANCE AGENCY	LOUISIANA NAVAL WAR MEMORIAL COMMISSION **	LOUISIANA PUBLIC FACILITIES AUTHORITY **	METROPOLITAN HUMAN SERVICES DISTRICT
\$ 2	\$ 205	\$ 13,467	\$ 47,235	\$ 10,276	\$ 47	\$ 3,582	\$ 2,131
--	--	10,827	--	48,445	--	1,502	--
--	118	9,668	17,064	602	1	3,442	157
--	8,925	--	--	--	--	--	1,843
--	--	--	--	1,692	--	--	867
--	--	--	--	--	19	--	327
--	--	20	114	--	13	15	--
--	--	--	293	1,268	--	--	--
--	181	--	--	446	--	--	--
<u>2</u>	<u>9,429</u>	<u>33,982</u>	<u>64,706</u>	<u>62,729</u>	<u>80</u>	<u>8,541</u>	<u>5,325</u>
--	11,995	--	14,395	43,067	5	--	--
--	--	--	--	2,200	74	--	--
--	--	--	--	23,682	--	10,465	--
--	--	--	--	72,142	--	--	--
--	--	--	33,532	--	100	12,699	--
--	60,000	--	10,502	--	--	--	--
--	6,633	672	--	712	269	--	--
--	29,459	--	--	40,749	2,358	2	--
--	18,910	2,599	--	616	6	61	138
--	--	--	--	--	--	--	--
--	804	6,299	--	4,391	--	--	--
--	923	--	6,594	--	--	--	--
--	<u>128,724</u>	<u>9,570</u>	<u>65,023</u>	<u>187,559</u>	<u>2,812</u>	<u>23,227</u>	<u>138</u>
<u>\$ 2</u>	<u>\$ 138,153</u>	<u>\$ 43,552</u>	<u>\$ 129,729</u>	<u>\$ 250,288</u>	<u>\$ 2,892</u>	<u>\$ 31,768</u>	<u>\$ 5,463</u>
\$ --	\$ 1,202	\$ 2,228	\$ 1,357	\$ 1,802	\$ 56	\$ 417	\$ 3,279
--	59	--	--	--	--	--	779
--	--	--	--	23	--	--	--
--	31	--	--	98	7	--	--
--	3,707	--	--	--	--	--	--
--	--	--	22	566	--	--	308
--	113	--	--	--	--	--	--
--	6,400	--	--	--	--	96	--
--	2,582	--	--	1,451	--	--	--
--	--	--	--	7,857	--	--	--
--	<u>14,094</u>	<u>2,228</u>	<u>1,379</u>	<u>11,797</u>	<u>63</u>	<u>513</u>	<u>4,366</u>
--	--	--	--	--	28	--	508
--	83	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	7,193	--
--	88,727	--	--	42,722	--	--	--
--	--	--	--	1,480	--	--	--
--	--	--	1,635	--	--	--	--
--	<u>88,810</u>	<u>--</u>	<u>1,635</u>	<u>44,202</u>	<u>28</u>	<u>7,193</u>	<u>508</u>
--	<u>102,904</u>	<u>2,228</u>	<u>3,014</u>	<u>55,999</u>	<u>91</u>	<u>7,706</u>	<u>4,874</u>
--	20,518	9,570	--	40,039	2,633	63	138
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	315	--	14,395	95,870	79	--	--
<u>2</u>	<u>14,416</u>	<u>31,754</u>	<u>112,320</u>	<u>58,380</u>	<u>89</u>	<u>23,999</u>	<u>451</u>
<u>2</u>	<u>35,249</u>	<u>41,324</u>	<u>126,715</u>	<u>194,289</u>	<u>2,801</u>	<u>24,062</u>	<u>589</u>
<u>\$ 2</u>	<u>\$ 138,153</u>	<u>\$ 43,552</u>	<u>\$ 129,729</u>	<u>\$ 250,288</u>	<u>\$ 2,892</u>	<u>\$ 31,768</u>	<u>\$ 5,463</u>

State of Louisiana

COMBINING BALANCE SHEET

NONMAJOR COMPONENT UNITS

JUNE 30, 2008

(EXPRESSED IN THOUSANDS)

	MILLENNIUM PORT AUTHORITY	OTHER LEVEE DISTRICTS	ROAD HOME CORPORATION	SABINE RIVER AUTHORITY	WHITE LAKE PRESERVATION, INCORPORATED	TOTAL NONMAJOR COMPONENT UNITS
ASSETS						
CURRENT ASSETS:						
CASH AND CASH EQUIVALENTS	\$ 4	\$ 32,728	\$ 1,097	\$ 3,751	\$ 16	\$ 135,173
INVESTMENTS	--	68,711	--	--	--	160,369
RECEIVABLES (NET)	--	9,523	--	2,112	--	47,606
AMOUNTS DUE FROM PRIMARY GOVERNMENT	--	--	3,561	259	--	21,722
DUE FROM FEDERAL GOVERNMENT	--	--	--	--	--	4,526
INVENTORIES	--	33	--	--	--	4,918
PREPAYMENTS	--	236	--	--	--	628
NOTES RECEIVABLE	--	23	--	--	--	1,584
OTHER CURRENT ASSETS	--	49	--	--	--	678
TOTAL CURRENT ASSETS	4	111,303	4,658	6,122	16	377,204
NONCURRENT ASSETS:						
RESTRICTED ASSETS:						
CASH	--	823	--	2,206	--	72,555
INVESTMENTS	--	9,175	--	--	--	37,513
RECEIVABLES (NET)	--	--	--	--	--	35,967
NOTES RECEIVABLE	--	--	--	--	--	72,142
INVESTMENTS	--	1,140	--	--	--	72,040
NOTES RECEIVABLE	--	--	--	--	--	70,502
CAPITAL ASSETS (NOTE 5)						
LAND	--	6,631	158,590	1,430	--	180,991
BUILDINGS AND IMPROVEMENTS (NET OF DEPRECIATION)	--	4,652	--	31,488	--	146,108
MACHINERY AND EQUIPMENT (NET OF DEPRECIATION)	2	8,406	71	774	--	38,439
INFRASTRUCTURE (NET OF DEPRECIATION)	--	24,527	--	21,036	--	153,420
CONSTRUCTION IN PROGRESS	--	15,563	--	97	--	29,969
OTHER NONCURRENT ASSETS	--	3	--	860	--	9,984
TOTAL NONCURRENT ASSETS	2	70,920	158,661	57,891	--	919,630
TOTAL ASSETS	\$ 6	\$ 182,223	\$ 163,319	\$ 64,013	\$ 16	\$ 1,296,834
LIABILITIES						
CURRENT LIABILITIES:						
ACCOUNTS PAYABLE AND ACCRUALS	\$ --	\$ 4,104	\$ 4,574	\$ 654	\$ --	\$ 28,839
AMOUNTS DUE TO PRIMARY GOVERNMENT	--	--	--	--	--	4,518
DUE TO FEDERAL GOVERNMENT	--	--	--	--	--	23
DEFERRED REVENUES	--	115	--	44	--	1,811
OTHER CURRENT LIABILITIES	--	101	84	--	--	6,346
CURRENT PORTION OF LONG-TERM LIABILITIES:						
COMPENSATED ABSENCES PAYABLE	--	90	21	213	--	1,972
CAPITAL LEASE OBLIGATIONS	--	100	--	--	--	216
NOTES PAYABLE	--	--	--	--	--	6,921
BONDS PAYABLE	--	950	--	765	--	7,706
OTHER LONG-TERM LIABILITIES	--	760	--	84	--	8,701
TOTAL CURRENT LIABILITIES	--	6,220	4,679	1,760	--	67,053
LONG-TERM LIABILITIES:						
NONCURRENT PORTION OF LONG-TERM LIABILITIES:						
COMPENSATED ABSENCES PAYABLE	--	851	--	--	--	4,871
CAPITAL LEASE OBLIGATIONS	--	92	--	--	--	175
ESTIMATED LIABILITY FOR CLAIMS	--	1,793	--	--	--	2,503
NOTES PAYABLE	--	--	--	--	--	13,448
BONDS PAYABLE	--	6,805	--	4,505	--	202,636
OPEB PAYABLE	--	3,450	--	526	--	14,049
OTHER LONG-TERM LIABILITIES	--	--	--	--	--	2,842
TOTAL LONG-TERM LIABILITIES	--	12,991	--	5,031	--	240,524
TOTAL LIABILITIES	--	19,211	4,679	6,791	--	307,577
NET ASSETS:						
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	--	50,612	158,661	49,471	--	424,168
RESTRICTED FOR:						
CAPITAL PROJECTS	--	1,482	--	--	--	1,482
DEBT SERVICE	--	--	--	1,356	--	1,669
OTHER PURPOSES	--	425	--	--	--	139,582
UNRESTRICTED	6	110,493	(21)	6,395	16	422,356
TOTAL NET ASSETS	6	163,012	158,640	57,222	16	989,257
TOTAL LIABILITIES AND NET ASSETS	\$ 6	\$ 182,223	\$ 163,319	\$ 64,013	\$ 16	\$ 1,296,834

State of Louisiana

COMBINING STATEMENT OF ACTIVITIES

NONMAJOR COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2008

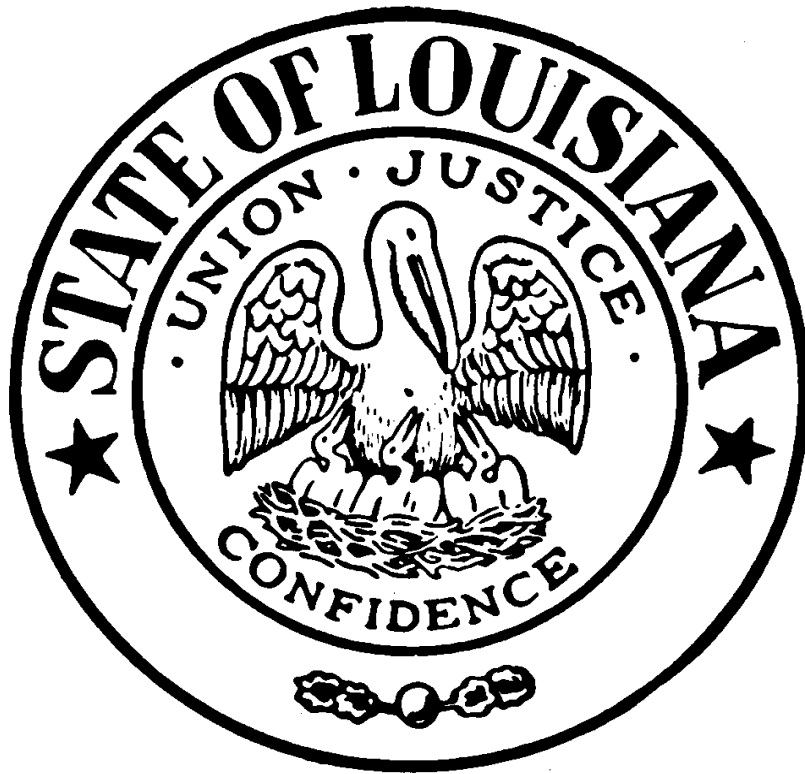
(EXPRESSED IN THOUSANDS)

	PROGRAM REVENUES				
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE
NONMAJOR COMPONENT UNITS:					
BOARDS AND COMMISSIONS	\$ 7,975	\$ 5,282	\$ --	\$ --	\$ (2,693)
CAPITAL AREA HUMAN SERVICES DISTRICT	39,207	2,802	--	--	(36,405)
FLORIDA PARISHES HUMAN SERVICES DISTRICT	21,901	313	--	--	(21,588)
GREATER BATON ROUGE PORT COMMISSION **	6,853	6,631	--	1,930	1,708
GREATER NEW ORLEANS EXPRESSWAY COMMISSION *	22,037	21,789	--	--	(248)
JEFFERSON PARISH HUMAN SERVICES AUTHORITY	34,321	1,481	9,687	--	(23,153)
KENNER NAVAL MUSEUM COMMISSION	1	--	--	--	(1)
LOUISIANA AGRICULTURAL FINANCE AUTHORITY	13,430	1,708	6,916	8	(4,798)
LOUISIANA CANCER RESEARCH CENTER	18,542	--	17,667	--	(875)
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION	22,374	868	--	--	(21,506)
LOUISIANA HOUSING FINANCE AGENCY	131,759	12,753	114,825	--	(4,181)
LOUISIANA NAVAL WAR MEMORIAL COMMISSION **	930	578	241	--	(111)
LOUISIANA PUBLIC FACILITIES AUTHORITY **	3,424	3,295	--	--	(129)
METROPOLITAN HUMAN SERVICES DISTRICT	33,188	666	--	--	(32,522)
MILLENNIUM PORT AUTHORITY	30	--	--	--	(30)
OTHER LEVEE DISTRICTS	35,753	49	1,524	7,016	(27,164)
ROAD HOME CORPORATION	15,278	--	15,328	150,090	150,140
SABINE RIVER AUTHORITY	8,172	8,764	--	--	592
WHITE LAKE PRESERVATION, INCORPORATED	2	--	--	--	(2)
TOTAL NONMAJOR COMPONENT UNITS	\$ 415,177	\$ 66,979	\$ 166,188	\$ 159,044	\$ (22,966)

	GENERAL REVENUES			NET ASSETS	
	PAYMENTS FROM PRIMARY GOVERNMENT	OTHER GENERAL REVENUES	CHANGE IN NET ASSETS	BEGINNING OF YEAR AS RESTATED	NET ASSETS END OF YEAR
NONMAJOR COMPONENT UNITS:					
BOARDS AND COMMISSIONS	\$ 225	\$ 2,121	\$ (347)	\$ 28,282	\$ 27,935
CAPITAL AREA HUMAN SERVICES DISTRICT	27,690	8,663	(52)	5,728	5,676
FLORIDA PARISHES HUMAN SERVICES DISTRICT	19,100	83	(2,405)	1,301	(1,104)
GREATER BATON ROUGE PORT COMMISSION **	--	902	2,610	62,239	64,849
GREATER NEW ORLEANS EXPRESSWAY COMMISSION *	--	13,154	12,906	71,116	84,022
JEFFERSON PARISH HUMAN SERVICES AUTHORITY	22,596	156	(401)	4,353	3,952
KENNER NAVAL MUSEUM COMMISSION	--	2	1	1	2
LOUISIANA AGRICULTURAL FINANCE AUTHORITY	--	2,144	(2,654)	37,903	35,249
LOUISIANA CANCER RESEARCH CENTER	--	1,541	666	40,658	41,324
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION	9,990	15,537	4,021	122,694	126,715
LOUISIANA HOUSING FINANCE AGENCY	25,000	36,181	57,000	137,289	194,289
LOUISIANA NAVAL WAR MEMORIAL COMMISSION **	--	8	(103)	2,904	2,801
LOUISIANA PUBLIC FACILITIES AUTHORITY **	--	2,297	2,168	21,894	24,062
METROPOLITAN HUMAN SERVICES DISTRICT	31,526	1,215	219	370	589
MILLENNIUM PORT AUTHORITY	--	--	(30)	36	6
OTHER LEVEE DISTRICTS	1,974	46,744	21,554	141,458	163,012
ROAD HOME CORPORATION	--	--	150,140	8,500	158,640
SABINE RIVER AUTHORITY	990	1,378	2,960	54,262	57,222
WHITE LAKE PRESERVATION, INCORPORATED	--	--	(2)	18	16
TOTAL NONMAJOR COMPONENT UNITS	\$ 139,091	\$ 132,126	\$ 248,251	\$ 741,006	\$ 989,257

* For the period ending October 31, 2007.

** For the period ending December 31, 2007.



III. STATISTICAL SECTION

Statistical Section Index

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how Louisiana's financial performance and well-being have changed over time.	178
Revenue Capacity These schedules contain information to help the reader assess Louisiana's most significant state revenue source, sales tax.	188
Debt Capacity 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.	190
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which Louisiana's financial activities take place.	197
Operating Information 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.	199

State of Louisiana

NET ASSETS BY COMPONENT LAST SEVEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
GOVERNMENTAL ACTIVITIES				
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	\$ 12,780,381	\$ 11,841,240	\$ 11,304,859	\$ 10,982,851
RESTRICTED	5,214,389	5,504,064	6,988,644	6,825,025
UNRESTRICTED	<u>682,749</u>	<u>379,890</u>	<u>(3,460,580)</u>	<u>(4,449,263)</u>
TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS	<u>\$ 18,677,519</u>	<u>\$ 17,725,194</u>	<u>\$ 14,832,923</u>	<u>\$ 13,358,613</u>
BUSINESS-TYPE ACTIVITIES				
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	\$ 19,755	\$ 22,290	\$ 22,353	\$ 20,251
RESTRICTED	1,572,760	1,476,729	1,407,337	1,547,700
UNRESTRICTED	<u>940,801</u>	<u>905,398</u>	<u>467,360</u>	<u>433,632</u>
TOTAL BUSINESS-TYPE ACTIVITIES NET ASSETS	<u>\$ 2,533,316</u>	<u>\$ 2,404,417</u>	<u>\$ 1,897,050</u>	<u>\$ 2,001,583</u>
PRIMARY GOVERNMENT				
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	\$ 12,800,136	\$ 11,863,530	\$ 11,327,212	\$ 11,003,102
RESTRICTED	6,787,149	6,980,793	8,395,981	8,372,725
UNRESTRICTED	<u>1,623,550</u>	<u>1,285,288</u>	<u>(2,993,220)</u>	<u>(4,015,631)</u>
TOTAL PRIMARY GOVERNMENT NET ASSETS	<u>\$ 21,210,835</u>	<u>\$ 20,129,611</u>	<u>\$ 16,729,973</u>	<u>\$ 15,360,196</u>

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

Source: Office of Statewide Reporting and Accounting Policy

State of Louisiana

<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 10,438,398	\$ 9,963,831	\$ 9,844,678
5,750,785	5,513,915	5,313,419
<u>(4,065,966)</u>	<u>(2,982,946)</u>	<u>(2,881,310)</u>
\$ <u>12,123,217</u>	\$ <u>12,494,800</u>	\$ <u>12,276,787</u>
\$ 21,512	\$ 22,036	\$ 46,716
1,573,788	1,602,480	1,648,089
<u>397,431</u>	<u>369,811</u>	<u>348,715</u>
\$ <u>1,992,731</u>	\$ <u>1,994,327</u>	\$ <u>2,043,520</u>
\$ 10,459,910	\$ 9,985,867	\$ 9,891,394
7,324,573	7,116,395	6,961,508
<u>(3,668,535)</u>	<u>(2,613,135)</u>	<u>(2,532,595)</u>
\$ <u>14,115,948</u>	\$ <u>14,489,127</u>	\$ <u>14,320,307</u>

State of Louisiana

CHANGES IN NET ASSETS LAST SEVEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
EXPENSES				
GOVERNMENTAL ACTIVITIES:				
GENERAL GOVERNMENT	\$ 8,693,766	\$ 7,492,929	\$ 4,806,262	\$ 2,655,471
CULTURE, RECREATION, AND TOURISM	148,178	100,246	66,927	69,415
TRANSPORTATION AND DEVELOPMENT	1,052,169	889,606	1,054,044	835,901
PUBLIC SAFETY	331,086	337,962	301,338	271,118
HEALTH AND WELFARE	8,615,435	7,626,096	7,412,815	7,458,289
CORRECTIONS	649,858	540,284	550,627	664,961
YOUTH SERVICES	165,840	121,335	116,975	--
CONSERVATION AND ENVIRONMENT	439,009	331,891	283,692	297,097
EDUCATION	6,871,321	6,085,878	5,514,318	5,310,194
OTHER	43,217	40,008	26,251	33,833
INTERGOVERNMENTAL	540,505	182,741	1,037,043	375,373
INTEREST ON LONG-TERM DEBT	297,201	296,223	230,976	216,750
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES	<u>27,847,585</u>	<u>24,045,199</u>	<u>21,401,268</u>	<u>18,188,402</u>
BUSINESS-TYPE ACTIVITIES:				
UNEMPLOYMENT TRUST FUND	189,095	185,308	823,987	264,458
NONMAJOR ENTERPRISE FUNDS	333,801	307,483	298,879	274,268
TOTAL BUSINESS-TYPE ACTIVITIES EXPENSES	<u>522,896</u>	<u>492,791</u>	<u>1,122,866</u>	<u>538,726</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 28,370,481</u>	<u>\$ 24,537,990</u>	<u>\$ 22,524,134</u>	<u>\$ 18,727,128</u>
PROGRAM REVENUES				
GOVERNMENTAL ACTIVITIES:				
CHARGES FOR SERVICES				
GENERAL GOVERNMENT	\$ 2,063,639	\$ 2,116,712	\$ 2,017,870	\$ 1,905,839
CULTURE, RECREATION, AND TOURISM	33,232	34,932	30,531	29,145
TRANSPORTATION AND DEVELOPMENT	222,756	197,283	79,099	136,642
PUBLIC SAFETY	306,615	273,481	276,020	271,052
HEALTH AND WELFARE	278,254	266,603	187,920	305,674
CORRECTIONS	32,553	41,657	33,926	33,407
YOUTH SERVICES	584	1,073	513	--
CONSERVATION AND ENVIRONMENT	1,046,365	841,171	653,286	647,685
EDUCATION	31,158	30,058	49,735	39,783
INTERGOVERNMENTAL	1,246	1,027	954	1,396
OPERATING GRANTS AND CONTRIBUTIONS	8,848,637	8,962,433	9,323,509	7,052,411
CAPITAL GRANTS AND CONTRIBUTIONS	5,405,015	3,964,479	978,072	520,376
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES	<u>18,270,054</u>	<u>16,730,909</u>	<u>13,631,435</u>	<u>10,943,410</u>
BUSINESS-TYPE ACTIVITIES:				
CHARGES FOR SERVICES				
UNEMPLOYMENT TRUST FUND	237,406	249,631	264,349	267,602
NONMAJOR ENTERPRISE FUNDS	468,369	447,678	422,489	385,309
OPERATING GRANTS AND CONTRIBUTIONS	2,695	3,800	419,438	7,104
CAPITAL GRANTS AND CONTRIBUTIONS	41,003	19,355	16,588	21,188
TOTAL BUSINESS-TYPE ACTIVITIES PROGRAM REVENUES	<u>749,473</u>	<u>720,464</u>	<u>1,122,864</u>	<u>681,203</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 19,019,527</u>	<u>\$ 17,451,373</u>	<u>\$ 14,754,299</u>	<u>\$ 11,624,613</u>

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

Source: Office of Statewide Reporting and Accounting Policy

(Continued)

State of Louisiana

2004	2003	2002
\$ 2,620,442	\$ 2,726,764	\$ 2,392,167
63,512	69,659	71,718
820,757	807,856	746,564
225,307	291,283	289,396
7,267,104	6,805,797	6,755,431
640,371	625,391	609,607
--	--	--
289,712	274,926	298,436
5,162,768	4,789,472	4,425,915
16,048	4,793	2,042
354,846	362,099	322,025
216,514	149,798	117,769
17,677,381	16,907,838	16,031,070
338,910	372,160	307,878
327,375	297,902	303,784
666,285	670,062	611,662
\$ 18,343,666	\$ 17,577,900	\$ 16,642,732
\$ 1,597,757	\$ 1,717,172	\$ 1,161,310
27,435	23,696	5,453
65,507	74,451	60,849
252,990	253,206	264,066
581,160	533,205	968,463
36,376	36,878	33,645
--	--	--
618,354	513,999	465,156
50,026	23,496	36,663
1,273	1,265	1,187
6,914,691	6,369,929	5,858,641
552,527	578,082	492,072
10,698,096	10,125,379	9,347,505
255,914	252,430	232,828
445,427	412,562	396,212
46,221	70,249	142,735
30,344	15,221	22,473
777,906	750,462	794,248
\$ 11,476,002	\$ 10,875,841	\$ 10,141,753

State of Louisiana

CHANGES IN NET ASSETS LAST SEVEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	<u>2008</u>		<u>2007</u>		<u>2006</u>		<u>2005</u>
NET (EXPENSE) REVENUE							
GOVERNMENTAL ACTIVITIES	\$ (9,577,531)	\$	(7,314,290)	\$	(7,769,833)	\$	(7,244,992)
BUSINESS-TYPE ACTIVITIES	226,577		227,673		(2)		142,477
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	<u>\$ (9,350,954)</u>	<u>\$</u>	<u>(7,086,617)</u>	<u>\$</u>	<u>(7,769,835)</u>	<u>\$</u>	<u>(7,102,515)</u>

GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS

GOVERNMENTAL ACTIVITIES:

TAXES							
INCOME TAXES	\$ 3,869,834	\$	4,140,496	\$	3,129,906	\$	3,030,085
SALES TAXES	3,147,604		3,059,073		3,108,824		2,483,101
FRANCHISE TAXES	233,789		299,602		262,392		276,891
GASOLINE TAXES, restricted	604,683		617,498		621,683		590,286
TOBACCO TAXES	96,314		104,051		96,872		105,476
MISCELLANEOUS TAXES	1,667,668		1,437,427		1,112,506		1,093,984
TOBACCO SETTLEMENT	64,294		61,016		50,102		57,249
GAMING	742,518		726,165		711,378		624,271
UNRESTRICTED INVESTMENT EARNINGS	(3,601)		6,071		25,739		4,127
MISCELLANEOUS	310		6,105		--		8,940
OTHER	141,410		13,337		23,924		14,148
EXTRAORDINARY ITEM - loss on impairment of capital assets	--		--		(24,464)		--
TRANSFERS	132,219		(270,126)		119,977		108,582
TOTAL GOVERNMENTAL ACTIVITIES	<u>10,697,042</u>		<u>10,200,715</u>		<u>9,238,839</u>		<u>8,397,140</u>

BUSINESS-TYPE ACTIVITIES:

OTHER	12,784		9,568		13,505		3,232
EXTRAORDINARY ITEM - gain (loss) on impairment of capital assets	--		--		186		--
TRANSFERS	(132,219)		270,126		(119,977)		(108,582)
TOTAL BUSINESS-TYPE ACTIVITIES	<u>(119,435)</u>		<u>279,694</u>		<u>(106,286)</u>		<u>(105,350)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 10,577,607</u>	<u>\$</u>	<u>10,480,409</u>	<u>\$</u>	<u>9,132,553</u>	<u>\$</u>	<u>8,291,790</u>

CHANGE IN NET ASSETS

GOVERNMENTAL ACTIVITIES	\$ 1,119,511	\$	2,886,425	\$	1,469,006	\$	1,152,148
BUSINESS-TYPE ACTIVITIES	107,142		507,367		(106,288)		37,127
TOTAL PRIMARY GOVERNMENT	<u>\$ 1,226,653</u>	<u>\$</u>	<u>3,393,792</u>	<u>\$</u>	<u>1,362,718</u>	<u>\$</u>	<u>1,189,275</u>

(Concluded)

State of Louisiana

<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ (6,979,285)	\$ (6,782,459)	\$ (6,683,565)
111,621	80,400	182,586
<u>\$ (6,867,664)</u>	<u>\$ (6,702,059)</u>	<u>\$ (6,500,979)</u>

\$ 2,457,114	\$ 2,022,765	\$ 2,054,025
2,455,444	2,489,153	2,605,908
181,044	187,447	247,471
559,274	446,706	481,562
102,231	82,217	128,570
942,950	903,328	1,010,102
58,987	66,234	1,135,519
596,693	578,152	547,695
28,518	76,586	99,150
18,682	114,379	63,613
--	786	49
--	--	--
<u>120,808</u>	<u>108,596</u>	<u>108,411</u>
<u>7,521,745</u>	<u>7,076,349</u>	<u>8,482,075</u>

4,824	8,297	22,803
--	--	--
<u>(120,808)</u>	<u>(108,596)</u>	<u>(108,411)</u>
<u>(115,984)</u>	<u>(100,299)</u>	<u>(85,608)</u>
<u>\$ 7,405,761</u>	<u>\$ 6,976,050</u>	<u>\$ 8,396,467</u>

\$ 542,460	\$ 293,890	\$ 1,798,510
(4,363)	(19,899)	96,978
<u>\$ 538,097</u>	<u>\$ 273,991</u>	<u>\$ 1,895,488</u>

State of Louisiana

FUND BALANCES, GOVERNMENTAL FUNDS LAST SEVEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
GENERAL FUND				
RESERVED	\$ 790,670	\$ 620,540	\$ 340,384	\$ 312,266
UNRESERVED	<u>840,256</u>	<u>1,157,981</u>	<u>442,346</u>	<u>264,185</u>
TOTAL GENERAL FUND	<u>\$ 1,630,926</u>	<u>\$ 1,778,521</u>	<u>\$ 782,730</u>	<u>\$ 576,451</u>
ALL OTHER GOVERNMENTAL FUNDS				
RESERVED	\$ 3,948,806	\$ 4,653,805	\$ 2,250,615	\$ 2,744,131
UNRESERVED, REPORTED IN:				
SPECIAL REVENUE FUNDS	4,634,052	4,256,788	3,383,163	2,880,995
DEBT SERVICE FUNDS	8,645	1,399	--	--
CAPITAL PROJECTS FUNDS	849	383	21	157
PERMANENT FUNDS	<u>1,309,646</u>	<u>1,258,805</u>	<u>1,209,392</u>	<u>1,207,338</u>
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>\$ 9,901,998</u>	<u>\$ 10,171,180</u>	<u>\$ 6,843,191</u>	<u>\$ 6,832,621</u>

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

Source: Office of Statewide Reporting and Accounting Policy

State of Louisiana

<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 298,138	\$ 327,878	\$ 424,998
<u>(10,998)</u>	<u>18,330</u>	<u>(33,953)</u>
\$ <u>287,140</u>	\$ <u>346,208</u>	\$ <u>391,045</u>
\$ 2,055,580	\$ 2,249,286	\$ 2,087,078
2,389,374	2,106,328	1,929,626
--	2,859	3,042
204	366	297
<u>1,140,736</u>	<u>1,128,191</u>	<u>1,032,244</u>
\$ <u>5,585,894</u>	\$ <u>5,487,030</u>	\$ <u>5,052,287</u>

State of Louisiana

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST SEVEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
REVENUES				
INTERGOVERNMENTAL REVENUES	\$ 14,192,359	\$ 13,389,561	\$ 9,727,962	\$ 7,669,450
TAXES	9,575,194	9,655,262	8,118,548	7,618,194
GAMING	746,993	730,812	715,446	628,757
TOBACCO SETTLEMENT	160,626	138,124	131,952	142,794
USE OF MONEY AND PROPERTY	1,516,763	1,242,707	710,240	849,292
LICENSES, PERMITS, AND FEES	629,226	604,204	588,034	592,363
SALES OF COMMODITIES AND SERVICES	1,067,478	1,074,537	1,320,721	983,254
OTHER	542,653	587,956	437,717	576,553
TOTAL REVENUES	<u>28,431,292</u>	<u>27,423,163</u>	<u>21,750,620</u>	<u>19,060,657</u>
EXPENDITURES				
GENERAL GOVERNMENT	8,172,304	6,473,720	4,373,467	2,300,964
CULTURE, RECREATION, AND TOURISM	129,615	92,220	61,264	64,548
TRANSPORTATION AND DEVELOPMENT	433,359	385,408	350,486	356,665
PUBLIC SAFETY	290,245	321,763	303,951	272,785
HEALTH AND WELFARE	8,330,132	7,564,017	7,386,464	7,408,900
CORRECTIONS	606,876	535,772	542,143	651,974
YOUTH SERVICES	155,475	120,926	115,369	--
CONSERVATION AND ENVIRONMENT	324,512	274,861	235,235	244,059
EDUCATION	6,587,432	5,940,907	5,253,731	5,077,793
OTHER	296,703	264,145	211,181	220,012
INTERGOVERNMENTAL	674,639	572,363	850,151	477,374
CAPITAL OUTLAY	2,254,867	1,696,915	1,621,367	1,184,140
DEBT SERVICE:				
PRINCIPAL RETIREMENT	233,460	214,559	131,835	212,956
INTEREST AND FISCAL CHARGES	297,543	296,431	231,146	216,152
TOTAL EXPENDITURES	<u>28,787,162</u>	<u>24,754,007</u>	<u>21,667,790</u>	<u>18,688,322</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(355,870)	2,669,156	82,830	372,335
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	20,460,820	20,778,329	17,110,073	14,846,799
TRANSFERS OUT	(20,328,601)	(21,048,455)	(16,990,096)	(14,735,078)
PAYMENTS TO REFUNDED BOND ESCROW AGENT	(71,593)	--	--	(710,543)
LONG-TERM DEBT ISSUED	74,129	1,927,456	--	1,807,149
OTHER	11,081	4,681	4,534	(58,430)
TOTAL OTHER FINANCING SOURCES (USES)	<u>145,836</u>	<u>1,662,011</u>	<u>124,511</u>	<u>1,149,897</u>
NET CHANGES IN FUND BALANCES	<u>\$ (210,034)</u>	<u>\$ 4,331,167</u>	<u>\$ 207,341</u>	<u>\$ 1,522,232</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	2.1%	2.3%	1.9%	2.5%

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

Source: Office of Statewide Reporting and Accounting Policy

State of Louisiana

	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$	7,313,906	\$ 6,824,065	\$ 6,237,834
	6,719,543	6,292,535	6,546,634
	601,762	582,795	552,734
	141,653	66,234	1,135,519
	557,457	827,233	565,457
	568,391	546,596	534,581
	905,207	910,719	759,136
	889,689	773,508	1,191,539
	<u>17,697,608</u>	<u>16,823,685</u>	<u>17,523,434</u>
	2,172,105	2,121,596	1,872,348
	60,370	60,647	59,745
	330,164	323,289	303,177
	256,403	221,504	223,170
	7,061,555	6,625,988	6,704,422
	623,629	611,685	594,467
	--	--	--
	240,743	234,402	219,965
	4,929,255	4,674,987	4,335,452
	210,800	167,133	233,735
	445,930	447,504	400,549
	1,126,958	1,159,534	1,009,660
	247,278	352,402	248,329
	206,990	152,569	115,544
	<u>17,912,180</u>	<u>17,153,240</u>	<u>16,320,563</u>
	(214,572)	(329,555)	1,202,871
	13,211,047	12,737,089	14,067,966
	(13,090,239)	(12,628,493)	(13,959,551)
	--	--	--
	--	588,684	296,825
	2,475	3,654	8,093
	<u>123,283</u>	<u>700,934</u>	<u>413,333</u>
\$	<u>(91,289)</u>	<u>371,379</u>	<u>1,616,204</u>
	2.8%	3.2%	2.4%

State of Louisiana

TAXABLE SALES BY CATEGORY LAST TEN CALENDAR YEARS

(IN THOUSANDS)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
RETAIL SALES	\$ 66,779	\$ *	\$ 56,638	\$ 52,810	\$ 50,074
BEVERAGE STORES	6,378	*	6,374	6,663	6,190
EATING AND DRINKING ESTABLISHMENTS	6,438	*	5,846	5,425	5,079
GENERAL MERCHANDISE	10,358	*	9,548	8,906	8,440
HOME FURNISHINGS	1,450	*	1,920	1,818	1,659
AUTO DEALERS AND SUPPLIES	13,836	*	12,522	12,409	12,140
TOTALS	\$ <u>105,239</u>	\$ <u>--</u>	\$ <u>92,848</u>	\$ <u>88,031</u>	\$ <u>83,582</u>
STATE DIRECT SALES TAX RATE	4%	4%	4%	4%	4%

*Information not available

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
RETAIL SALES	\$ 48,311	\$ 49,918	\$ 47,947	\$ 41,200	\$ 39,122
BEVERAGE STORES	6,370	6,519	6,383	7,518	7,289
EATING AND DRINKING ESTABLISHMENTS	4,854	4,874	4,552	3,985	3,747
GENERAL MERCHANDISE	7,390	7,626	7,352	6,272	5,971
HOME FURNISHINGS	1,494	1,705	1,720	1,664	1,566
AUTO DEALERS AND SUPPLIES	12,833	13,612	13,505	10,641	9,993
TOTALS	\$ <u>81,252</u>	\$ <u>84,254</u>	\$ <u>81,459</u>	\$ <u>71,280</u>	\$ <u>67,688</u>
STATE DIRECT SALES TAX RATE	4%	4%	4%	4%	4%

Source: Louisiana Department of Economic Development and the
2008 Survey of Buying Power publication

State of Louisiana

SALES TAX RATES LAST TEN YEARS

<u>YEAR</u>	<u>TANGIBLE PERSONAL PROPERTY</u>	<u>COMMUNICATIONS</u>	<u>COMMERCIAL UTILITIES</u>	<u>HOME UTILITIES</u>
2008	4.0 %	3.0 %	3.3 - 3.8 %	4.0 %
2007	4.0	3.0	3.3 - 3.8	4.0
2006	4.0	3.0	3.3 - 3.8	4.0
2005	4.0	3.0	3.8	0.0
2004	4.0	3.0	3.8	0.0
2003	4.0	3.0	4.0	3.9
2002	4.0	3.0	4.0	4.0
2001	4.0	3.0	4.0	4.0
2000	4.0	3.0	3.0	3.0
1999	4.0	3.0	3.0	3.0

Source: Louisiana Department of Revenue and Taxation

State of Louisiana

TAX RATE BY MAJOR SOURCES OF REVENUE

TAX TYPE	COLLECTION UNIT	RATE/DESCRIPTION
<u>Alcoholic Beverage Taxes</u>		
Beer Tax	Department of Revenue	\$10 per 31-gallon barrel. This includes all alcoholic beverages with alcohol content of 6% or less.
Liquor and Wine Tax	Department of Revenue	\$0.66 per liter on liquor; \$0.42 per liter on sparkling wine and still wines with alcoholic content more than 24%; \$0.03 per liter on still wine with alcoholic content not more than 14%; \$0.06 per liter on still wine with alcoholic content over 14% but not more than 24%.
<u>Corporation Franchise Tax</u>		
	Department of Revenue	The tax is currently assessed on the taxable base at the rate of \$1.50 per \$1,000 on the first \$300,000 and \$3.00 per \$1,000 over \$300,000. The minimum amount of tax paid by a corporation is \$10 per year.
<u>Gasoline Tax</u>		
	Department of Revenue	\$0.20 per gallon. Petroleum Products Testing Fee – the fee for testing the quality and quantity of petroleum products is 1/32 cent per gallon, which was collected through August 31, 2003. Effective September 1, 2003, the fee was raised to 4/32 cents per gallon.
<u>Hazardous Liquid Pipeline Tax</u>		
	Department of Natural Resources	Annual user fee of \$22.40 per mile, or fraction thereof, of hazardous liquids pipeline operated.
<u>Hazardous Waste Disposal Tax</u>		
	Department of Revenue	\$30 per dry-weight ton for waste disposed of on-site, \$40 per dry-weight ton for waste disposed of off-site from where generated, and \$100 per dry-weight ton on extremely hazardous waste disposed of in Louisiana.
<u>Income Tax</u>		
Corporate Income Tax	Department of Revenue	4% on the first \$25,000 of net taxable income; 5% on the next \$25,000; 6% on the next \$50,000; 7% on the next \$100,000; and 8% on all net taxable income in excess of \$200,000.
Individual Income Tax	Department of Revenue	For taxable periods beginning after December 31, 2002, the rate of tax for taxpayers filing as single, married filing separately, or head of household is: 2% on the first \$12,500; 4% on the next \$12,500, and 6% on the taxable income above \$25,000. Married persons filing a joint return or qualifying surviving spouse are taxed at the following rates: 2% on the first \$25,000; 4% on the next \$25,000; and 6% on the taxable income above \$50,000. The combined personal exemption and standard deduction is \$4,500 for single individuals and married persons filing separately; \$9,000 for married couples filing jointly, qualified surviving spouses, and heads of households. A dependency deduction of \$1,000 is allowed for each dependent, each taxpayer and/or spouse who is 65 years of age or older, and for each taxpayer and/or spouse who is blind.
<u>Inheritance Tax</u>		
	Department of Revenue	<p>A. Inheritances of a surviving spouse are totally exempt from the tax.</p> <p>B. Inheritances are taxed on all amounts that exceed the following exemption per heir or legatee: Class A (lineal descendants and ascendants), \$25,000; Class B (collateral relationships such as brothers and sisters and their descendants), \$1,000; Class C (nonrelated), \$500. The tax rate for Class A is two percent of the first \$20,000 of taxable value and three percent of amounts over \$20,000 of taxable value. Class B is taxed at five percent of the first \$20,000 of taxable value and at seven percent of amounts over \$20,000 of taxable value. Class C is taxed at five percent of the first \$5,000 of taxable value and at 10 percent of amounts over \$5,000 of taxable value.</p> <p>C. For deaths occurring after June 30, 1998 and before July 1, 2001, the tax rates were reduced by eighteen percent; for deaths occurring after June 30, 2001, and before July 1, 2002, the tax rate shall be reduced by forty percent; for deaths occurring after June 30, 2002 and before July 1, 2003, the tax rates shall be reduced by sixty percent; for deaths occurring after June 30, 2003, and before July 1, 2004, the tax rates shall be reduced by eighty percent; and for deaths occurring after June 30, 2004, the tax shall not apply when judgment of possessions is rendered or when the succession is judicially opened no later than the last day of the ninth month following the death of the decedent.</p>
<u>Insurance Excise License Tax</u>		
	Department of Insurance	<p>A. The tax rate for life, accident, health and service is \$140 for annual premiums up to \$7,000 and \$225 for each additional \$10,000 or fraction thereof.</p> <p>B. The rate for fire, marine, transportation and casualty and surety is \$185 for annual premiums up to \$6,000 and \$300 for each additional \$10,000 or fraction thereof.</p>

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TAX TYPE	COLLECTION UNIT	RATE/DESCRIPTION
<u>Mineral Resources - Royalties and Bonuses</u>	Department of Natural Resources	These are not taxes. However, all oil and gas leases provide for a bonus, which is bid on at the time the lease is given. Leasehold payments contained within the lease form, such as "delay rentals," "in-lieu royalty," and "deferred development" payments, and royalty which is bid on at the lease sale cannot, by statutory law, be less than 1/8th of the value of production. Mineral leases for solid mineral, such as sulfur, potash, salt, or lignite, provide for a royalty based on tonnage production at a market price paid per ton.
<u>Motor Vehicle - Licenses and Fees</u>	Department of Public Safety	<p>A. The minimum vehicle registration license tax is \$20 biannually for private passenger vehicles purchased before January 1, 1990. If purchased after January 1, 1990, the registration is based on the value of the vehicle – .1% of the value of the vehicle per year; with a minimum base of \$10,000. The license plates are sold in two-year increments; therefore, the minimum price is \$20.00. The registration fee is \$40 (four-year increments) for trucks up to 6,000 pounds and the fees vary annually for trucks over 6,000 pounds depending on the use and the gross axle weight (usually from \$10 to \$480).</p> <p>B. Driver's license fees range from \$13.50 to \$36.00 for four years for drivers of private vehicles. Other driver's license fees may vary.</p> <p>C. A fee not to exceed \$3 per service or transaction, at a local field office, enacted by LRS 32:429, is used solely to defray cost of operations of that office not fully funded by the State.</p>
<u>Natural Gas Franchise</u>	Department of Revenue	1% of the gross receipts from the operation of franchises or charters in the State.
<u>Sales Tax</u>	Department of Revenue	4% sales tax is collected on the sale, use, consumption, distribution, or storage for use or consumption of any tangible personal property, on retail sales, leases, and rentals, and on <u>certain</u> sales of services including repairs of tangible personal property; 3% aggregate sales tax is collected on intrastate telecommunications and certain prepaid telephone services; effective April 1, 2004, the sales tax rate on interstate telecommunication services was reduced to 2%. Most statutory exemptions have been partially and temporarily suspended from July 1, 1986, through June 30, 2009, and are currently taxed at the suspended rate of 4% except for sales of electricity, water, natural gas and steam for other than residential use. For the period January 1, 2006, to June 30, 2009, sale for nonresidential purposes of natural gas for energy and electric power will be subject to a suspended rate of 3.3 percent. Sales of steam and water for nonresidential use will continue to be taxed at the suspended rate of 3.8 percent.
<u>Severance Tax</u>	Department of Revenue	<p>A. The tax on oil/condensate is based on the value. The full rate of oil/condensate is 12.5% of the value. The incapable oil rate is 6.25% of the value. The stripper oil rate is 3 1/8% of the value. Stripper oil is exempt as long as the average value is less than \$20 per barrel.</p> <p>B. The severance tax on natural gas is based on per thousand cubic feet. The full rate is adjusted annually on July 1, and may never be less than 7 cents per thousand cubic feet. As of July 1, 2007, the full rate is \$0.269 per thousand cubic feet at 15.025 pounds per square inch absolute. The rate on incapable oil well gas is \$0.03 per thousand cubic feet. The rate on incapable gas well gas is \$0.013 per thousand cubic feet.</p> <p>C. The tax rate on sulfur is \$1.03 per long-ton (2,240 pounds).</p> <p>D. The tax rate on salt is \$0.06 per ton.</p> <p>E. The tax rates on timber are 2.25% of stumpage value and 5% of stumpage value of pulpwood.</p> <p>F. The tax rate on shell and sand is \$0.06 per ton.</p> <p>G. The tax rate on stone is \$0.03 per ton.</p> <p>H. The tax rate on lignite is \$0.12 per ton.</p> <p>I. The tax rate on marble is \$0.20 per ton.</p>
<u>Special Fuels Tax</u>	Department of Revenue	The tax on special fuels is levied at a rate of \$0.20 per gallon on motor fuels other than gasoline. It is subject to the Petroleum Products Testing Fee of 4/32 cents per gallon effective September 1, 2003.
<u>Surface Mining and Reclamation Fee</u>	Department of Revenue	The fee on coal and lignite mined in Louisiana is \$0.08 per ton.
<u>Tobacco Tax</u>	Department of Revenue	An excise tax is imposed on the first dealer who handles a tobacco product in the State. Cigars invoiced up to \$120 per thousand are taxed at 8% of the manufacturer's net invoice price, whereas cigars invoiced over \$120 per thousand are taxed at 20% on the net invoice price. The tax rate on smoking tobacco is computed at 33% of the invoice price to wholesalers. The tax rate on smokeless tobacco is 20% of the invoice price. The tax rate on cigarettes is \$0.018 per cigarette.
<u>Transportation and Communications Utilities Tax</u>	Department of Revenue	2% of the gross receipts from intrastate business.

State of Louisiana

LEGAL DEBT MARGIN AND DEBT LIMITATIONS LAST TEN FISCAL YEARS

(EXPRESSED IN THOUSANDS)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
LEGAL DEBT MARGIN				
BOND AUTHORIZATION LIMITATION	\$ 26,233,962	\$ 24,443,616	\$ 22,239,690	\$ 20,693,990
TOTAL NET DEBT APPLICABLE TO LIMITATION	<u>2,233,980</u>	<u>2,383,665</u>	<u>2,038,810</u>	<u>2,121,610</u>
LEGAL DEBT MARGIN	<u>\$ 23,999,982</u>	<u>\$ 22,059,951</u>	<u>\$ 20,200,880</u>	<u>\$ 18,572,380</u>
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	8.52%	9.75%	9.16%	10.25%

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2008

BSRF REVENUES (3 YEARS)	\$ 39,350,943
DEBT LIMIT CALCULATION (Revenues divided by 3 times 2)	26,233,962
DEBT APPLICABLE TO LIMIT: GENERAL OBLIGATION BONDS	<u>2,233,980</u>
LEGAL DEBT MARGIN	<u>\$ 23,999,982</u>

TAX-SUPPORTED DEBT LIMITATION

ESTIMATED GENERAL FUND AND DEDICATED FUND REVENUE PER REVENUE ESTIMATING	\$ 10,470,000	\$ 8,949,200	\$ 9,005,330	\$ 8,325,500
PERCENTAGE ESTABLISHED PER LRS 39:1367	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>
NET STATE TAX-SUPPORTED DEBT LIMIT	<u>628,200</u>	<u>536,952</u>	<u>540,320</u>	<u>499,530</u>
TOTAL NET STATE TAX-SUPPORTED DEBT PAID	<u>\$ 425,828</u>	<u>\$ 432,818</u>	<u>\$ 289,724</u>	<u>\$ 348,715</u>
PERCENTAGE OF ESTIMATED GENERAL FUND AND DEDICATED FUND REVENUES PER REVENUE ESTIMATING	4.07%	4.84%	3.22%	4.19%

GENERAL OBLIGATION DEBT LIMITATION

THREE YEAR AVERAGE BOND SECURITY REVENUES	\$ 13,116,981	\$ 12,221,817	\$ 11,119,845	\$ 10,346,995
PERCENTAGE DEBT LIMITATION	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>
GENERAL OBLIGATION DEBT LIMITATION	<u>1,311,698</u>	<u>1,222,182</u>	<u>1,111,985</u>	<u>1,034,700</u>
HIGHEST CURRENT OR FUTURE ANNUAL GENERAL OBLIGATION DEBT SERVICE REQUIREMENT	<u>\$ 265,766</u>	<u>\$ 266,212</u>	<u>\$ 240,685</u>	<u>\$ 240,685</u>
PERCENTAGE OF THE GENERAL OBLIGATION DEBT SERVICE REQUIREMENT	20.26%	21.78%	21.64%	23.26%

State of Louisiana

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 20,742,360	\$ 20,458,126	\$ 19,585,399	\$ 17,373,270	\$ 16,046,056	\$ 15,501,084
1,846,790	2,010,977	2,000,590	1,941,026	1,759,655	1,761,745
\$ 18,895,570	\$ 18,447,149	\$ 17,584,809	\$ 15,432,244	\$ 14,286,401	\$ 13,739,339
8.90%	9.83%	10.21%	11.18%	10.97%	11.37%

\$ 7,889,700	\$ 7,837,100	\$ 7,858,900	\$ 7,556,100	\$ 7,222,100	\$ 6,902,100
6.00%	6.50%	6.40%	6.60%	7.00%	9.00%
473,382	509,412	502,970	498,703	505,547	621,189
\$ 373,134	\$ 479,909	\$ 368,921	\$ 311,714	\$ 165,751	\$ 266,927
4.73%	6.13%	4.70%	4.13%	2.30%	3.87%

\$ 10,371,180	\$ 10,229,060	\$ 9,792,696	\$ 8,686,635	\$ 8,023,028	\$ 7,750,542
10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
1,037,118	1,022,906	979,270	868,664	802,303	775,054
\$ 264,601	\$ 268,395	\$ 286,909	\$ 309,553	\$ 281,709	\$ 281,709
25.51%	26.24%	29.30%	35.64%	35.11%	36.35%

State of Louisiana

REVENUE BOND COVERAGE LAST TEN FISCAL YEARS

(EXPRESSED IN THOUSANDS EXCEPT COVERAGE RATIO)

	FISCAL YEAR ENDED JUNE 30	GROSS REVENUE	DIRECT OPERATING EXPENSES	AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	ANNUAL DEBT SERVICE	COVERAGE RATIO
PRIMARY GOVERNMENT:								
PUBLIC FACILITIES BONDS:								
Louisiana Correctional Facilities Corporation	2008	\$ 1,055	\$ 58	\$ 997	\$ 5,335	\$ 1,055	\$ 6,390	0.16
	2007	1,081	147	934	5,075	857	5,932	0.16
	2006	1,271	161	1,110	4,840	1,097	5,937	0.19
	2005	1,474	34	1,440	4,610	1,326	5,936	0.24
	2004	3,413	904	2,509	4,410	1,526	5,936	0.42
	2003	9,967	133	9,834	38,705	2,524	41,229	0.24
	2002	5,766	53	5,713	15,290	2,304	17,594	0.32
	2001	6,523	28	6,495	14,315	3,093	17,408	0.37
	2000	121	1,420	(1,299)	13,435	3,805	17,240	(0.08)
	1999	246	3,078	(2,832)	12,645	4,444	17,089	(0.17)
Louisiana Office Building Corporation *	2008	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	--
	2007	--	--	--	--	--	--	--
	2006	--	--	--	--	--	--	--
	2005	--	--	--	--	--	--	--
	2004	--	--	--	--	--	--	--
	2003	--	--	--	--	--	--	--
	2002	--	--	--	--	--	--	--
	2001	--	--	--	--	--	--	--
	2000	274	89	185	130	6	136	1.36
	1999	360	60	300	585	34	619	0.48
Louisiana Office Facilities Corporation	2008	\$ 43,627	\$ 22,091	\$ 21,536	\$ 17,310	\$ 15,515	\$ 32,825	0.66
	2007	43,997	20,975	23,022	16,580	16,242	32,822	0.70
	2006	32,529	13,411	19,118	11,680	16,854	28,534	0.67
	2005	33,618	15,555	18,063	11,160	17,364	28,524	0.63
	2004	30,975	21,433	9,542	10,700	15,415	26,115	0.37
	2003	22,844	11,952	10,892	6,775	13,001	19,776	0.55
	2002	19,592	7,267	12,325	6,500	14,360	20,860	0.59
	2001	11,421	3,267	8,154	1,075	8,444	9,519	0.86
	2000	9,024	3,250	5,774	820	5,651	6,471	0.89
	1999	3,278	3,634	(356)	670	1,025	1,695	(0.21)
COMPONENT UNITS:								
HOUSING LOAN BONDS:								
Louisiana Housing Finance Authority	2008	\$ 17,807	\$ 12,284	\$ 5,523	\$ 12,390	\$ 4,055	\$ 16,445	0.34
	2007	21,931	10,405	11,526	21,140	2,795	23,935	0.48
	2006	18,716	12,599	6,117	39,965	2,843	42,808	0.14
	2005	14,398	7,494	6,904	4,005	4,299	8,304	0.83
	2004	11,956	7,967	3,989	1,625	604	2,229	1.79
	2003	13,630	6,445	7,185	465	569	1,034	6.95
INFRASTRUCTURE BONDS:								
Greater Baton Rouge Port Commission **	2008	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	--
	2007	--	--	--	--	--	--	--
	2006	--	--	--	--	--	--	--
	2005	4,980	4,919	61	320	433	753	0.08
	2004	4,827	4,025	802	300	455	755	1.06
	2003	5,280	3,850	1,430	285	477	762	1.88
	2002	6,391	4,136	2,255	270	499	769	2.93
	2001	4,899	3,217	1,682	260	520	780	2.16
	2000	4,154	2,849	1,305	2,730	375	3,105	0.42
	1999	4,025	3,216	809	400	119	519	1.56
Greater New Orleans Expressway Commission	2008	\$ 23,771	\$ 14,028	\$ 9,743	\$ 1,835	\$ 2,886	\$ 4,721	2.06
	2007	20,402	15,235	5,167	1,760	2,981	4,741	1.09
	2006	14,276	10,925	3,351	1,750	3,013	4,763	0.70
	2005	16,090	11,024	5,066	1,230	1,961	3,191	1.59
	2004	15,934	8,935	6,999	650	3,709	4,359	1.61
	2003	15,130	8,275	6,855	5,795	3,867	9,662	0.71
	2002	17,314	8,051	9,263	--	4,014	4,014	2.31
	2001	582	381	201	2,685	4,147	6,832	0.03
	2000	769	438	331	1,985	3,795	5,780	0.06
	1999	587	952	(365)	1,895	3,612	5,507	(0.07)

* Bonds paid off in fiscal year 2000.

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

Source: Office of Statewide Reporting and Accounting Policy

State of Louisiana

	FISCAL YEAR ENDED JUNE 30	GROSS REVENUE	DIRECT OPERATING EXPENSES	AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	ANNUAL DEBT SERVICE	COVERAGE RATIO
Levee Districts	2008	\$ 59,394	\$ 27,927	\$ 31,467	\$ 7,010	\$ 3,300	\$ 10,310	3.05
	2007	15,654	22,937	(7,283)	6,430	3,846	10,276	(0.71)
	2006	12,734	27,526	(14,792)	5,970	3,948	9,918	(1.49)
	2005	18,629	33,903	(15,274)	5,605	4,232	9,837	(1.55)
	2004	18,944	31,977	(13,033)	3,145	1,852	4,997	(2.61)
	2003	20,892	32,214	(11,322)	2,205	1,983	4,188	(2.70)
	2002	19,671	30,102	(10,431)	1,925	2,165	4,090	(2.55)
	2001	27,451	23,960	3,491	1,955	2,297	4,252	0.82
	2000	23,075	20,814	2,261	2,263	3,590	5,853	0.39
	1999	22,182	15,428	6,754	1,748	3,548	5,296	1.28
Sabine River Authority	2008	\$ 8,764	\$ 5,791	\$ 2,973	\$ 730	\$ 288	\$ 1,018	2.92
	2007	5,755	4,129	1,626	695	274	969	1.68
	2006	4,581	4,457	124	660	386	1,046	0.12
	2005	6,581	4,253	2,328	630	282	912	2.55
	2004	6,282	3,603	2,679	9,035	724	9,759	0.27
	2003	6,042	4,030	2,012	1,985	473	2,458	0.82
	2002	5,922	3,570	2,352	1,210	523	1,733	1.36
	2001	7,054	4,259	2,795	1,150	572	1,722	1.62
	2000	5,033	3,868	1,165	635	595	1,230	0.95
	1999	6,796	4,085	2,711	945	160	1,105	2.45
PUBLIC FACILITIES BONDS:								
Louisiana Agricultural Finance Authority	2008	\$ 10,563	\$ 7,529	\$ 3,034	\$ 300	\$ 4,684	\$ 4,984	0.61
	2007	7,474	10,286	(2,812)	--	1,171	1,171	(2.40)
	2006	22,866	14,270	8,596	7,608	266	7,874	1.09
	2005	4,624	5,364	(740)	841	929	1,770	(0.42)
	2004	5,791	6,379	(588)	275	72	347	(1.69)
	2003	1,937	3,679	(1,742)	7,275	79	7,354	(0.24)
	2002	1,590	2,946	(1,356)	820	116	936	(1.45)
	2001	2,416	2,983	(567)	785	152	937	(0.61)
	2000	2,394	4,537	(2,143)	640	180	820	(2.61)
	1999	2,239	1,568	671	1,640	75	1,715	0.39
Louisiana Stadium and Exposition District	2008	\$ 36,530	\$ 55,347	\$ (18,817)	\$ --	\$ 5,193	\$ 5,193	(3.62)
	2007	25,569	37,868	(12,299)	--	6,904	6,904	(1.78)
	2006	7,404	19,517	(12,113)	4,580	9,586	14,166	(0.86)
	2005	25,130	43,596	(18,466)	4,545	9,820	14,365	(1.29)
	2004	30,597	45,581	(14,984)	4,120	9,663	13,783	(1.09)
	2003	32,112	48,331	(16,219)	3,905	9,876	13,781	(1.18)
	2002	29,466	43,045	(13,579)	3,710	10,076	13,786	(0.98)
	2001	29,079	39,838	(10,759)	3,520	10,264	13,784	(0.78)
	2000	27,078	34,810	(7,732)	3,185	10,598	13,783	(0.56)
	1999	19,023	27,636	(8,613)	--	1,632	1,632	(5.28)
STUDENT UNIVERSITY BONDS:								
Colleges and Universities	2008	\$ 901,920	\$ 3,610,696	\$ (2,708,766)	\$ 82,711	\$ 55,265	\$ 139,976	(19.63)
	2007	909,169	3,040,456	(2,131,287)	24,406	34,629	59,035	(36.10)
	2006	851,690	4,036,354	(3,184,664)	15,728	22,043	37,771	(84.32)
	2005	848,806	2,916,686	(2,067,880)	75,675	21,739	97,414	(21.23)
	2004	757,334	2,687,044	(1,929,710)	32,430	20,773	53,203	(36.27)
	2003	669,838	2,502,360	(1,832,522)	51,851	13,611	65,462	(27.99)
	2002	656,545	2,316,838	(1,660,293)	12,494	12,435	24,929	(66.60)

State of Louisiana

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

(EXPRESSED IN THOUSANDS)

GOVERNMENTAL ACTIVITIES						
FISCAL YEAR	GENERAL OBLIGATION BONDS (1)	TIMED BONDS	TOBACCO SETTLEMENT FINANCING CORPORATION	OFFICE FACILITIES CORPORATION	OTHER (2)	
2008	\$ 3,563,209	\$ 4,060,540	\$ 1,373,742	\$ 410,538	\$ 156,536	
2007	3,844,626	4,158,092	1,476,119	443,363	151,732	
2006	2,844,454	1,568,930	1,563,849	476,186	168,891	
2005	3,033,297	1,612,998	1,648,561	504,719	181,520	
2004	2,608,149	494,088	1,740,216	350,468	198,675	
2003	2,876,617	545,788	1,831,987	223,226	218,719	
2002	2,778,041	67,807	1,941,223	238,129	92,415	
2001	2,661,486	101,710	--	15,035	115,269	
2000	2,360,814	135,612	--	16,713	137,786	
1999	2,453,476	169,518	--	--	162,660	

BUSINESS-TYPE ACTIVITIES					
FISCAL YEAR	OFFICE FACILITIES CORPORATION (3)	OTHER (4)	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	
2008	\$ --	\$ 257,665	\$ 9,822,230	* %	
2007	--	267,600	10,341,532	1.68	
2006	--	274,224	6,896,534	1.28	
2005	--	277,889	7,258,984	1.61	
2004	182,776	--	5,574,372	1.13	
2003	155,826	851	5,853,014	1.26	
2002	160,806	3,261	5,281,682	1.17	
2001	399,228	5,468	3,298,196	0.75	
2000	245,835	7,749	2,904,509	0.70	
1999	20,034	10,473	2,816,161	0.72	

(1) General Obligation Bonds less Reimbursable Contracts

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

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

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

* Information not yet available

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

YEAR	POPULATION	PERSONAL INCOME	PER CAPITA PERSONAL INCOME	MEDIAN AGE
	(A)(B)(1)(2)	(A)(2)	(C)(2)	(1)
2007	4,293	\$ 153,569,577	\$ 35,770	35.6
2006	4,288	134,504,614	31,369	35.7
2005	4,524	111,200,646	24,582	35.2
2004	4,516	122,913,214	27,581	34.9
2003	4,496	116,176,096	26,038	34.7
2002	4,483	112,709,180	25,370	34.5
2001	4,465	110,256,197	24,084	34.3
2000	4,469	103,150,742	23,041	34.0
1999	4,372	98,199,625	22,847	34.1
1998	4,369	96,677,099	21,385	33.9

YEAR	CIVILIAN LABOR FORCE	LOUISIANA UNEMPLOYMENT RATE	U.S. UNEMPLOYMENT RATE
	(A)(1)	(1)	(1)
2007	1,998	3.8%	4.6%
2006	1,990	4.0	4.6
2005	2,077	6.7	5.1
2004	2,058	5.7	5.5
2003	2,037	6.6	6.0
2002	2,006	6.1	5.8
2001	2,050	6.0	4.8
2000	2,030	5.5	4.0
1999	2,052	5.1	4.2
1998	2,063	5.7	4.5

(A) Expressed in thousands

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

(C) Expressed in dollars

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

State of Louisiana

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

2008 EMPLOYER	RANGE	1999 EMPLOYER
STATE OF LOUISIANA (1)	50,000+	WALMART STORES, INC.
LOUISIANA STATE UNIVERSITY SYSTEM (2)	25,000+	WINN DIXIE LOUISIANA, INC
BARKSDALE AIR FORCE BASE	10,000+	AVONDALE INDUSTRIES, INC.
UNIVERSITY OF LOUISIANA SYSTEM (2)	5,000 - 9,999	EXXON CORPORATION
NORTHROP GRUMMAN SHIP SYSTEMS	5,000 - 9,999	BELLSOUTH TELECOMMUNICATIONS
OCHSNER HEALTH SYSTEM	5,000 - 9,999	THE HIBERNIA NATIONAL BANK
TULANE UNIVERSITY	5,000 - 9,999	K MART CORPORATION
HARRAH'S ENTERTAINMENT	5,000 - 9,999	BROWN & ROOT, INC.
LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM (2)	5,000 - 9,999	ALTON OCHSNER FOUNDATION HOSP.
WILLIS KNIGHTON HEALTH SYSTEM	1,000 - 4,999	BURGER KING, CORP.
US POST OFFICE	1,000 - 4,999	SEARS ROEBUCK & CO.
JCC HOLDING COMPANY II LLC	1,000 - 4,999	WILLIS-KNIGHTON MEDICAL CTR., INC.
ACADIANA SHARPENING SERVICE	1,000 - 4,999	OUR LADY OF THE LAKE MEDICAL CENTER
SOUTHERN UNIVERSITY SYSTEM (2)	1,000 - 4,999	DILLARDS DEPARTMENT STORES, INC.
EAST JEFFERSON HOSPITAL	1,000 - 4,999	CONAGRA POULTRY COMPANY

1999 employer list is from the Office of Statewide Reporting and Accounting Policy archive files - range information not available and limited to private employers.

(1) Government - Primary

(2) Government - Component Unit

State of Louisiana

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	2008	2007	2006	2005	2004
CULTURE, RECREATION, AND TOURISM					
STATE PARKS	25	24	24	24	24
STATE PARKS (ACREAGE)	32,181	30,984	30,984	30,984	30,984
STATE HISTORIC SITES	20	20	20	21	21
STATE HISTORIC SITES (ACREAGE)	2,557	2,539	2,539	2,617	2,617
TRANSPORTATION AND DEVELOPMENT					
STATE HIGHWAYS (MILES)	16,685	16,691	16,691	16,697	16,694
PARISH ROADS (MILES)	33,366	33,280	33,319	33,332	33,311
CITY STREETS (MILES)	11,010	10,949	10,935	10,921	10,932
BRIDGES ON STATE HIGHWAYS	7,931	7,914	7,889	7,899	7,887
BRIDGES OFF STATE HIGHWAYS	5,226	5,261	5,292	5,307	5,336
PUBLIC SAFETY					
TROOPS	9	9	9	9	9

	2003	2002	2001	2000	1999
CULTURE, RECREATION, AND TOURISM					
STATE PARKS	24	23	23	23	17
STATE PARKS (ACREAGE)	30,664	27,649	26,907	26,207	22,581
STATE HISTORIC SITES	21	21	22	22	15
STATE HISTORIC SITES (ACREAGE)	2,617	2,617	2,620	2,613	2,072
TRANSPORTATION AND DEVELOPMENT					
STATE HIGHWAYS (MILES)	16,699	16,706	16,698	16,701	16,701
PARISH ROADS (MILES)	33,311	33,223	33,220	33,219	33,157
CITY STREETS (MILES)	10,907	10,898	10,899	10,895	10,887
BRIDGES ON STATE HIGHWAYS	7,875	7,869	7,928	7,936	7,927
BRIDGES OFF STATE HIGHWAYS	5,374	5,405	5,612	5,669	5,738
PUBLIC SAFETY					
TROOPS	9	9	9	9	9

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

State of Louisiana

LOUISIANA STATE EMPLOYEES BY FUNCTION/PROGRAM LAST SEVEN FISCAL YEARS

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
GENERAL GOVERNMENT				
CLASSIFIED	6,456	6,322	6,138	6,414
UNCLASSIFIED	4,036	4,273	4,229	4,165
CULTURE, RECREATION, AND TOURISM				
CLASSIFIED	690	665	594	715
UNCLASSIFIED	562	406	352	676
TRANSPORTATION AND DEVELOPMENT				
CLASSIFIED	4,536	4,641	4,705	5,005
UNCLASSIFIED	171	122	96	92
PUBLIC SAFETY				
CLASSIFIED	2,827	2,833	2,835	2,890
UNCLASSIFIED	88	96	85	93
HEALTH AND WELFARE				
CLASSIFIED	16,875	16,835	16,373	17,688
UNCLASSIFIED	1,509	1,341	1,030	1,091
CORRECTIONS				
CLASSIFIED	6,136	5,902	5,794	7,370
UNCLASSIFIED	331	334	256	546
YOUTH SERVICES *				
CLASSIFIED	1,039	1,005	1,029	--
UNCLASSIFIED	203	179	175	--
CONSERVATION AND ENVIRONMENT				
CLASSIFIED	2,152	2,162	2,098	2,239
UNCLASSIFIED	177	177	146	244
EDUCATION				
CLASSIFIED	1,158	1,133	1,135	1,269
UNCLASSIFIED	3,017	2,331	1,091	1,165
COLLEGES AND UNIVERSITIES				
CLASSIFIED	17,931	17,076	16,129	19,759
UNCLASSIFIED	27,813	26,613	25,716	27,663
OTHER				
CLASSIFIED	1,793	1,830	2,040	2,189
UNCLASSIFIED	973	979	898	827
TOTAL	<u>100,473</u>	<u>97,255</u>	<u>92,944</u>	<u>102,100</u>

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

Source: Louisiana Department of Civil Service

State of Louisiana

<u>2004</u>	<u>2003</u>	<u>2002</u>
6,282	6,343	6,287
4,030	4,082	4,027
722	708	754
664	665	685
5,168	5,228	5,181
103	105	91
2,892	2,834	2,762
125	113	112
17,687	17,840	17,672
1,020	1,010	1,000
7,378	7,660	7,701
583	536	569
--	--	--
--	--	--
2,235	2,219	2,163
255	262	288
1,249	1,194	1,167
1,162	1,357	1,307
19,995	20,634	20,552
26,887	26,394	24,640
2,261	2,270	2,282
808	768	713
<u>101,506</u>	<u>102,222</u>	<u>99,953</u>

State of Louisiana

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN YEARS

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
GENERAL GOVERNMENT				
AGRICULTURE - CROPS (thousands of dollars) - [1]	*	\$1,768,902	\$1,321,910	\$1,204,605
AGRICULTURE - LIVESTOCK (thousands of dollars) - [1]	*	\$941,322	\$864,269	\$920,093
AGRICULTURE - TIMBER (thousands of dollars) - [1]	*	\$558,445	\$727,747	\$581,709
ELECTIONS - REGISTERED VOTERS (in thousands) - [1]	*	2,838	2,894	2,845
REVENUE - TAX RETURNS FILED (in thousands) - [2]	*	4,702	3,848	4,061
REVENUE - TAX RETURNS FILED ELECTRONICALLY - [2]	*	45%	41%	32%
CULTURE, RECREATION, AND TOURISM				
STATE PARKS VISITORS (in thousands) - [2]	1,784	1,678	1,596	2,183
TRANSPORTATION AND DEVELOPMENT				
NUMBER OF BRIDGES	13,157	13,175	13,181	13,206
OPERATIONAL COST FOR STATE-OWNED HIGHWAYS - [2]	\$19,140	\$18,576	\$15,269	\$15,514
PUBLIC SAFETY				
STATE POLICE ROAD PATROL MILEAGE (in thousands) - [2]	10,699	9,262	10,119	10,204
HEALTH AND WELFARE				
DHH - MEDICAID CLAIMS PROCESSED (in thousands) - [2]	51,089	64,914	46,725	51,930
DHH - CHILDREN IMMUNIZED - [1]	*	96.0%	95.3%	95.0%
CORRECTIONS				
AVERAGE DAILY COST PER INMATE BED - [2]	\$56.25	\$48.97	\$47.00	\$48.99
CONSERVATION AND ENVIRONMENT				
WLF - FISH AND SHELLFISH (thousands of dollars) - [1]	*	\$289,536	\$270,633	\$251,895
WLF - ALLIGATOR AND GAME (thousands of dollars) - [1]	*	*	\$64,370	\$52,617
WLF - HUNTER DAYS ANNUALLY (in millions) - [1]	*	5.1	5.0	5.0
WLF - LICENSED COMMERCIAL FISHERMEN - [1]	*	11,785	12,095	14,120
EDUCATION				
GRADES K-12 (number of students) - [3]		632,923	636,233	587,205
AVERAGE ACT SCORE - [4]	20.3	20.1	20.1	19.8
START PRINCIPAL DEPOSITS (thousands of dollars) - [1]	*	\$171,689	\$127,082	\$93,217
TOPS TUITION AWARDS (thousands of dollars) - [2]	\$117,146	\$121,660	\$116,203	\$118,882
TOPS AWARDS RECIPIENTS (number of students) - [2]	42,031	43,952	42,130	42,435
COLLEGES & UNIVERSITIES (number of students) - [5]	*	198,016	195,380	205,300

* Information for this year is not available

Sources: [1] based on calendar years
 [2] based on fiscal years
 [3] based on school year reported on October 1
 [4] based on graduating class
 [5] based on preliminary reported on September 1

State of Louisiana

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$1,347,810	\$1,296,021	\$1,159,194	\$1,115,793	\$1,166,533	\$1,227,563
\$877,993	\$697,345	\$614,049	\$701,131	\$653,274	\$620,036
\$593,094	\$605,357	\$568,440	\$559,383	\$654,770	\$680,314
2,820	2,787	2,720	2,763	2,725	2,726
4,195	3,949	4,084	4,341	--	--
25%	17%	14%	11%	--	--
2,087	2,064	2,008	1,970	1,713	1,469
13,223	13,249	13,274	13,540	13,605	13,665
\$14,006	--	--	--	--	--
10,904	10,447	10,378	11,452	11,732	11,751
47,133	40,399	35,242	32,753	30,076	28,796
92.3%	90.4%	95.0%	97.3%	97.0%	96.7%
\$44.97	\$43.38	\$41.62	\$40.33	\$37.93	\$35.04
\$275,634	\$271,113	\$279,989	\$345,091	\$418,918	\$336,963
\$44,748	\$37,252	\$32,886	\$25,614	\$32,543	\$24,031
--	5.8	6.0	5.8	6.0	6.7
15,832	17,070	18,419	19,080	18,061	17,778
701,471	705,534	708,238	714,020	727,255	738,624
19.8	19.6	19.6	19.6	19.6	19.6
\$63,049	\$37,317	\$9,207	\$7,707	\$4,020	\$2,600
\$110,926	\$103,729	\$103,273	\$90,492	\$67,084	\$53,407
41,034	40,107	40,851	35,726	29,120	23,509
214,345	210,527	204,197	201,295	191,673	192,965



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