



Louisiana ended fiscal year 2014 with an estimated \$178.5 million surplus. The Office of Planning and Budget is required to provide a budget status report to the Joint Legislative Committee on the Budget (JLCB) that reflects the state General Fund balance. That report will be presented at the next JLCB meeting Friday, October 17. In the meantime, we have included information below on the state's accounting methods and 2014 calculations.

Accounting Method

- » Louisiana calculated its 2014 year-end balance on a modified cash basis, the same way it calculated the balance in previous years. This method uses the same basis of accounting as the budget adopted by the Legislature.
- » A modified cash basis includes all cash receipts and disbursements as of June 30. Adjustments are made to include revenues that the state is legally entitled to, but has not received. For example, sales tax revenue is recognized when the original transaction takes place, not when the state receives the revenue from the merchant.
- » On the expenditure side, we adjust the balance when the expense is incurred, not when the bill is paid. For example, legal services rendered in June are included in the report, even if the bill is not paid until July.

2014 Calculations

- » While the accounting method has not changed for FY 14, another revenue source was identified that had not previously been included in year-end reports.
- » In previous years, excess funds leftover after sweeps from inter-agency transfers and other self-generated revenues was NOT included in the final report.
- » Sound accounting principles require all revenue sources to be included. When an internal review found that this revenue had not been previously reported, the Division of Administration was obligated to include it in the 2014 report.
- » The balance that helps to make up the 2014 surplus has been collected and is currently in the state General Fund. In any accounting method - whether cash, accrual or modified cash - this balance would be included in year-end calculations.

FY 2013 Balance

- » Included revenue from REC, the Funds Bill, and carryover from previous years.
- » Did not include unobligated balances remaining at year-end from interagency transfers and self-generated means of financing.

FY 2014 Balance

- » Included revenue from REC, the Funds Bill, and carryover from previous years.
- » Also includes unobligated cash balances remaining at year-end from interagency transfers and self-generated means of financing.